Preliminary Placement Document
Subject to Completion
Not for Circulation and Strictly Confidential
Serial Number: [●]

The information in this Preliminary Placement Document is not complete and may be changed. The Issue is meant only for Eligible QIBs under Chapter VI of the SEBI ICDR Regulations, on a private placement basis and is not an offer to the public or to any other class of investors to purchase the Equity Shares. This Preliminary Placement Document is not an offer to sell any Equity Shares and is not soliciting an offer to subscribe to or buy the Equity Shares in any jurisdiction where such offer, sale or subscription is not permitted. It is being issued for the sole purpose of information or discussion relating to the Equity Shares that may be issued through the Placement Document.

PONDY OXIDES AND CHEMICALS LIMITED

Pondy Oxides and Chemicals Limited (the "**Company**" or the "**Issuer**") was incorporated on March 21, 1995, as a public limited company, under the provisions of Companies Act, 1956 as Pondy Oxides and Chemicals Limited, pursuant to a certificate of incorporation issued by the Registrar of Companies Tamil Nadu at Madras and received the commencement of business operations certificate on March 31, 1995, from the Registrar of Companies Tamil Nadu at Madras. For further details, see *"General Information"* beginning on page 279.

Registered Office: KRM Centre, 4th floor, No. 2, Harrington Road, Chetpet, Chennai 600031
Contact Person: K Kumaravel, Company Secretary and Compliance Officer
Telephone: +044 4296 5454 | **E-mail:** secretarial@pocl.com/info@pocl.com | **Website:** www.pocl.com| **CIN:** L24294TN1995PLC030586

Issue of up to [●] equity shares of face value ₹ 5 each of our Company ("**Equity Shares**") at a price of ₹ [●] per Equity Share (the "**Issue Price**"), including a premium of ₹ [●] per Equity Share, aggregating up to ₹ [●] lakhs (the "**Issue**"). For further details, see "*Summary of the Issue*" beginning on page 28.

THIS ISSUE IS BEING UNDERTAKEN IN RELIANCE UPON CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS") AND SECTION 42 AND SECTION 62 OF THE COMPANIES ACT, 2013 READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES") AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER, EACH AS AMENDED (THE "COMPANIES ACT")

OUR COMPANY HAS PREPARED THIS PRELIMINARY PLACEMENT DOCUMENT SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE ISSUE. THE ISSUE AND THE DISTRIBUTION OF THIS PRELIMINARY PLACEMENT DOCUMENT IS BEING MADE TO ELIGIBLE QIBs (AS DEFINED HEREINAFTER) IN RELIANCE UPON SECTION 42 OF THE COMPANIES ACT, READ WITH RULE 14 OF THE PAS RULES AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT AND CHAPTER VI OF THE SEBI ICDR REGULATIONS. THIS PRELIMINARY PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR. THE ISSUE DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR TO ANY OTHER PROSPECTIVE INVESTOR OR CLASS OR CATEGORY OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN ELIGIBLE QIBs. THIS PRELIMINARY PLACEMENT DOCUMENT SHALL BE CIRCULATED ONLY TO SUCH ELIGIBLE QIBs WHOSE NAMES ARE RECORDED BY OUR COMPANY PRIOR TO MAKING AN INVITATION TO SUBSCRIBE TO THE EQUITY SHARES.

YOU MAY NOT AND ARE NOT AUTHORISED TO (1) DELIVER THIS PRELIMINARY PLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE THIS PRELIMINARY PLACEMENT DOCUMENT IN ANY MANNER WHATSOEVER; OR (3) RELEASE ANY PUBLIC ADVERTISEMENTS OR UTILISE ANY MEDIA, MARKETING OR DISTRIBUTION CHANNELS OR AGENTS TO INFORM THE PUBLIC AT LARGE ABOUT THE ISSUE. ANY DISTRIBUTION OR REPRODUCTION OF THIS PRELIMINARY PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN VIOLATION OF THE COMPANIES ACT, THE SEBI ICDR REGULATIONS OR OTHER APPLICABLE LAWS OF INDIA AND OF OTHER JURISDICTIONS.

INVESTMENTS IN EQUITY SHARES INVOLVE A HIGH DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THE ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ THE SECTION "*RISK FACTORS*" BEGINNING ON PAGE 40 BEFORE MAKING AN INVESTMENT DECISION RELATING TO THE ISSUE, EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS OWN ADVISORS ABOUT THE PARTICULAR CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES TO BE ISSUED PURSUANT TO THIS PRELIMINARY PLACEMENT DOCUMENT AND THE PLACEMENT DOCUMENT (AS DEFINED HEREINAFTER). PROSPECTIVE INVESTORS SHALL CONDUCT THEIR OWN DUE DILIGENCE ON THE EQUITY SHARES AND OUR COMPANY. IF YOU DO NOT UNDERSTAND THE CONTENTS OF THIS PRELIMINARY PLACEMENT DOCUMENT AND/OR THE PLACEMENT DOCUMENT, YOU SHOULD CONSULT AN AUTHORISED FINANCIAL ADVISOR AND/OR LEGAL ADVISOR.

The Equity Shares are listed on BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**", and together with BSE, the "**Stock Exchanges**"). The closing price of the outstanding Equity Shares on BSE and NSE as on December 17, 2024 was ₹ 910.35 and ₹ 912.15 per Equity Share, respectively. Our Company has received in-principle approvals pursuant to Regulation 28(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("**SEBI Listing Regulations**"), for listing of the Equity Shares to be issued pursuant to the Issue, have been received from BSE and NSE both dated December 17, 2024. Our Company shall make applications to the Stock Exchanges for obtaining the final listing and trading approvals for the Equity Shares to be issued pursuant to this Issue. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed, or reports contained herein. Admission of the Equity Shares to be issued pursuant to this Issue for trading on the Stock Exchanges should not be taken as an indication of the merits of our Company or of the Equity Shares.

A copy of this Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4 (*as defined hereinafter*)) has been delivered to the Stock Exchanges and a copy of the Placement Document (which shall also include disclosures prescribed under Form PAS-4) will be delivered to the Stock Exchanges in due course. Our Company shall also make requisite filings with the Registrar of Companies Tamil Nadu at Chennai ("**RoC**"), within the stipulated timeframe prescribed under the Companies Act and the PAS Rules. This Preliminary Placement Document has not been reviewed by the Securities and Exchange Board of India ("**SEBI**"), the Stock Exchanges, the RoC or any other regulatory or listing authority and is intended only for use by Eligible QIBs (*as defined hereinafter*). This Preliminary Placement Document has not been and will not be filed as a prospectus with the RoC, will not be circulated or distributed to the public in India or any other jurisdiction, and the Issue will not constitute a public offer in India or any other jurisdiction. The placement of Equity Shares proposed to be made pursuant to this Preliminary Placement Document is meant solely for Eligible QIBs on a private placement basis and is not an offer to the public or to any other class of investors.

Invitations, offers and sales of Equity Shares to be issued pursuant to the Issue shall only be made pursuant to this Preliminary Placement Document together with the Application Form, the Placement Document and the Confirmation of Allocation Note (*each as defined hereinafter*). For further details, see "*Issue Procedure*" beginning on page 233. The distribution of this Preliminary Placement Document or the disclosure of its contents, without our Company's prior consent, to any person, other than Eligible QIBs and persons retained by Eligible QIBs to advise them with respect to their purchase of Equity Shares, is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and to make no copies of this Preliminary Placement Document or any documents referred to in this Preliminary Placement Document.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or the securities laws of any state of the United States and may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions", as defined in and in reliance on Regulation S under the U.S. Securities Act ("**Regulation S**") and in accordance with the applicable laws of the jurisdictions where those offers and sales are made. For the selling restrictions in certain other jurisdictions, see *"Selling Restrictions"* beginning on page 250. See *"Purchaser Representations and Transfer Restrictions"* beginning on page 257 for information about transfer restrictions that apply to the Equity Shares sold in the Issue.

The information on our Company's or Subsidiaries' website or any website directly or indirectly linked to our Company's or Subsidiaries' website or the websites of the BRLM (*as defined hereinafter*) or any of their respective affiliates does not constitute or form a part of this Preliminary Placement Document and prospective investors should not rely on such information contained in, or available through, any such websites for their investment in this Issue.

This Preliminary Placement Document is dated December 17, 2024.

BOOK RUNNING LEAD MANAGER

SYSTEMATIX CORPORATE SERVICES LIMITED

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NOTICE TO INVESTORS

Our Company has furnished and accepts full responsibility for all the information contained in this Preliminary Placement Document and confirms that to the best of our knowledge and belief, having made all reasonable enquiries, this Preliminary Placement Document contains all the information with respect to us and the Equity Shares which is material in the context of the Issue. The statements contained in this Preliminary Placement Document relating to us and the Equity Shares are, in all material respects, true, accurate and not misleading, and the opinions and intentions expressed in this Preliminary Placement Document with regard to us and the Equity Shares are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions and information presently available to us. There are no other facts in relation to us and the Equity Shares, the omission of which would, in the context of the Issue, make any statement in this Preliminary Placement Document misleading in any material respect. Further, all reasonable enquiries have been made by us to ascertain such facts and to verify the accuracy of all such information and statements. Unless otherwise stated, all information in this Preliminary Placement Document is provided as of the date of this Preliminary Placement Document and neither our Company nor the Book Running Lead Manager have any obligation to update such information to a later date. Neither the delivery of this Preliminary Placement Document nor any issue of Equity Shares made hereunder shall, under any circumstances, constitute a representation or create any implication that the information contained in this Preliminary Placement Document is correct as of any time subsequent to its date. The information contained in this Preliminary Placement Document has been provided by our Company and from other sources identified herein.

Systematix Corporate Services Limited (the "**Book Running Lead Manager**" or "**BRLM**") has not separately verified all of the information contained in this Preliminary Placement Document (financial, legal or otherwise). Accordingly, neither the BRLM nor any of its shareholders, employees, counsels, officers, directors, representatives, agents or affiliates make any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by such persons, as to the accuracy or completeness of the information contained in this Preliminary Placement Document or any other information (financial, legal or otherwise) supplied in connection with us and the Equity Shares or distribution of this Preliminary Placement Document. Each person receiving this Preliminary Placement Document acknowledges that such person has not relied on the BRLM or on any of its shareholders, employees, counsels, officers, directors, representatives, agents, associates or any other affiliates in connection with such person's investigation of the accuracy of such information or such person's investment decision, and each such person must rely on its own examination of our Company and our Subsidiaries and the merits and risks involved in investing in the Equity Shares offered in the Issue.

No person is authorised to give any information or to make any representation not contained in this Preliminary Placement Document and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of our Company or by or on behalf of the BRLM.

The Equity Shares offered in the Issue have not been approved, disapproved or recommended by the securities authority or any other regulatory authority of any jurisdiction, including SEBI. No authority has passed on or endorsed the merits of the Issue or the accuracy or adequacy of this Preliminary Placement Document. Any representation to the contrary is a criminal offence in certain jurisdictions.

The distribution of this Preliminary Placement Document or the disclosure of its contents without the prior consent of our Company to any person, other than Eligible QIBs, whose names are recorded by our Company prior to the invitation to subscribe to the Issue, in consultation with the Book Running Lead Manager, or its representatives, and those retained by Eligible QIBs to advise them with respect to their purchase of the Equity Shares, is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and not further distribute or make any copies of this Preliminary Placement Document or any documents referred to in this Preliminary Placement Document.

The distribution of this Preliminary Placement Document and the issue of the Equity Shares offered in the Issue may be restricted in certain countries or jurisdictions by applicable laws. As such, this Preliminary Placement Document does not constitute and may not be used for or in connection with, an offer or solicitation by anyone in any country or jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. In particular, except for in India, no action has been taken by our Company and the BRLM that would permit an offering of the Equity Shares or distribution of this Preliminary Placement Document in any country or jurisdiction, where action for that purpose is required. The Equity Shares offered in the Issue, may not be offered or sold, directly or indirectly, and neither this Preliminary Placement Document nor any offering material issued in connection with the Issue may be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. In particular, the Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions" as defined in and in reliance on Regulation S and the applicable laws of the jurisdictions where those offers and sales are made. For a description of the restrictions applicable to the offer and sale of the Equity Shares offered in the Issue in certain other jurisdictions, see "*Selling Restrictions*" beginning on page 250. Further, see "*Purchaser Representations and Transfer Restrictions*" beginning on page 257 for information about transfer restrictions that apply to the Equity Shares sold in the Issue.

In making an investment decision, prospective investors must rely on their own examination of our Company and our Subsidiaries and the terms of the Issue, including the merits and risks involved. Prospective investors should not construe the contents of this Preliminary Placement Document as legal, business, tax, accounting or investment advice. Prospective investors should consult their own counsel and advisors as to business, investment, legal, tax, accounting and related matters concerning the Issue. In addition, our Company or the BRLM is not making any representation to any prospective investor, regarding the legality or suitability of an investment in the Equity Shares by such prospective purchaser under applicable legal, investment or similar laws or regulations. Prospective investors should conduct their own due diligence on the Equity Shares and our Company.

Each investor, purchaser, offeree or subscriber of the Equity Shares in the Issue is deemed to have acknowledged, represented and agreed that it is an Eligible QIB and is eligible to invest in India and in our Company under applicable law, including Chapter VI of the SEBI ICDR Regulations, Sections 42 and 62 of the Companies Act, Rule 14 of the PAS Rules and other provisions of the Companies Act, and that it is not prohibited by SEBI or any other regulatory, statutory or judicial authority, in India or any other jurisdiction, from buying, selling or dealing in securities, including the Equity Shares.

This Preliminary Placement Document contains summaries of certain terms of certain documents, which summaries are qualified in their entirety by the terms and conditions of such documents.

Our Company and the BRLM are not liable for any amendment or modification or change to applicable laws or regulations that may occur after the date of this Preliminary Placement Document.

The information on our Company's website, www.pocl.com, or any website directly or indirectly linked to the website of our Company or on the websites of the BRLM or any of its affiliates does not constitute nor form part of this Preliminary Placement Document. Prospective investors should not rely on any such information contained in, or available through, any such websites.

Our Company agrees to comply with any undertakings given by it from time to time in connection with the Equity Shares to the Stock Exchanges and without prejudice to the generality of foregoing, shall furnish to the Stock Exchanges all such information as the rules of the Stock Exchanges may require in connection with the listing of the Equity Shares on the Stock Exchanges.

REPRESENTATIONS BY INVESTORS

All references to "you" or "your" in this section are to the Bidders in this Issue. By bidding for and/or subscribing to any of the Equity Shares offered in this Issue, you are deemed to have represented, warranted, acknowledged and agreements set forth in the sections "*Notice to Investors*", "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" beginning on pages 1, 250 and 257, respectively, and to have represented, warranted and acknowledged to and agreed to our Company and the BRLM as follows:

- You are a "**Qualified Institutional Buyer**" as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations and not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, having a valid and existing registration under applicable laws and regulations of India, and undertake to (i) acquire, hold, manage or dispose of any Equity Shares that are Allotted (hereinafter defined) to you in accordance with Chapter VI of the SEBI ICDR Regulations, the Companies Act, 2013 and all other applicable laws; and (ii) comply with all requirements under applicable law in this relation, including reporting obligations, requirements/ making necessary filings, if any, in connection with the Issue or otherwise accessing capital markets;

- You are eligible to invest in India under applicable law, including the FEMA Rules (as defined hereinafter) and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI or any other regulatory authority, statutory authority or otherwise, from buying, selling, or dealing in securities or otherwise accessing capital markets in India;

- If you are not a resident of India, but a QIB, you are an Eligible FPI (and are not an individual, corporate body or a family office), having a valid and existing registration with SEBI under the applicable laws in India or a multilateral or bilateral development financial institution, and are eligible to invest in India under applicable law, including the SEBI FPI Regulations, FEMA Rules, and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets. You confirm that you are not an FVCI;

- You will provide the information as required under the Companies Act, the PAS Rules and applicable SEBI ICDR Regulations and rules for record keeping by our Company, including your name, complete address, phone number, e-mail address, permanent account number (if applicable) and bank account details and such other details as may be prescribed or otherwise required even after the closure of the Issue;

- You are eligible to invest and hold the Equity Shares of our Company in accordance with the FDI Policy (as defined hereinafter), and read along with the Press Note no. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, and the related amendment to the FEMA Rules, wherein if the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, foreign direct investments can only be made through the Government approval route, as prescribed in the Rule 6 of the FEMA Rules**;**

- If you are Allotted Equity Shares pursuant to the Issue, you shall not, for a period of one year from the date of Allotment (as defined hereinafter), sell the Equity Shares so acquired, except on the floor of the Stock Exchanges and in accordance with any other resale restrictions applicable to you. You hereby make the representations, warranties, acknowledgements, undertakings and agreements in the sections entitled "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" beginning on pages 250 and 257 respectively;

- You are aware that this Preliminary Placement Document and the Placement Document has not been and will not be filed as a prospectus with the RoC under the Companies Act, the SEBI ICDR Regulations or under any other law in force in India and no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than Eligible QIBs. You acknowledge that this Preliminary Placement Document has not been reviewed, verified or affirmed by the RBI, SEBI, the Stock Exchanges, the RoC or any other regulatory or listing authority and is intended only for use by Eligible QIBs;

- You are permitted to subscribe for and acquire the Equity Shares under the laws of all relevant jurisdictions that apply to you and that you have fully observed such laws and you have necessary capacity, have obtained all necessary consents, governmental or otherwise and authorisations and complied and shall comply with all necessary formalities, to enable you to participate in the Issue and to perform your obligations in relation thereto (including, without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorisations to agree to the terms set out or referred to in this Preliminary Placement Document), and will honour such obligations;

- You are aware that our Company, the BRLM and their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates are not making any recommendations to you or advising you regarding the suitability of investing in the Equity Shares offered in the Issue and your participation in the Issue is on the basis that you are not, and will not, up to the Allotment, be a client of the BRLM. You acknowledge that the BRLM and its shareholders, directors, officers, employees, counsels, representatives, agents or affiliates do not have any duties or responsibilities to you for providing the protection afforded to their clients or customers or for providing advice in relation to the Issue and are not, in any way, acting in any fiduciary capacity in relation to you;

- You confirm that, either: (i) you have not participated in or attended any investor meetings or presentations by our Company or its agents (the "**Company Presentations**") with regard to our Company or the Issue; or (ii) if you have participated in or attended any Company Presentations: (a) you understand and acknowledge that the BRLM may not have knowledge of the statements that our Company or its agents may have made at such Company Presentations and are therefore unable to determine whether the information provided to you at such Company Presentations may have included any material misstatements or omissions, and, accordingly you acknowledge that the BRLM have advised you not to place undue reliance in any way on any information that was provided to you at such Company Presentations, and (b) confirm that you have not been provided any material or price sensitive information relating to our Company and the Issue that was not publicly available;

- Your decision to subscribe to the Equity Shares to be issued pursuant to the Issue has not been made on the basis of any information, that is not set forth in this Preliminary Placement Document;

- You are subscribing to the Equity Shares to be issued pursuant to the Issue in accordance with applicable laws and by participating in this Issue, you are not in violation of any applicable law, including but not limited to the SEBI Insider Trading Regulations, the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, as amended, and the Companies Act;

- You understand that the Equity Shares being issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association of our Company and will be credited as fully paid-up and will rank *pari passu* in all respects with the existing Equity Shares including the right to receive dividend and other distributions declared.

- You acknowledge that all statements other than statements of historical fact included in this Preliminary Placement Document, including, without limitation, those regarding us or our financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to our business), are forward-looking statements. You are aware that, such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. You acknowledge that all forward-looking statements are based on numerous assumptions regarding our present and future business strategies and environment in which we will operate in the future. You shall not place undue reliance on forward-looking statements, which speak only as at the date of this Preliminary Placement Document. You acknowledge that none of our Company, the BRLM or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates assume any responsibility to update any of the forward-looking statements contained in this Preliminary Placement Document;

- You are aware and understand that the Equity Shares are being offered only to Eligible QIBs on a private placement basis and are not being offered to the general public, or any other category other than Eligible QIBs, and the Allotment of the same shall be at the sole discretion of our Company, in consultation with the BRLM;

- You are aware that in terms of the requirements of the Companies Act, upon Allocation, our Company will be required to disclose names and percentage of post-Issue shareholding of the proposed Allottees in the Placement Document, as applicable. You acknowledge that the disclosure of such details in relation to the proposed Allottees in the Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the BRLM;

- You are aware that the pre-Issue and post-Issue shareholding pattern of our Company, as required by the SEBI Listing Regulations, will be filed by our Company with the Stock Exchanges;

- You are aware that if you together with any other Eligible QIBs belonging to the same group or under common control, are Allotted more than 5% of the Equity Shares in the Issue, our Company shall be required to disclose your name and the number of the Equity Shares Allotted to you to the Stock Exchanges and the Stock Exchanges will make the same available on their website and you consent to such disclosures;

- You have been provided a serially numbered copy of this Preliminary Placement Document and have read it in its entirety, including in particular, "*Risk Factors*" beginning on page 40;

- In making your investment decision, you have (i) relied on your own examination of us, the Equity Shares and the terms of the Issue, including the merits and risks involved, (ii) made and will continue to make your own assessment of us, the Equity Shares and the terms of the Issue, based solely on and in reliance of the information contained in this Preliminary Placement Document and no other disclosure or representation by our Company or any other party, (iii) consulted your own independent counsel and advisors or otherwise have satisfied yourself concerning, without limitation, the effects of local laws (including tax laws), (iv) received all information that you believe is necessary or appropriate in order to make an investment decision in respect of us and the Equity Shares, and (v) relied upon your own investigation and resources in deciding to invest in the Issue;

- None of our Company, the BRLM or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates have provided you with any tax advice or otherwise made any representations regarding the tax consequences of purchase, ownership and disposal of the Equity Shares offered in the Issue;

- You will obtain your own independent tax advice from a service provider and will not rely on the BRLM or any of its shareholders, directors, officers, employees, counsels, representatives, agents or affiliates when evaluating the tax consequences in relation to the Equity Shares (including in relation to limited to the Issue and the use of the proceeds from the Equity Shares). You waive, and agree not to assert any claim against us or the BRLM or any of its shareholders, directors, officers, employees, counsels, representatives, agents or affiliates with respect to the tax aspects of the Equity Shares or as a result of any tax audits by tax authorities, wherever situated;

- You are a sophisticated investor and have such knowledge and experience in financial, business and investment matters as to be capable of evaluating the merits and risks of an investment in the Equity Shares. You and any managed accounts for which you are subscribing for the Equity Shares (i) are aware that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment and are each able to bear the economic risk of the investment in the Equity Shares including the complete loss on the investment in the Equity Shares; (ii) will not look to our Company and/or the BRLM or any of its shareholders, directors, officers, employees, counsels, advisors, representatives, agents or affiliates for all or part of any such loss or losses that may be suffered in connection with the Issue, including losses arising out of non-performance by our Company of any of its obligations or any breach of any representations and warranties by our Company, whether to you or otherwise; (iii) have no need for liquidity with respect to the investment in the Equity Shares; and (iv) you are seeking to subscribe to the Equity Shares in the Issue for your investment purposes and not with a view to resell or distribute such Equity Shares and have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares;

- You are not a 'promoter' of our Company as defined under the Companies Act and the SEBI ICDR Regulations, and are not a person related to our Promoters, either directly or indirectly and your Bid (hereinafter defined) does not directly or indirectly represent our Promoters or members of our Promoter Group (as defined under the SEBI ICDR Regulations) or persons or entities related thereto;

- You have no rights under a shareholders' agreement or voting agreement entered into with the Promoters or members of the Promoter Group, no veto rights or right to appoint any nominee director on the Board of Directors of our Company, other than the rights, if any, acquired in the capacity of a lender not holding any Equity Shares, the acquisition of which shall not deem you to be a Promoters or a person related to the Promoters;

- You agree that in terms of Section 42 of the Companies Act and Rule 14 of the PAS Rules, we shall file the list of Eligible QIBs (to whom this Preliminary Placement Document will be circulated) along with other particulars including your name, complete address, phone number, e-mail address, permanent account number and bank account details, including such other details as may be prescribed or otherwise required even after the closure of the Issue with the RoC and SEBI within 30 days of circulation of this Preliminary Placement Document and other filings required under the Companies Act, 2013;

- You acknowledge that you will have no right to withdraw your Bid or revise your Bid downwards after the Bid/ Issue Closing Date (*as defined hereinafter*);

- You are eligible to Bid for and hold the Equity Shares so Allotted, together with any Equity Shares held by you prior to the Issue. You further confirm that your aggregate holding after the Allotment of the Equity Shares shall not exceed the level permissible as per any applicable law;

- The Bid made by you would not ultimately result in triggering an open offer under the SEBI Takeover Regulations (*as defined herein*) and you shall be solely responsible for compliance with all other applicable provisions of the SEBI Takeover Regulations;

- Your aggregate equity shareholding in our Company, together with other Eligible QIBs that belong to the same group or are under common control as you, pursuant to the Allotment under the Issue shall not exceed 50% of the Issue Size. For the purposes of this representation:

  (a) Eligible QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, amongst an Eligible QIB, its subsidiary or holding company and any other Eligible QIBs; and

  (b) 'Control' shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the SEBI Takeover Regulations;

- You shall not undertake any trade in the Equity Shares credited to your beneficiary account until such time that the final listing and trading approvals for such Equity Shares to be issued pursuant to this Issue are issued by the Stock Exchanges;

- You are aware that (i) applications for in-principle approval, in terms of Regulation 28(1)(a) of the SEBI Listing Regulations, for listing and admission of the Equity Shares to be issued pursuant to the Issue and for trading on the Stock Exchanges, were made and an in-principle approval has been received by our Company from each of the Stock Exchanges, and (ii) the application for the final listing and trading approval will be made only after Allotment. There can be no assurance that the final listing and trading approvals for listing of the Equity Shares, to be issued pursuant to this Issue, will be obtained in time or at all. Neither our Company nor the BRLM nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates shall be responsible for any delay or non-receipt of such final listing and trading approvals or any loss arising from such delay or non-receipt;

- You are aware and understand that the BRLM has entered into a Placement Agreement with our Company whereby the BRLM has, subject to the satisfaction of certain conditions set out therein, severally and not jointly, undertaken to use its reasonable efforts to procure subscription for the Equity Shares on the terms and conditions set forth therein;

- You understand that the contents of this Preliminary Placement Document are exclusively the responsibility of our Company, and that neither the BRLM nor any of its shareholders, directors, officers, employees, counsels, representatives, agents or affiliates nor any person acting on its or their behalf or any of the counsels or advisors to the Issue has or shall have any liability for any information, representation or statement contained in this Preliminary Placement Document or any information previously published by or on behalf of our Company and will not be liable for your decision to participate in the Issue based on any information, representation or statement contained in this Preliminary Placement Document or otherwise. By accepting a participation in the Issue, you agree to the same and confirm that the only information you are entitled to rely on, and on which you have relied in committing yourself to acquire the Equity Shares is contained in this Preliminary Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares, you have neither received nor relied on any other information, representation, warranty or statement made by or on behalf of the BRLM or our Company or any other person, and the BRLM or our Company or any of their respective affiliates, including any view, statement, opinion or representation expressed in any research published or distributed by them, the BRLM and its affiliates will not be liable for your decision to accept an invitation to participate in the Issue based on any other information, representation, warranty, statement or opinion;

- You understand that the BRLM or its shareholders, directors, officers, employees, counsels, representatives, agents or affiliates do not have any obligation to purchase or acquire all or any part of the Equity Shares purchased by you in the Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Issue, including the non-performance by our Company or any of its obligations or any breach of any representations or warranties by us, whether to you or otherwise;

- You understand that the Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws of the United States and unless so registered, may not be offered, sold or delivered within the United States, except in reliance on an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws;

- You are outside the United States, and you are subscribing for the Equity Shares in an "*offshore transaction*" as defined in and in compliance with Regulation S, and are not our Company's or the BRLM's affiliate or a person acting on behalf of such an affiliate;

- You are not acquiring or subscribing for the Equity Shares as a result of any "directed selling efforts" (as defined in Regulation S) and you understand and agree that offers and sales are being made in reliance on an exemption to the registration requirements of the U.S. Securities Act. You understand and agree that the Equity Shares are transferable only in accordance with the restrictions described in "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 250 and 257, respectively;

- You are able to purchase the Equity Shares offered in the Issue in accordance with the restrictions described in "*Selling Restrictions*" beginning on page 250 and you have made, or are deemed to have made, as applicable, the representations, warranties, acknowledgements, undertakings and agreements in "*Selling Restrictions*" beginning on page 250;

- You agree that any dispute arising in connection with the Issue shall be governed by and construed in accordance with the laws of Republic of India, and the courts in Chennai, India shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with this Preliminary Placement Document, the Placement Document and this Issue;

- You acknowledge that this Preliminary Placement Document does not, and the Placement Document shall not confer upon or provide you with any right of renunciation of the Equity Shares offered through the Issue in favour of any person;

- You will make the payment for subscription to the Equity Shares pursuant to this Issue from your own bank account. In case of joint holders, the monies shall be paid from the bank account of the person whose name appears first in the application;

- You are aware that in terms of the SEBI FPI Regulations and the FEMA Rules, the total holding by each FPI including its investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than fifty percent or common control) shall be below 10% of the total paid-up equity share capital of our Company on a fully diluted basis and the total holdings of all FPIs put together shall not exceed the sectoral cap applicable to our Company. In terms of the FEMA Rules, for calculating the total holding of FPIs in a company, holding of all registered FPIs shall be included. Hence, Eligible FPIs may invest in such number of Equity Shares in this Issue such that (i) the individual investment of the FPI in our Company does not exceed 10% of the post-Issue paid-up Equity Share capital of our Company on a fully diluted basis and (ii) the aggregate investment by FPIs in our Company does not exceed the sectoral cap applicable to our Company. In case the holding of an FPI together with its investor group increases to 10% or more of the total paid-up Equity Share capital, on a fully diluted basis, such FPI together with its investor group shall divest the excess holding within a period of five trading days from the date of settlement of the trades resulting in the breach. If however, such excess holding has not been divested within the specified period of five trading days, the entire shareholding of such FPI together with its investor group will be re-classified as FDI, subject to the conditions as specified by SEBI and the RBI in this regard and compliance by our Company and the investor with applicable reporting requirements and the FPI and its investor group will be prohibited from making any further portfolio investment in our Company under the SEBI FPI Regulations;

- You represent that you are not an affiliate of our Company or the BRLM or a person acting on behalf of such affiliate.

- Each of the representations, warranties, acknowledgements and agreements set out above shall continue to be true and accurate at all times up to and including the Allotment, listing and trading of the Equity Shares in the Issue;

- You agree to indemnify and hold our Company, the BRLM and their respective directors, officers, employees, affiliates, associates, controlling persons and representatives harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the foregoing representations, warranties, acknowledgements and undertakings made by you in this Preliminary Placement Document. You agree that the indemnity set out in this paragraph shall survive the resale of the Equity Shares by, or on behalf of, the managed accounts;

- You will make all necessary filings with appropriate regulatory authorities, including the RBI, as required pursuant to applicable laws;

- You acknowledge that our Company, the BRLM, their respective affiliates, directors, officers, counsels, employees, shareholders, representatives, agents, controlling persons and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings, and that they are irrevocable; and

- If you are acquiring the Equity Shares to be issued pursuant to this Issue for one or more managed accounts, you represent and warrant that you are authorised in writing, by each such managed account to acquire such Equity Shares for each managed account and hereby make the representations, warranties, acknowledgements, undertakings and agreements herein for and on behalf of each such account, reading the reference to “you” to include such accounts.

OFFSHORE DERIVATIVE INSTRUMENTS

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an Eligible FPI including affiliates of the BRLM, which is registered as a Category I FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying, and all such offshore derivative instruments are referred to herein as "**P-Notes**"), and persons who are eligible for registration as Category I FPIs can subscribe to or deal in such P-Notes provided that in the case of an entity that has an investment manager who is from the Financial Action Task Force member country, such investment manager shall not be required to be registered as a Category I FPI. The above-mentioned Category I FPIs may receive compensation from the purchasers of such instruments. In terms of Regulation 21 of SEBI FPI Regulations, P-Notes may be issued only by such persons who are registered as Category I FPIs and they may be issued only to persons eligible for registration as Category I FPIs, subject to exceptions provided in the SEBI FPI Regulations and compliance with 'know your client' requirements, as specified by SEBI and subject to compliance with such other conditions as may be specified by SEBI from time to time. An Eligible FPI shall also ensure that no transfer of any instrument referred to above is made to any person unless such FPIs are registered as Category I FPIs and such instrument is being transferred only to person eligible for registration as Category I FPIs subject to requisite consents being obtained in terms of Regulation 21 of SEBI FPI Regulations. P-Notes have not been and are not being offered or sold pursuant to this Preliminary Placement Document. This Preliminary Placement Document does not contain any information concerning P-Notes or the issuer(s) of any P-Notes, including without limitation, any information regarding any risk factors relating thereto.

Persons in the United States and U.S. persons purchasing Equity Shares in the Issue may not issue P-Notes. Non-U.S. persons outside the United States purchasing Equity Shares in the Issue may only issue P-Notes in accordance with the conditions set forth in "*Purchaser Representations and Transfer Restrictions*" beginning on page 257.

For further details relating to investment limits of FPIs, please see the section entitled "*Issue Procedure*" beginning on page 233. P-Notes may be issued only in favour of those entities which meet the eligibility criteria as laid down in Regulation 4 of the SEBI FPI Regulations. Pursuant to its circular dated June 10, 2016, SEBI has introduced additional requirements applicable to P-Notes, including (i) KYC norms for issuers of P-Notes which require identification and verification of beneficial owners of entities subscribing to the P-Note holding more than a prescribed threshold; (ii) the requirement for issuers to file suspicious transaction reports with the Indian Financial Intelligence Unit; and (iii) the requirement for the issuer to report details of intermediate transfers in the monthly reports on P-Notes submitted to SEBI. An Eligible FPI shall also ensure that no further issue or transfer of any instrument referred to above is made by or on behalf of it to any person other than such entities regulated by appropriate foreign regulatory authorities.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) is not permitted to be 10% or above of our post-Issue Equity Share capital. As per the SEBI circular dated November 24, 2014, these investment restrictions shall also apply to subscribers of offshore derivative instruments. Two or more subscribers of offshore derivative instruments having a common beneficial owner shall be considered together as a single subscriber of the offshore derivative instruments. In the event a prospective investor has investments as a FPI and as a subscriber of offshore derivative instruments, these investment restrictions shall apply on the aggregate of the FPI and offshore derivative instruments investments held in the underlying company. The SEBI has, vide a circular dated November 5, 2019, issued the operational guidelines for FPIs and designated depository participants under SEBI FPI Regulations and for eligible foreign investors (the "**FPI Operational Guidelines**"), to facilitate implementation of the SEBI FPI Regulations, and our Company will be in compliance with the conditions therein. In terms of such FPI Operational Guidelines, the above-mentioned restrictions shall also apply to subscribers of P-Notes and two or more subscribers of P-Notes having common ownership, directly or indirectly, of more than 50% or common control shall be considered together as a single subscriber of the P-Notes. Further, in the event a prospective investor has investments as an FPI and as a subscriber of P-Notes, these investment restrictions shall apply on the aggregate of the FPI investments and P-Notes position held in the underlying company.

Further, in accordance with the Consolidated FDI Policy, read along with the Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the DPIIT, Government of India, investments where the entity is of a country which shares land border with India or where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy and FEMA Rules. These investment restrictions shall also apply to subscribers of P-Notes. For information on the limits of foreign investment in our Company, please see "*Risk Factors – Indian laws contain restrictions on the acquisition and transfer of Indian securities by persons resident outside India. The conversion of the Rupee proceeds from such sale into foreign currency and the repatriation of such foreign currency from India could require the RBI's approval. Approvals required from the RBI or any other government authority may not be obtained on terms favourable to a non-Indian resident investor or at all.*" on page 74.

Affiliates of the BRLM who are Eligible FPIs may purchase, to the extent permissible under law, the Equity Shares in the Issue, and may issue P-Notes in respect thereof. Any P-Notes that may be issued are not securities of our Company and do not constitute any obligation of, claims on or interests in our Company. Our Company has not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to any P-Notes. Any P-Notes that may be offered are issued by, and are the sole obligations of, third parties that are unrelated to our Company. Our Company and the BRLM do not make any recommendation as to any investment in P-Notes and do not accept any responsibility whatsoever in connection with any P-Notes. Any P-Notes that may be issued are not securities of the BRLM and does not constitute any obligations of or claims on the BRLM.

Prospective investors interested in purchasing any P-Notes have the responsibility to obtain adequate disclosures as to the issuer(s) of such P-Notes and the terms and conditions of any such P-Notes from the issuer(s) of such P-Notes. Neither SEBI nor any other regulatory authority has reviewed or approved any P-Notes or any disclosure related thereto. Prospective investors are urged to consult their own financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable laws and regulations.

For further details, please see, "*Selling Restrictions*", and "*Purchaser representations and Transfer Restrictions*" beginning on pages 250 and 257, respectively.

DISCLAIMER CLAUSE OF THE STOCK EXCHANGES

As required, a copy of this Preliminary Placement Document has been submitted to each of the Stock Exchanges. The Stock Exchanges do not in any manner:

1. warrant, certify or endorse the correctness or completeness of the contents of this Preliminary Placement Document; or

2. warrant that the Equity Shares to be issued pursuant to this Issue, will be listed or will continue to be listed on the Stock Exchanges; or

3. take any responsibility for the financial or other soundness of our Company, our Promoters, our management or any scheme or project of our Company.

It should not, for any reason be deemed or construed to mean that this Preliminary Placement Document has been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquires any Equity Shares may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges whatsoever, by reason of any loss which may be suffered by such person consequent to or in connection with, such subscription/ acquisition, whether by reason of anything stated or omitted to be stated herein, or for any other reason whatsoever.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Certain conventions

In this Preliminary Placement Document, unless otherwise specified or the context otherwise indicates or implies, references to 'you', 'bidder', 'your', 'offeree', 'purchaser', 'subscriber', 'recipient', 'investors', 'prospective investors' and 'potential investor' are to the Eligible QIBs who are the prospective investors in the Equity Shares issued pursuant to the Issue, references to "Pondy Oxides and Chemicals Limited", "our Company", "the Company" or the "Issuer" are to Pondy Oxides and Chemicals Limited on a standalone basis and references to 'we', 'us', 'our' or the 'Group' are to Pondy Oxides and Chemicals Limited together with its Subsidiaries on a consolidated basis.

In this Preliminary Placement Document,

(i) references to '₹', 'INR', 'Rs.', 'Indian Rupees' and 'Rupees' are to official currency of Republic of India;

(ii) references herein to "India" are to the Republic of India and its territories and possessions and all references herein to the 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, central or state, as applicable

(iii) references to 'US$', 'USD' and 'U.S. dollars' are to the official currency of the United States of America;

(iv) references herein to the 'US' or 'U.S.' or the 'United States' are to the United States of America and its territories and possessions.

References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable. Figures in this Preliminary Placement Document have been presented in lakhs or in whole numbers where the numbers have been too small to present in lakhs unless stated otherwise. Further, certain figures in the "***Industry Overview***" section of this Preliminary Placement Document have been presented in millions.

In this Preliminary Placement Document, references to "crore(s)" represents "100 lakhs" or "1,00,00,000", "million" represents "10 lakhs" or "10,00,000", "lakh(s)" represents "1,00,000" and "billion" represents "10,000 lakhs" or "1,000,000,000".

Unless otherwise specified, all financial numbers in parentheses represent negative figures.

Page numbers

Unless otherwise stated, all references to page numbers in this Preliminary Placement Document are to page numbers of this Preliminary Placement Document.

Financial data and other information

The financial year of our Company commences on April 1 of each calendar year and ends on March 31 of the following calendar year, and, unless otherwise specified or if the context requires otherwise, all references to the terms "Fiscal", "Fiscals" or "Fiscal year", "FY", refer to the 12-month period ending March 31 of that particular year.

In this Preliminary Placement Document, unless the context requires otherwise or unless stated otherwise, all financial information has been derived from the following financials respectively:

- the statement of unaudited limited review consolidated financial results of our Company, as at and for the six months ended September 30, 2024 and September 30, 2023, comprising of the unaudited limited review consolidated balance sheet as at September 30, 2024 and September 30, 2023, the unaudited limited review consolidated statement of profit and loss including other comprehensive income, the unaudited limited review consolidated cash flow statement and the consolidated statement of changes in equity for the six months ended September 30, 2024 and September 30, 2023 prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ("**Ind AS 34**"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India (the "**Unaudited Consolidated Financial Results**"). The Unaudited Consolidated Financial Results should be read along with the review report issued by the Statutory Auditor

- the audited consolidated financial statements as of and for the financial year ended March 31, 2024 read along with the notes thereto ("**Fiscal 2024 Audited Consolidated Financial Statements**");

- the audited consolidated financial statements as of and for the financial year ended March 31, 2023 read along with the notes thereto ("**Fiscal 2023 Audited Consolidated Financial Statements**");

- the audited standalone financial statements for as of and for the financial year ended March 31, 2022 read along with the notes thereto ("**Fiscal 2022 Audited Standalone Financial Statements**, and collectively with Fiscal 2024 Audited Consolidated Financial Statements and Fiscal 2023 Audited Consolidated Financial Statements, the "**Audited Financial Statements**").

The Unaudited Consolidated Financial Results and Audited Financial Statements should be read along with the respective reports issued thereon. For further information, see "*Financial Information*" *and* "*Management's Discussion and Analysis of Financial Condition and Results of Operations"* on page 281 and 92, respectively.

Our Company presents its financial statements under Ind AS. Ind AS differs from accounting principles with which prospective investors may be familiar in other countries, including generally accepted accounting principles followed in the U.S. ("**U.S. GAAP**") or International Financial Reporting Standards ("**IFRS**"). Our Company does not attempt to quantify the impact of U.S. GAAP or IFRS on the financial data included in this Preliminary Placement Document, nor does our Company provide a reconciliation of its Unaudited Consolidated Financial Results and Audited Consolidated Financial Statements to IFRS or U.S. GAAP. Accordingly, the degree to which the Unaudited Consolidated Financial Results and Audited Consolidated Financial Statements included in this Preliminary Placement Document will provide meaningful information is entirely dependent on the reader's familiarity with the respective Indian accounting policies and practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Preliminary Placement Document should accordingly be limited. Prospective investors are advised to consult their advisors before making any investment decision.

All numerical and financial information as set out and presented in this Preliminary Placement Document, except for the information in the section "*Industry Overview*", for the sake of consistency and convenience have been rounded off or expressed in two decimal places in ₹ lakhs. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them and the sum or percentage change of such numbers may not conform exactly to the total figure given.

Non-GAAP financial measures

Certain non-GAAP measures, such as EBITDA, EBITDA Margin, Return on Capital Employed, Return on Equity, Debt Equity Ratio, Interest Coverage Ratio, etc. ("**Non-GAAP Financial Measures**") presented in this Preliminary Placement Document. For details of these Non-GAAP Financial Measures, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Non-GAAP Financial Measures*" on page 92. These Non-GAAP Financial Measures are supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP. Further, these Non-GAAP Financial Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP. In addition, these Non-GAAP Financial Measures are not standardized terms, hence a direct comparison of these Non-GAAP Financial Measures between companies may not be possible. Other companies may calculate these Non-GAAP Financial Measures differently from us, limiting their usefulness as a comparative measure. The presentation of these Non-GAAP Financial Measures is not intended to be considered in isolation or as a substitute for the financial statements included in this Preliminary Placement Document. Prospective investors should read this information in conjunction with the financial statements included in "*Financial Information*" beginning on page 281 and "*Risk Factors – Significant differences exist between Ind AS and other accounting principles, such as U.S. GAAP and IFRS, which investors outside India may be more familiar with and may consider material to their assessment of our financial condition, results of operations and cash flows" on page 70.*

INDUSTRY AND MARKET DATA

Information regarding market size, market share, market position, growth rates and other industry data pertaining to our business contained in this Preliminary Placement Document consists of estimates based on data reports compiled by governmental bodies, professional organisations and analysts and on data from other external sources, and on our knowledge of markets in which we compete.

Unless stated otherwise, statistical information, industry and market data used throughout this Preliminary Placement Document has been obtained from the report titled "*Industry Research Report on Lead, Copper, Plastics and Aluminium*" dated December 17, 2024 ("**CareEdge Research Report**") prepared by CARE Analytics and Advisory Private Limited ("**CareEdge**"), which is a report commissioned and paid for by us, pursuant to an engagement letter dated November 4, 2024, in connection with the Issue. CareEdge is not related in any manner to our Company, our Promoter, our Directors or Key Managerial Personnel or members of the Senior Management, our Subsidiaries or the BRLM.

Further, information regarding market position, growth rates, other industry data and certain industry forecasts pertaining to our business contained in this Preliminary Placement Document consists of estimates based on data reports compiled by government bodies, data from other external sources and knowledge of the markets in which we compete. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, neither the accuracy nor completeness of information contained in the CareEdge Research Report is guaranteed. The opinions expressed are not recommendation to buy, sell or hold an instrument. This data is subject to change and cannot be verified with complete certainty due to limitations on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey.

While we have taken reasonable care in the reproduction of the information from the CareEdge Research Report, neither we nor the Book Running Lead Manager have independently verified this market and industry data, nor do we or the Book Running Lead Manager make any representation regarding the accuracy or completeness of such data. In many cases, there is no readily available external information (whether from trade or industry associations, government bodies or other organisations) to validate market-related analysis and estimates, so we have relied on internally developed estimates. Similarly, while we believe our internal estimates to be reasonable, such estimates have not been verified by any independent sources, and neither we nor the Book Running Lead Manager can assure potential Investors as to their accuracy.

The extent to which the market and industry data used in this Preliminary Placement Document is meaningful depends solely on the reader's familiarity with and understanding of the methodologies used in compiling such data. Further, the calculation of certain statistical and/or financial information/ ratios specified in the sections titled "*Business*", "*Risk Factors*", "*Management's Discussions and Analysis of Results of Operations and Financial Condition*" and otherwise in this Preliminary Placement Document may vary from the manner such information is calculated under and for purposes of, and as specified in, the CareEdge Research Report. Data from these sources may also not be comparable.

Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors – This preliminary placement document contains information from an industry report which we have commissioned from CARE Analytics and Advisory Private Limited*" on page 58.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Preliminary Placement Document that are not statements of historical fact constitute "forward-looking statements." Investors can generally identify forward-looking statements by terminology such as "aim", "anticipate", "believe", "continue", "could", "estimate", "expect", "intend", "can", "could", "may", "objective", "plan", "potential", "project", "pursue", "shall", "should", "will", "would", "will likely result", "is likely", "are likely", "believe", "expect", "expected to", "will continue", "will pursue", "will achieve" or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements. All statements regarding our expected financial condition, results of operations and business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Preliminary Placement Document that are not historical facts.

These forward-looking statements and any other projections contained in this Preliminary Placement Document (whether made by our Company or any third party) are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements or other projections.

Important risk factors that could cause our actual results, performances and achievements to be materially different from any of the forward-looking statements include, among others:

- Our business is dependent on certain key customers and the loss of any of these customers or loss of revenue from sales to any key customers could have a material adverse effect on our business, financial condition, results of operations and cash flows;
- Our business and profitability is substantially dependent on the availability and cost of our raw materials and we are dependent on third party suppliers for meeting our raw material requirements which are on purchase order basis. Any disruption to the timely and adequate supply of raw materials, or volatility in the prices of raw materials may adversely impact our business, results of operations and financial condition;
- Our business is dependent and will continue to depend on our manufacturing facility, and we are subject to certain risks in our manufacturing processes. Any slowdown or shutdown in our manufacturing operations or strikes, work stoppages or increased wage demands by our employees that could interfere with our operations could have an adverse effect on our business, financial condition and results of operations;
- We are dependent on sales outside of India, which accounted for a significant portion (more than 50%) of our revenue from operations in the six months period ended September 30, 2024 and September 30, 2023 and in Fiscal 2024, Fiscal 2023 or Fiscal 2022. The demand of our products outside India is subject to international market conditions and foreign regulatory risks that could adversely affect our business, results of operations and financial condition and
- Our investments in metal recycling operations may not be successful and may be less profitable or may be loss-making.

Additional factors that could cause our actual results, performance or achievements to differ include but are not limited to, those discussed in "*Risk Factors*", "*Our Business*", *"Industry Overview"* and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 40, 203, 129 and 92, respectively.

By their nature, certain of the market risk disclosures are only estimates and could be materially different from what occurs in the future. As a result, actual future gains, losses or impact on revenue or income could materially differ from those that have been estimated, expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

The forward-looking statements contained in this Preliminary Placement Document are based on the beliefs of the management, as well as the assumptions made by and information currently available to the management. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements.

In any event, these statements speak only as of the date of this Preliminary Placement Document or the respective dates indicated in this Preliminary Placement Document, and neither we, the BRLM nor any of its affiliates undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise. If any of these risks and uncertainties materialize, or if any of our underlying assumptions prove to be incorrect, our actual results of operations or cash flows or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

Additional factors that could cause our actual results, performance or achievements to differ materially include but are not limited to, those discussed under the sections titled "*Risk Factors*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Industry Overview*" and "*Our Business*" beginning on pages 40, 92, 129 and 203 respectively.

The forward-looking statements contained in this Preliminary Placement Document are based on the beliefs of, as well as the assumptions made by, and information currently available to, our Company and management. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialize, or if any of our underlying assumptions prove to be incorrect, our actual results of operations, cash flows or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent written and oral forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

In any event, these statements included herein speak only as of the date of this Preliminary Placement Document or the respective dates indicated in this Preliminary Placement Document. Our Company and the Book Running Lead Manager expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any changes whether as a result of new information, future events, changes in assumptions or changes in factors affecting these forward-looking statements or otherwise in our Company's expectations with regard thereto.

ENFORCEMENT OF CIVIL LIABILITIES

Our Company is a limited liability company incorporated under the laws of India. All our Directors, Key Managerial Personnel and members of the senior management named in this Preliminary Placement Document, are residents of India and a significant portion of the assets of our Company are located in India. As a result, it may be difficult or may not be possible for the prospective investors outside India to affect service of process upon our Company or such persons in India, or to enforce against them judgments of courts outside India.

India is not a signatory to any international treaty in relation to the recognition or enforcement of foreign judgments. However, recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A, respectively, of the Code of Civil Procedure, 1908, as amended ("**Civil Procedure Code**"). Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon between the same parties or between parties under whom they or any of them claim litigating under the same title, except:

1. where the judgment has not been pronounced by a court of competent jurisdiction;
2. where the judgment has not been given on the merits of the case;
3. where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases in which such law is applicable;
4. where the proceedings in which the judgment was obtained were opposed to natural justice;
5. where the judgment has been obtained by fraud; and
6. where the judgment sustains a claim founded on a breach of any law then in force in India.

A foreign judgment which is conclusive under Section 13 of the Civil Procedure Code may be enforced either by a fresh suit upon the judgment or by proceedings in execution. Section 44A of the Civil Procedure Code provides that a foreign judgment rendered by a superior court (within the meaning of that section) in any jurisdiction outside India which the Government has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a district court in India. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalties and does not include arbitration awards.

Under Section 14 of the Civil Procedure Code, a court in India will, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the foreign judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record but such presumption may be displaced by proving want of jurisdiction.

Each of the United Kingdom of Great Britain and Northern Ireland, Republic of Singapore, Hong Kong and United Arab Emirates, amongst others, has been declared by the Government to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code, but the United States of America has not been so declared. A foreign judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a new suit upon the foreign judgment and not by proceedings in execution. The suit must be brought in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India. Accordingly, a judgment of a court in the United States may be enforced only by a fresh suit upon the foreign judgment and not by proceedings in execution.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy of India, and it is uncertain whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. Further, any judgment or award denominated in a foreign currency would be converted into Rupees on the date of such judgment or award and not on the date of payment. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered, pursuant to the execution of such foreign judgment, and we cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approvals would be acceptable and additionally any such amount may be subject to income tax in accordance with applicable laws. Our Company and the Book Running Lead Manager cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

EXCHANGE RATES INFORMATION

Fluctuations in the exchange rate between the Rupee and foreign currencies will affect the foreign currency equivalent of the Rupee price of the Equity Shares traded on the Stock Exchanges. These fluctuations will also affect the conversion into foreign currencies of any cash dividends paid in Rupees on the Equity Shares.

The following table sets forth information, for the period indicated with respect to the exchange rates between the Rupee and other foreign currencies, for the periods indicated. The exchange rates are based on the reference rates released by the RBI and Financial Benchmark India Private Limited ("**FBIL**"), which are available on the website of the RBI and FBIL. No representation is made that any Rupee amounts could have been, or could be, converted into U.S. dollars at any particular rate, the rates stated below, or at all.

(₹ per US$)

	Period end(1)	**Average**(2)	**High**(3)	**Low**(4)
Fiscal ended:				
March 31, 2024	83.37	82.79	83.40	81.65
March 31, 2023	82.22	80.39	83.20	75.39
March 31, 2022	75.81	74.51	76.92	72.48
Month ended				
November 30, 2024	84.28	84.34	84.50	84.11
October 31, 2024	84.09	84.03	84.09	83.81
September 30, 2024	83.79	83.81	83.98	83.49
August 31, 2024	83.87	83.90	83.97	83.73
July 31, 2024	83.74	83.59	83.74	83.40
June 30, 2024	83.45	83.47	83.59	83.07

(Source: www.rbi.org.in and www.fbil.org.in)

Period end, high, low and average rates are based on the FBIL and reference rates and rounded off to two decimal places. The RBI reference rates are rounded off to two decimal places.

Notes:

1. *The price for the period end refers to the price as on the last trading day of the respective fiscal year or monthly periods*
2. *Average of the official rate for each Working Day of the relevant period*
3. *Maximum of the official rate for each Working Day of the relevant period.*
4. *Minimum of the official rate for each Working Day of the relevant period.*

In case of holidays, the exchange rate on the last traded day of the month has been considered as the rate for the period end.

DEFINITIONS AND ABBREVIATIONS

This Preliminary Placement Document uses the definitions and abbreviations set forth below which you should consider when reading the information contained herein. The following list of certain capitalised terms used in this Preliminary Placement Document is intended for the convenience of the reader/ prospective investor only and is not exhaustive.

The terms defined in this Preliminary Placement Document shall have the meaning set out herein, unless specified otherwise in the context thereof, and references to any statute or regulations or policies shall include amendments, rules, guidelines, circulars, clarifications, and notifications issued thereto, from time to time.

The words and expressions used in this Preliminary Placement Document but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, 2013, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder.

Notwithstanding the foregoing, terms used in the sections "*Industry Overview*", "*Statement of Possible Tax Benefits*", "*Legal Proceedings*" and "*Financial Information*" beginning on pages 129, 266, 273 and 281, respectively, shall have the meaning given to such terms in such sections.

General Terms

Term	Description
Our Company/ the Company/ the Issuer	Pondy Oxides and Chemicals Limited a company incorporated in India under the Companies Act, 1956
the Group/ us/ we/ our	Pondy Oxides and Chemicals Limited together with its Subsidiaries, on a consolidated basis, unless otherwise specified or the context otherwise requires

Company Related Terms

Term	Description
Articles/ Articles of Association/ AoA	The articles of association of our Company, as amended from time to time
Audit Committee	The audit committee of our Company, as disclosed in *"Board of Directors and Senior Management – Corporate Governance – Committees of our Board of Directors"* on page 223
Audited Financial Statements	Collectively, Fiscal 2024 Audited Consolidated Financial Statements, Fiscal 2023 Audited Consolidated Financial Statements and Fiscal 2022 Audited Standalone Financial Statements
Auditors/ Statutory Auditors	The current statutory auditors of our Company, namely, L. Mukundan & Associates, Chartered Accountants
Board of Directors/ Board	The board of directors of our Company or a duly constituted committee thereof
Chief Financial Officer	The chief financial officer of our Company, namely, Vijay Balakrishnan
Company Secretary and Compliance Officer	The company secretary and compliance officer of our Company, namely, K Kumaravel
Corporate Social Responsibility Committee	The corporate social responsibility committee of our Company, as disclosed in *"Board of Directors and Senior Management – Corporate Governance – Committees of our Board of Directors"* on page 223
Director(s)	Director(s) on the Board of our Company
Equity Shares	The equity Shares of our Company of face value of ₹ 5 each
Fiscal 2024 Audited Consolidated Financial Statements	The audited consolidated financial statements of our Company, which comprise the consolidated balance sheet as at March 31, 2024, and the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended March 31, 2024, and the notes to consolidated financial statements, including a summary of significant accounting policies and other explanatory information
Fiscal 2023 Audited Consolidated Financial Statements	The audited consolidated financial statements of our Company, which comprise the consolidated balance sheet as at March 31, 2023, and the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended March 31, 2023, and the notes to consolidated financial statements, including a summary of significant accounting policies and other explanatory information
Fiscal 2022 Audited Standalone Financial Statements	The audited standalone financial statements of our Company, which comprise the standalone balance sheet as at March 31, 2022, and the standalone statement of

Term	Description
	profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows for the year ended March 31, 2022, and the notes to standalone financial statements, including a summary of significant accounting policies and other explanatory information
Key Managerial Personnel(s)/ KMP(s)	Key managerial personnel of our Company in terms of Section 2(51) of the Companies Act, as disclosed in "*Board of Directors and Senior Management – Key Managerial Personnel and Senior Management*" on page 222
Managing Director	The managing director of our Company, namely, Ashish Bansal
Materiality Threshold	Materiality threshold adopted by our Company pursuant to the resolution dated December 4, 2024 in relation to the disclosure of outstanding civil and tax litigation, involving our Company and its Subsidiaries, where the amount involved is ₹ 258.61 lakhs, which is 5% of average profit after tax for last three years of the Company.
Memorandum of Association/ Memorandum/ MoA	The memorandum of association of our Company, as amended from time to time
Nomination and Remuneration Committee	The nomination and remuneration committee of our Company, as disclosed in *"Board of Directors and Senior Management – Corporate Governance – Committees of our Board of Directors"* on page 223
Non – Executive and Independent Director(s)	The non-executive and independent director(s) of our Company, namely, A Vijay Anand, M Ramasubramani and Shanti Balamurugan.
Promoter(s)	The Promoters of our Company, namely, Ashish Bansal, Saroj Bansal, Anil Kumar Bansal, Manju Bansal, Pawankumar Bansal and Megha Choudhari.
Promoter Group	The promoter group of our Company as determined in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations
Registered Office	KRM Centre, 4th floor, No. 2, Harrington Road, Chetpet, Chennai 600031
Registrar of Companies/ RoC	The Registrar of Companies, Tamil Nadu at Chennai
Senior Management	Members of the senior management of our Company as determined in accordance with the Regulation 2(1)(bbbb) of the SEBI ICDR Regulations, as disclosed in "*Board of Directors and Senior Management – Key Managerial Personnel and Senior Management*" on page 222
Shareholders	The holders of Equity Shares, from time to time
Stakeholders' Relationship Committee	The stakeholders' relationship committee of our Company, as disclosed in *"Board of Directors and Senior Management – Corporate Governance – Committees of our Board of Directors"* on page 223
Subsidiaries	POCL Future Tech Private Limited and Harsha Exito Engineering Private Limited
Unaudited Consolidated Financial Results	The statement of unaudited limited review consolidated financial results of our Company, as at and for the six months ended September 30, 2024 and September 30, 2023, comprising of the unaudited limited review consolidated balance sheet as at September 30, 2024 and September 30, 2023, the unaudited limited review consolidated statement of profit and loss including other comprehensive income, the unaudited limited review consolidated cash flow statement and the consolidated statement of changes in equity for the six months ended September 30, 2024 and September 30, 2023 prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India.
Whole Time Director(s)	The whole-time director(s) of our Company, namely, Anil Kumar Bansal and K Kumaravel

Issue Related Terms

Term	Description
Allocated/ Allocation	The allocation of Equity Shares following the determination of the Issue Price to investors on the basis of Application Forms submitted by them, in consultation with the BRLM and in compliance with Chapter VI of the SEBI ICDR Regulations
Allot/ Allotment/ Allotted	The issue and allotment of Equity Shares pursuant to this Issue
Allottee(s)	Bidders who are Allotted Equity Shares of our Company pursuant to this Issue
Application Amount	With respect to a Bidder shall mean the aggregate amount paid by such Bidder at the time of submitting a Bid in the Issue and determined by multiplying the price per Equity Share indicated in the Bid by the number of Equity Shares Bid for by Eligible QIBs and payable by the Eligible QIBs in the Issue on submission of the Application Form or such amount transferred/ paid to the Escrow Bank Account, as application, including any revisions thereof
Application Form	The form (including any revisions thereof) pursuant to which a Bidder indicates its interest to subscribe for the Equity Shares of our Company pursuant to the Issue

Term	Description
Bid Amount	The price per Equity Share indicated in the Bid multiplied by the number of Equity Shares Bid for by a Bidder and payable by the Bidder in the Issue on submission of the Application Form
Bid(s)	An indication of interest by an Eligible QIB, including all revisions and modifications of interest, as provided in the Application Form, to subscribe for Equity Shares to be issued pursuant to this Issue. The term "Bidding" shall be construed accordingly.
Bid/ Issue Closing Date	[●], 2024, the date after which our Company (or the Book Running Lead Manager on behalf of our Company) shall cease acceptance of Application Forms and the Application Amount
Bid/ Issue Opening Date	December 17, 2024, the date on which our Company (or the Book Running Lead Manager on behalf of our Company) shall commence acceptance of the Application Forms and the Application Amount
Bid/ Issue Period	Period between the Bid/ Issue Opening Date and the Bid/ Issue Closing Date, inclusive of both days during which Eligible QIBs can submit their Bids along with the Application Amount
Bidder(s)	Any prospective investor, being an Eligible QIB who makes a Bid pursuant to the terms of this Preliminary Placement Document and the Application Form
Book Running Lead Manager/ BRLM	Systematix Corporate Services Limited
CAN/ Confirmation of Allocation Note	Note or advice or intimation to Bidders confirming the Allocation of Equity Shares to such Eligible QIBs after determination of the Issue Price, and requesting payment for the entire applicable Issue Price for all the Equity Shares Allocated to such Eligible QIBs
CareEdge	CARE Analytics and Advisory Private Limited
CareEdge Research Report	Report titled "*Industry Research Report on Lead, Copper, Plastics and Aluminium*" dated December 17, 2024, prepared and issued by CareEdge, commissioned and paid for by our Company, exclusively in connection with the Issue
Closing Date	The date on which the Allotment of the Equity Shares offered pursuant to this Issue shall be made, i.e., on or about [●], 2024
Cut-off Price	The Issue Price of the Equity Shares to be issued pursuant to the Issue which shall be finalised by our Company in consultation with the BRLM
Designated Date	The date of credit of Equity Shares pursuant to the Issue to the Allottees' demat accounts, as applicable to the relevant Allottees
Eligible FPIs	FPIs that are eligible to participate in this Issue in terms of applicable law, other than individuals, corporate bodies and family offices
Eligible QIBs	QIBs as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations that are eligible to participate in the Issue and which are not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations and are not restricted from participating in the Issue under applicable law. In addition, Eligible QIBs are QIBs who are outside the United States, to whom Equity Shares are being offered in "offshore transactions" as defined in and in reliance on Regulation S and the applicable laws of the jurisdiction where those offers, and sales are made.
Escrow Account	Non-interest bearing, no-lien, current bank account without any cheques or overdraft facilities, opened in the name and style "*Pondy Oxides and Chemicals Limited QIP Escrow Account*" with the Escrow Bank, subject to the terms of the Escrow Agreement into which the Application Amount payable by the Bidders in connection with the subscription to the Equity Shares pursuant to the Issue shall be deposited by the Eligible QIBs and from which refunds, if any, shall be remitted, as set out in the Application Form
Escrow Agreement	The escrow agreement dated December 3, 2024 entered into amongst our Company, the Escrow Bank and the BRLM for collection of the Bid Amounts and remitting refunds, if any, of the amounts collected, to the Bidders in relation to the issue
Escrow Bank	Kotak Mahindra Bank Limited
Floor Price	The floor price ₹ 902.93 per Equity Share, which has been calculated in accordance with Chapter VI of the SEBI ICDR Regulations. Our Company may offer a discount of not more than 5% on the floor price in accordance with a special resolution passed by the Shareholders on October 25, 2024 and in terms of Regulation 176(1) of the SEBI ICDR Regulations.
Gross Proceeds	The gross proceeds of the Issue that will be available to our Company

Term	Description
Issue	The offer, issue and Allotment of [●] Equity Shares each at a price of ₹ [●] per Equity Share, including a premium of ₹ [●] per Equity Share, aggregating ₹ [●] lakhs pursuant to Chapter VI of the SEBI ICDR Regulations and other applicable provisions of the Companies Act, 2013 and the rules made thereunder
Issue Price	A price per Equity Share of ₹ [●], including a premium of ₹ [●] per Equity Share
Issue Size	The aggregate size of the Issue, up to [●] Equity Shares aggregating up to ₹ [●] lakhs
Monitoring Agency	CARE Ratings Limited
Monitoring Agency Agreement	Agreement dated December 7, 2024, entered into by and between our Company and the Monitoring Agency in relation to the responsibilities and obligations of the Monitoring Agency for monitoring the utilisation of the gross proceeds of the Issue, after deducting fees, commissions and expenses of the Issue
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended
Mutual Fund Portion	10% of the Equity Shares proposed to be Allotted in the Issue, which is available for Allocation to Mutual Funds
Net Proceeds	The net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue
Pay-In Date	Last date specified in the CAN for the payment of application monies by Bidders in the Issue
Placement Agreement	The placement agreement dated December 17, 2024 entered between our Company and the BRLM
Placement Document	The placement document to be issued in accordance with Chapter VI of the SEBI ICDR Regulations and other applicable provisions of the Companies Act, 2013 and the rules made thereunder
Preliminary Placement Document	This preliminary placement document dated December 17, 2024 issued in accordance with Chapter VI of the SEBI ICDR Regulations and other applicable provisions of the Companies Act, 2013 and the rules made thereunder
QIBs/ Qualified Institutional Buyers	A qualified institutional buyer as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
QIP	Qualified institutions placement, being a private placement to Eligible QIBs under Chapter VI of the SEBI ICDR Regulations and applicable sections of the Companies Act, 2013, read with applicable provisions of the Companies (Prospectus and Allotment of Securities) Rules, 2014
Refund Amount	The aggregate amount to be returned to the Bidders who have not been Allocated Equity Shares for all or part of the Bid Amount submitted by such Bidder pursuant to the Issue
Refund Intimation Letter	The letter from our Company to relevant Bidders intimating them of the Refund Amount, if any, to be refunded to their respective bank accounts on the date of issuance of CAN
Relevant Date	December 17, 2024 which is the date of the meeting wherein the Board of Directors, or a duly authorised committee, decides to open the Issue
Stock Exchanges	Together, BSE and NSE
Successful Bidders	The Bidders who have Bid at or above the Issue Price, duly paid the Application Amount along with the Application Form and who will be Allocated Equity Shares pursuant to the Issue
TEV Report	Report titled "*Detailed Project Report of Pondy Oxides and Chemicals Limited"* dated December 16, 2024, prepared and issued by CARE Analytics and Advisory Private Limited, commissioned by our Company, exclusively in connection with the Issue
Working Day	Any day other than second and fourth Saturday of the relevant month or a Sunday or a public holiday or a day on which scheduled commercial banks are authorised or obligated by law to remain closed in Mumbai, India

Conventional and General Terms/ Abbreviations

Term	Description
AGM/ Annual General Meeting	Annual general meeting
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate

Term	Description
Category I FPI	FPIs who are registered with SEBI as "Category I foreign portfolio investors" under the SEBI FPI Regulations
Category II FPI	FPIs who are registered with SEBI as "Category II foreign portfolio investors" under the SEBI FPI Regulations
CDSL	Central Depository Services (India) Limited
CIN	Corporate identity number
Civil Procedure Code	The Indian Code of Civil Procedure, 1908
Companies Act, 1956	The Companies Act, 1956 along with the relevant rules issued thereunder
Companies Act/ Companies Act, 2013	The Companies Act, 2013, along with the relevant rules made and clarifications issued thereunder
Competition Act	The Competition Act, 2002
Consolidated FDI Policy	The consolidated FDI Policy, issued by the Department of Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India by circular DPIIT file number 5(2)/2020-FDI Policy, with effect from October 15, 2020, and any modifications thereto or substitutions thereof, issued from time to time
CSR	Corporate Social Responsibility
CY	Calendar year
Depositories Act	The Depositories Act, 1996
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018
DIN	Director Identification Number
DP/ Depository Participant	A depository participant as defined under the Depositories Act
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry (formerly Department of Industrial Policy and Promotion), Government of India
EGM	Extraordinary general meeting
FBIL	Financial Benchmark India Private Limited
FDI	Foreign Direct Investment
FEMA	The Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019 and amendments thereof
Financial Year/ Fiscal Year/ Fiscal/ FY	A period of 12 months ending March 31, unless otherwise stated
Form PAS-4	Form PAS-4 prescribed under the Companies (Prospectus and Allotment of Securities) Rules, 2014
FPI/ Foreign Portfolio Investor(s)	Foreign portfolio investors as defined under the SEBI FPI Regulations and includes a person who has been registered under the SEBI FPI Regulations.
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
FVCI	Foreign venture capital investors as defined under and registered with SEBI pursuant to the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
GAAP	Generally accepted accounting principles
GDP	Gross domestic product
GoI/ Government	Government of India
GST	Goods and Services Tax
ICAI	The Institute of Chartered Accountants of India
Income Tax Act	The Income-tax Act, 1961
Ind AS	Indian accounting standards as notified by the MCA pursuant to Section 133 of the Companies Act read with the IAS Rules
Ind AS Rules	Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016
Indian GAAP	a INR or ₹ or Rs. or Indian
IT	Information Technology
MCA	Ministry of Corporate Affairs
N.A./ NA	Not Applicable
NEAT	National Exchange for Automated Trading
Net worth	Paid up share capital plus all reserves and surplus (excluding revaluation reserves)
NR/ Non-resident	A person resident outside India, as defined under the FEMA and includes an NRI
Non-Resident Indian(s)/ NRI	Non-Resident Indian, as defined under Foreign Exchange Management (Deposit) Regulations, 2016
NSDL	National Securities Depository Limited

Term	Description
NSE	National Stock Exchange of India Limited
P.A./ p.a.	Per annum
PAN	Permanent account number
PAS Rules	The Companies (Prospectus and Allotment of Securities) Rules, 2014
PAT	Profit after tax / profit for the respective period / year
PBT	Profit before tax
PML Act	Prevention of Money Laundering Act, 2002, as amended
Offshore Derivative Instruments	Offshore derivative instruments, by whatever name called, which are issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India or unlisted debt securities or securitized debt instruments, as its underlying
RBI	The Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
ROCE	Return on capital employed
Rs. / Rupees / Indian Rupees/ ₹	The legal currency of India
SCRA	The Securities Contracts (Regulation) Act, 1956
SCRR	The Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
SEBI Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI SBEB Regulations	Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
UPSI	Unpublished price sensitive information
U.S. GAAP	Generally accepted accounting principles in the United States of America
U.S. Securities Act	United States Securities Act of 1933, as amended
U.S.$ / USD / U.S. dollar	United States Dollar, the legal currency of the United States of America
USA/ U.S./ United States	The United States of America
VCF	Venture capital fund as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be
Wilful Defaulter or Fraudulent Borrower	Wilful defaulter or fraudulent borrower as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations

Business, technical and Industry Terms

Term	Description
AEO T3	Authorized Economic Operator Tier 3
CPI	Consumer Price Index
ETP	Electrolytic Tough Pitch
GDP	Gross Domestic Product
GHG	Green House Gas
GVA	Gross Value Added
KTPA	Kilo-tonnes Per Annum
LED	Light Emitting Diode
MTPA	Million - tonnes Per Annum
PLI	Performance Linked Incentive
OEM	Original equipment manufacturers

SUMMARY OF BUSINESS

We are the secondary producer of lead, lead alloys, aluminium, copper, plastic additives producers and other value-added products (*Source: CareEdge Research Report*). We also aim to enhance the range of value-added products within our existing offerings. We are the first 3N7 lead brand registered on the London Metal Exchange from India. Additionally, we have received the prestigious AEO T3 certification as an Authorised Economic Operator from the Ministry of Finance, along with the esteemed 3-star export house status from the Government of India.

Our range of products includes (i) lead and lead alloys; (ii) copper; (iii) aluminium and aluminium alloys; and (iv) plastic granules. Our products cater to a wide range of sectors, including automotive (lead-acid batteries and components), electronics (circuitry and connectors), construction (aluminium). The following table sets forth the information on our segment wise revenue contribution in the periods indicated therein:

Particulars	**For six months period ended September 30**				**Fiscal**					
	2024		**2023**		**2024**		**2023**		**2022**	
	Revenue (₹ in lakhs)	**% of revenue from operations**	**Revenue (₹ in lakhs)**	**% of revenue from operations**	**Revenue (₹ in lakhs)**	**% of revenue from operations**	**Revenue (₹ in lakhs)**	**% of revenue from operations**	**Revenue (₹ in lakhs)**	**% of revenue from operations**
Lead and lead alloys	99,526.89	97.19	68,399.38	94.77	1,47,404.27	95.68	1,44,389.07	97.81	1,41,240.39	97.09
Aluminium and aluminium alloys	217.82	0.21	2,475.35	3.43	4,199.83	2.73	180.65	0.12	-	-
Copper	1,049.11	1.02	384.75	0.53	559.30	0.36	1,394.39	0.94	700.28	0.48
Plastics	1,610.84	1.57	917.41	1.27	1,896.27	1.23	594.36	0.40	-	-
Others	-	-	-	-	-	0.00	1,059.62	0.72	3,539.44	2.43
Total	**1,02,404.66**	**100.00**	**72,176.89**	**100.00**	**1,54,059.67**	**100.00**	**1,47,618.09**	**100.00**	**1,45,480.11**	**100.00**

We are present in four states in India. We export to more than 20 countries including Korea, Singapore and Thailand. During the six months period ended September 30, 2024 and 2023 and for the financial years 2024, 2023 and 2022, exports of products amounted to ₹ 66,159.52 lakhs, ₹ 38,946.84 lakhs, ₹ 86,820.76 lakhs, ₹ 83,251.42 lakhs and ₹ 78,919.17 lakhs, which accounted for 64.61%, 53.96%, 56.36%, 56.40% and 54.25% respectively, of our revenue from operations.

We have two Wholly Owned Subsidiaries, POCL Future Tech Private Limited and Harsha Exito Engineering Private Limited. For further details, please see "*Our Business – Our Subsidiaries*" on page 214.

As of September 30, 2024, we together with our Subsidiaries, have five manufacturing facilities (of which one manufacturing facility is yet to commence operations) located at Tamil Nadu and Andhra Pradesh. Additionally, as part of our expansion plans to enhance manufacturing capacity, we propose to expand the operations of our existing manufacturing facility at Thervoykandigai, Tamil Nadu. This expansion aims to increase our manufacturing capacities by an additional 72,000 MTPA for lead, 12,000 MTPA for copper and 9,000 MTPA for plastic. For further details, see "*Our Business - Our Strategies - Expand our manufacturing capacity to capture additional market share*" and *"Use of Proceeds*" on pages 209 and 79, respectively. Our manufacturing facilities are ISO 9001: 2015, ISO 14001:2015 and ISO 45001:2018 certified.

We have a diversified customer base and we served more than 20 export destinations. We have long-established relationships with most of our customers. Some of our marquee customers include Amara Raja Energy & Mobility Limited, Mangal Industries Limited, Glencore International AG, Yuasa Battery (Thailand) PCL, Hankook & Company Co. Ltd. and Hyundai Sungwoo Solite Co., Ltd.

Our Company was incorporated in 1995 and is led by experienced Promoters, Anil Kumar Bansal and Ashish Bansal with significant experience in the non-ferrous metals & recycling industry and technical knowledge of manufacturing process. We also have qualified and experienced Key Managerial Personnel and members of Senior Management that has demonstrated its ability to anticipate and capitalize on changing market trends, manage and grow our operations and leverage and deepen customer relationships.

SUMMARY OF THE ISSUE

The following is a general summary of the terms of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Preliminary Placement Document, including the sections "*Risk Factors*", "*Use of Proceeds*", "*Placement and Lock-up*", "*Issue Procedure*" and "*Description of the Equity Shares*" beginning on pages 40, 79, 248, 233 and 263, respectively.

Issuer	Pondy Oxides and Chemicals Limited
Face value	₹ 5 per Equity Share
Issue Price	₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share)
Floor Price	₹ 902.93 per Equity Share, calculated on the basis of Regulation 176 of the SEBI ICDR Regulations. In terms of the SEBI ICDR Regulations, the Issue Price cannot be lower than the Floor Price. However, our Company may offer a discount of up to 5% on the Floor Price in accordance with the approval of the Shareholders accorded by way of a special resolution passed on October 25, 2024 and in terms of Regulation 176(1) of the SEBI ICDR Regulations.
Issue Size	Issue of [●] Equity Shares, aggregating up to ₹ [●] lakhs, including a premium of ₹ [●] each. A minimum of 10% of the Issue Size, i.e., at least [●] Equity Shares shall be available for Allocation to Mutual Funds only and the balance [●] Equity Shares shall be available for Allocation to all Eligible QIBs, including Mutual Funds. In case of under-subscription in the portion available for Allocation only to Mutual Funds, such undersubscribed portion may be Allotted to other Eligible QIBs.
Eligible Investors	Eligible QIBs, to whom this Preliminary Placement Document and the Application Form are delivered and who are eligible to bid and participate in the Issue. For further details, see "*Issue Procedure*", "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" beginning on pages 233, 250 and 257, respectively. The list of Eligible QIBs to whom this Preliminary Placement Document and Application Form is delivered has been determined by our Company in consultation with the BRLM.
Date of Board resolution authorizing the Issue	September 23, 2024
Date of Shareholders' resolution authorizing the Issue	October 25, 2024
Dividend	See "*Dividends*" and "*Description of Equity Shares*" beginning on pages 91 and 263, respectively.
Equity Shares issued and outstanding immediately prior to the Issue	2,60,50,358 Equity Shares
Equity Shares issued and outstanding immediately after the Issue	[●] Equity Shares
Use of proceeds	The gross proceeds of the Issue will aggregate to approximately ₹ [●] lakhs. The Net Proceeds of the Issue, after deducting fees, commissions and expenses of the Issue, is expected to be approximately ₹ [●] lakhs which is proposed to be utilized for (i) working capital requirement; (ii) Capital expenditure of our Company for set up a recycling and processing unit in Thiruvallur, Tamil Nadu; and (iii) general corporate purposes. For further details regarding the use of Net Proceeds, see "*Use of Proceeds*" beginning on page 79.
Risk factors	See "*Risk Factors*" beginning on page 40 for a discussion of risks you should consider before deciding whether to subscribe to Equity Shares pursuant to the Issue.
Taxation	See *"Statement of Possible Special Tax Benefits"* beginning on page 266.
Issue procedure	This Issue is being made only to Eligible QIBs in reliance on Section 42 of the Companies Act, read with Rule 14 of the PAS Rules, and all other applicable provisions of the Companies Act and Chapter VI of the SEBI ICDR

	Regulations. For further details, see "*Issue Procedure*" beginning on page 233.	
Listing and trading	Our Company has obtained in-principle approvals from the BSE and the NSE both dated on December 17, 2024, under Regulation 28(1)(a) of the SEBI Listing Regulations for listing of the Equity Shares to be issued pursuant to the Issue. Our Company will make applications to each of the Stock Exchanges after Allotment and credit of Equity Shares to the beneficiary account with the Depository Participant to obtain final listing and trading approval for the Equity Shares, to be issued pursuant to this Issue.	
Lock-up	For details of the lock-up, see "*Placement and Lock-up*" beginning on page 248.	
Transferability restrictions	The Equity Shares Allotted pursuant to this Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of a recognised stock exchange. Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. See "*Issue Procedure*", "*Selling Restrictions*" *and "Purchaser Representations and Transfer Restrictions"* on pages 233, 250 and 257, respectively.	
Closing Date	The Allotment of the Equity Shares is expected to be made on or about [●], 2024.	
Status, ranking and dividends	The Equity Shares to be issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association and shall rank *pari passu* with the existing Equity Shares of our Company, including rights in respect of dividends. The Shareholders who hold Equity Shares as on the relevant record date will be entitled to participate in dividends and other corporate benefits, if any, declared by our Company after the Closing Date, in compliance with the Companies Act, SEBI Listing Regulations and other applicable laws and regulations. Shareholders may attend and vote in shareholders' meetings in accordance with the provisions of the Companies Act. For further details, see "*Dividends"* and "*Description of the Equity Shares"* beginning on pages 91 and 263, respectively.	
Security Codes/ Symbols for the Equity Shares	**ISIN**	INE063E01053
	BSE Code	532626
	NSE Symbol	POCL

SELECTED FINANCIAL INFORMATION

The following tables set forth our selected financial information and should be read together with the applicable financial statements included in the section titled "*Financial Information*" beginning on page 281.

This selected financial information should be read in conjunction with the sections titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Financial Information*", beginning on pages 92 and 281, respectively.

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Audited Balance Sheet

(All amounts in ₹ in lakhs, except stated otherwise)

Particulars	As at March 31,2024 (Consolidated)	As at March 31,2023 (Consolidated)	As at March 31,2022 (Standalone)
ASSETS			
Non-current assets			
(a) Property, plant and equipment	15,205.02	13,795.81	5,008.56
(b) Capital work in progress	889.73	1,166.73	346.61
(c) Goodwill	965.46	965.46	965.46
(d) Intangible assets	52.00	61.22	75.22
(e) Financial assets			
(i) Investments	15.21	11.58	10.73
(ii) Other financial assets	371.54	373.15	76.11
(f) Deferred Tax Asset (net)	506.31	390.76	162.51
(g) Other non-current assets	851.32	387.14	124.76
Total non-current assets	**18,856.59**	**17,151.85**	**6,769.96**
Current assets			
(a) Inventories	12,952.38	16,082.39	14602.6
(b) Financial assets			
(i) Trade receivables	10,448.41	10,154.76	8734.69
(ii) Cash and cash equivalents	1,071.17	9.13	74.96
(iii) Bank balances other than above	1,926.97	12.04	149.97
(iv) Other Financial assets	104.19	-	-
(c) Asset held for sale	-	19.00	-
(d) Other current assets	2,812.92	3,820.16	2677.28
Total current assets	**29,316.04**	**30,097.48**	**26,239.50**
Total assets	**48,172.63**	**47,249.33**	**33,009.46**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	1,261.10	1,162.48	581.24
(b) Other equity	34,463.34	25,256.59	20,233.43
Total equity	**35,724.44**	**26,419.07**	**20,814.67**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	300.00	598.02	877.43
(ia) Lease Liability	66.69	764.92	-
Other financial liabilities			
(b) Provisions	68.80	60.37	42.30
(c) Other liabilities	10.69	17.32	21.42
Total non-current liabilities	**446.18**	**1,440.63**	**941.15**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	9,759.32	14,104.74	9,840.45
(ia) Lease Liability	172.19	113.72	
(ii) Trade payables			
- Dues to Micro and Small enterprises	126.22	139.08	59.95
- Dues to Creditors other than Micro and Small enterprises	905.83	790.45	724.82
(iii) Other financial liabilities	29.21	25.29	164.85
(b) Provisions	171.43	32.16	206.38
(c) Other current liabilities	837.81	4,184.19	257.19
Total current liabilities	**12,002.01**	**19,389.63**	**11,253.64**
Total liabilities	**12,448.19**	**20,830.26**	**12,194.79**
Total Equity and Liabilities	**48,172.63**	**47,249.33**	**33,009.46**

Audited Statement of Profit and Loss

(All amounts in ₹ in lakhs, except stated otherwise)

Particulars	For the year ended		
	March 31,2024 (Consolidated)	**March 31,2023 (Consolidated)**	**March 31,2022 (Standalone)**
Continuing Operations			
Income			
(a) Revenue from operations	1,54,059.67	1,47,618.09	1,45,480.10
(b) Other income	411.08	427.28	463.17
Total income	**1,54,470.75**	**1,48,045.37**	**1,45,943.27**
Expenses			
(a) Cost of materials consumed	1,31,995.50	1,28,263.42	1,24,327.30
(b) Purchases of Stock in Trade	4,095.83	2,314.57	8,292.09
(c) Changes in inventories of finished goods and WIP	735.10	(369.69)	(3,082.99)
(d) Employee benefits expense	2,538.34	2,272.93	1,995.85
(e) Finance costs	1,718.38	684.25	844.32
(f) Depreciation and amortisation expense	1,318.41	1,109.17	898.66
(g) Other expenses	7,667.87	7,434.41	6,232.39
Total expenses	**1,50,069.43**	**1,41,709.06**	**1,39,507.62**
Profit before exceptional items and tax	**4,401.32**	**6,336.31**	**6,435.65**
Exceptional items	-	2,851.23	-
Profit before tax from continuing operations	**4,401.32**	**9,187.54**	**6,435.65**
Tax expense			
(a) Current tax	1,330.42	1,704.76	1,704.95
(b) Deferred tax charge/ (credit)	(116.32)	(22.28)	(94.06)
Profit for the year	**3,187.22**	**7,505.06**	**4,824.76**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of post employment benefit obligations	3.01	(6.15)	15.06
Income tax (charge)/ credit relating to these items	(0.76)	1.55	(3.79)
Other comprehensive income for the year, net of tax	**2.25**	**(4.60)**	**11.27**
Total comprehensive income for the year	**3,189.47**	**7,500.46**	**4,836.03**
Earnings per share			
Basic earnings per share	27.21	64.56	41.50
Diluted earnings per share	27.13	64.56	41.50

Audited Cash Flow Statement

(All amounts in ₹ in lakhs, except stated otherwise)

Particulars	Year ended		
	March 31, 2024 (Consolidated)	March 31, 2023 (Consolidated)	March 31, 2022 (Standalone)
Cash Flow from Operating Activities			
Profit before income tax	4,401.32	9,187.54	6435.65
Adjustments for			
Depreciation and amortisation expense	1,318.41	1,109.17	898.66
(Profit)/ loss on sale of fixed asset	(10.78)	38.83	(8.61)
(Increase)/ decrease in fair value of investments	(3.63)	(0.85)	6.35
Interest income	(7.61)	(6.51)	(6.18)
Dividend income	(0.16)	(0.06)	(0.2)
Finance costs	1,718.38	684.25	844.32
Capital Reserve and CIRP Adjustment	-	(1,784.84)	-
Operating Profit before working capital changes	7,415.93	9,227.53	8,169.99
Change in operating assets and liabilities			
(Increase)/ decrease in other financial assets	(102.58)	(297.04)	2.36
(Increase)/ decrease in inventories	3,130.01	(1,479.79)	(2,247.33)
(Increase)/ decrease in trade receivables	(293.65)	(1,420.07)	2,146.33
(Increase)/ decrease in other assets	1,014.14	(1,153.61)	(299.25)
Increase/ (decrease) in provisions and other liabilities	(3,512.23)	4,676.70	76.29
Increase/ (decrease) in trade payables	102.52	144.76	(8.3)
Cash generated from operations	7,754.14	9,698.48	7,840.09
Less : Income taxes paid (net of refunds)	(1,223.66)	(1,906.77)	(1,518.74)
Net cash from operating activities (A)	**6,530.48**	**7,791.71**	**6,321.35**
Cash Flows From Investing Activities			
Purchase of PPE (including changes in CWIP)	(3,682.11)	(11,061.31)	(1,393.62)
Sale proceeds of PPE	313.51	48.43	26.73
(Purchase)/ Disposal proceeds of Investments	-	-	-
(Investments in)/ Maturity of fixed deposits with banks	(1,914.93)	137.93	(76.86)
Dividend received	0.16	0.06	0.2
Interest received	0.71	7.34	7.07
Net cash used in investing activities (B)	**(5,282.66)**	**(10,867.55)**	**(1,436.48)**
Cash Flows From Financing Activities			

Proceeds from issue of shares (Net of expenses)	4,650.68	-	-
Proceeds from issue of shares warrants	2,062.50	-	-
Proceeds from/ (repayment of) long term borrowings	(298.02)	(279.41)	(1,088.95)
Proceeds from/ (repayment of) short term borrowings	(4,345.42)	4,264.29	(2,743.88)
Finance costs	(1,674.28)	(684.25)	(844.32)
Dividend paid	(581.24)	(290.62)	(145.31)
Net cash from/ (used in) financing activities €	**(185.78)**	**3,010.01**	**(4,822.46)**
Net increase/decrease in cash and cash equivalents (A+B+C)	**1,062.04**	**(65.83)**	**62.41**
Cash and cash equivalents at the beginning of the financial year	9.13	74.96	12.55
Cash and cash equivalents at end of the year	**1,071.17**	**9.13**	**74.96**

Unaudited Limited Review Consolidated Balance Sheet

(All amounts in ₹ in lakhs, except stated otherwise)

Particulars	As at	
	September 30,2024	**September 30,2023**
ASSETS		
Non-current assets		
(a) Property, plant and equipment	16,210.52	14,277.75
(b) Capital work in progress	4,490.41	1,580.53
(c) Goodwill	965.46	965.46
(d) Intangible assets	47.31	55.83
(e) Intangible Asset under development	-	121.96
(f) Financial assets		
(i) Investments	28.52	12.74
(ii) Other financial assets	357.63	362.85
(g) Deferred Tax Asset (net)	478.07	377.80
(h) Other non-current assets	584.10	9.10
Total non-current assets	**23,162.02**	**17,764.02**
Current assets		
(a) Inventories	14,237.02	18,644.13
(b) Financial assets		
(i) Trade receivables	13,650.20	10,292.71
(ii) Cash and cash equivalents	25.96	70.38
(iii) Bank balances other than above	700.93	26.29
(iv) Other Financial assets	131.04	12.87
(c) Other current assets	5,181.60	3,032.03
Total current assets	**33,926.75**	**32,078.41**
Total Assets	**57,088.77**	**49,842.43**
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	1,302.52	1,162.48
(b) Other equity	38,127.72	25,711.06
Total equity	**39,430.24**	**26,873.54**
Liabilities		
Non-current liabilities		
(a) Financial liabilities		

(i) Borrowings	300.00	500.00
(ia) Lease Liability	-	702.08
(b) Provisions	67.23	60.37
(c) Other liabilities	7.38	17.32
Total non-current liabilities	**374.61**	**1,279.77**
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	14,246.79	19,182.16
(ia) Lease Liability	153.03	119.69
(ii) Trade payables		
- Dues to Micro and Small enterprises	184.57	114.44
- Dues to Creditors other than Micro and Small enterprises	1,162.52	505.74
(iii) Other financial liabilities	172.10	12.04
(b) Provisions	1,155.70	126.68
(c) Other current liabilities	209.21	1,628.37
Total current liabilities	**17,283.92**	**21,689.12**
Total liabilities	**17,658.53**	**22,968.89**
Total Equity and Liabilities	**57,088.77**	**49,842.43**

Unaudited Limited Review Consolidated Statement of Profit and Loss

(All amounts in ₹ in lakhs, except stated otherwise)

Particulars	For the period ended	
	September 30,2024	September 30,2023
Continuing Operations		
Income		
(a) Revenue from operations	102404.66	72,176.90
(b) Other income	146.95	224.02
Total income	**1,02,551.61**	**72,400.92**
Expenses		
(a) Cost of materials consumed	91,921.08	59,805.53
(b) Purchases of Stock in Trade	607.24	3,040.98
(c) Changes in inventories of finished goods and WIP	(468.00)	1,619.32
(d) Employee benefits expense	1,231.29	1,290.03
(e) Finance costs	642.75	852.26
(f) Depreciation and amortisation expense	762.58	683.05
(g) Other expenses	3,935.74	3,606.73
Total expenses	**98,632.68**	**70,897.90**
Profit before exceptional items and tax	**3,918.93**	**1,503.02**
Exceptional items	-	
Profit before tax from continuing operations	**3,918.93**	**1,503.02**
Tax expense		
(a) Current tax	1,069.26	511.13
(b) Deferred tax charge/ (credit)	28.24	12.95
Profit for the year	**2,821.43**	**978.94**
Other comprehensive income		
Items that will not be reclassified to profit or loss	-	-
Remeasurement of post employment benefit obligations	-	-
Income tax (charge)/ credit relating to these items	-	-
Other comprehensive income for the year, net of tax	**-**	**-**
Total comprehensive income for the year	**2,821.43**	**978.94**
Earnings per share		
Basic earnings per share	22.13	8.42
Diluted earnings per share	21.09	8.42

Unaudited Limited Review Consolidated Cash Flow Statement

(All amounts in ₹ in lakhs, except stated otherwise)

Particulars	Year ended	
	September 30,2024	September 30,2023
Cash Flow from Operating Activities		
Profit before income tax	**3,918.93**	**1,503.03**
Adjustments for		
Depreciation and amortisation expense	762.58	683.05
(Profit)/ loss on sale of fixed asset	(4.44)	(38.30)
(Increase)/ decrease in fair value of investments	(13.31)	(1.16)
Interest income	(13.04)	0.69
Dividend income	(0.09)	-
Finance costs	642.75	852.26
Capital Reserve and CIRP Adjustment	-	-
Operating Profit before working capital changes	**5,293.38**	**2,999.07**
Change in operating assets and liabilities		
(Increase)/ decrease in other financial assets	(12.94)	(2.56)
(Increase)/ decrease in inventories	(1,284.64)	(2,561.74)
(Increase)/ decrease in trade receivables	(3,201.79)	(137.94)
(Increase)/ decrease in other assets	(2,374.59)	798.03
Increase/ (decrease) in provisions and other liabilities	81.28	(2,610.47)
Increase/ (decrease) in trade payables	315.04	(309.41)
Cash generated from operations	(1,184.26)	(1,825.02)
Less : Income taxes paid (net of refunds)	(753.87)	(432.06)
Net cash from operating activities (A)	**(1,938.13)**	**(2,257.08)**
Cash Flows from Investing Activities		
Purchase of PPE (including changes in CWIP)	(5,112.23)	(1,468.33)
Sale proceeds of PPE	20.54	198.91
(Purchase)/ Disposal proceeds of Investments	-	-
(Investments in)/ Maturity of fixed deposits with banks	1,226.04	(14.25)
Dividend received	0.09	-
Interest received	18.95	0.69
Net cash used in investing activities (B)	**(3,846.61)**	**(1,284.36)**
Cash Flows from Financing Activities		
Proceeds from issue of shares (Net of expenses)	(39.38)	-

Proceeds from issue of shares warrants	1,575.00	-
Proceeds from/ (repayment of) long term borrowings	-	(98.02)
Proceeds from/ (repayment of) short term borrowings	4,487.47	5,077.42
Finance costs	(632.30)	(852.26)
Dividend paid	(651.26)	(581.24)
Net cash from/ (used in) financing activities (C)	**4,739.53**	**3,545.90**
Net increase/decrease in cash and cash equivalents (A+B+C)	**(1,045.21)**	**4.46**
Cash and cash equivalents at the beginning of the financial year	1,071.17	65.92
Cash and cash equivalents at end of the year	**25.96**	**70.38**

RISK FACTORS

This Issue and an investment in the Equity Shares involve a certain degree of risk. You should carefully consider all the risks and uncertainties described below as well as other information contained in this Preliminary Placement Document before making an investment in the Equity Shares. If any particular risk or some combination of the risks described below actually occurs, our business, results of operation, financial condition and cash flows could be adversely affected, the trading price of the Equity Shares could decline and you may lose all or part of your investment. Unless specified in the risk factors below, we are not in a position to quantify the financial implications of any of the risks mentioned below. We have described the risks and uncertainties that we currently believe to be material, but the risks set out in this Preliminary Placement Document may not be exhaustive or complete, and additional risks and uncertainties not presently known to us, or which we currently deem to be immaterial, may arise or become material in the future. This section should be read together with "Industry Overview", "Our Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Legal Proceedings" beginning on pages 129, 203, 92 and 273, respectively, as well as the financial statements, including the notes thereto, and other financial information included in "Financial Information" beginning on page 281.

Some of the information in the following section, especially information with respect to our plans and strategies, contain certain forward-looking statements that involve risks and uncertainties. You should read the chapter "Forward-Looking Statements" beginning on page 15.

Our fiscal year ends on March 31 of each year, and references to a particular fiscal are to the twelve months ended March 31 of that year. Unless otherwise stated, or the context otherwise requires, the financial information used in this section is derived from our Audited Financial Statements and the Unaudited Consolidated Financial Results included in this Preliminary Placement Document in "Financial Information" beginning on page 281.

Unless otherwise indicated, industry and market data in this section has been derived from the CareEdge Research Report, which was exclusively prepared for the purpose of this Issue. Unless otherwise indicated, all operational, industry and other related information derived from the CareEdge Research Report and included herein with respect to any particular year, refers to such information for the relevant year. Neither we, nor the BRLM, nor any other person connected with the Issue has independently verified this information. For more details, see "Presentation of Financial and Other Information" and "Industry Overview" beginning on pages 12 and 129, respectively.

Unless the context otherwise requires, in this section, references to "we", "us", or "our" refers to our Company on a consolidated basis and references to "the Company" or "our Company" refers to Pondy Oxides and Chemicals Limited on a standalone basis.

Internal Risk Factors

1. ***Our business is dependent on certain key customers and the loss of any of these customers or loss of revenue from sales to any key customers could have a material adverse effect on our business, financial condition, results of operations and cash flows.***

   We derive a significant portion of our revenue from our top ten customers. Our revenue from the operations of our top ten customers for the six months ended September 30, 2024 and September 30, 2023 and for the Fiscals 2024, 2023 and 2022 are as set out in the table below:

Particulars	For the six months ended September 30, 2024		For the six months ended September 30, 2023		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ lakhs)	% of Revenue from Operations	Amount (₹ lakhs)	% of Revenue from Operations	Amount (₹ lakhs)	% of Revenue from Operations	Amount (₹ lakhs)	% of Revenue from Operations	Amount (₹ lakhs)	% of Revenue from Operations
Top 10 customers	93,492.57	91.30	61,378.32	85.04	1,35,199.00	87.76	1,36,207.00	92.27	1,27,814.00	87.86

Dependence on a few counterparties or states/regions is risky for manufacturers in case of customer attrition. There can be no assurance that we will be able to significantly reduce customer concentration in the future. Since we are significantly dependent on our key customers for a significant portion of our sales, the loss of any one or more of our key customers for any reason (including, due to loss of contracts or failure to negotiate acceptable terms in contract renewal negotiations, disputes with customers, adverse change in the financial condition of such customers, including due to possible bankruptcy or liquidation or other financial hardship, merger or decline in their sales, reduced or delayed customer requirements, plant shutdowns, labour strikes or other work stoppages), could have an adverse effect on our business, results of operations and financial condition. In addition, these key customers may also set off any payment obligations, require indemnification for themselves or their affiliates, replace us with our competitors, or replace their existing products with alternative products which we do not supply. Therefore, there can be no assurance that we can maintain historic levels of business from our significant customers, that we will not lose all or a portion of sales to these key customers, or that we will be able to offset any reduction of revenue from these customers with reductions in our costs or by obtaining new customers. The occurrence of any of the above factors will have an adverse effect on our financial performance, profitability and result of operations.

2. ***Our business and profitability is substantially dependent on the availability and cost of our raw materials and we are dependent on third party suppliers for meeting our raw material requirements which are on purchase order basis. Any disruption to the timely and adequate supply of raw materials, or volatility in the prices of raw materials may adversely impact our business, results of operations and financial condition.***

Our major raw materials for our manufacturing processes include lead acid batteries, battery plates, lead scrap in various forms, lead concentrate and we purchase these materials from both overseas and local suppliers in India.

The prices of our raw materials are based on, or linked to, the international prices of such raw material and the variations are typically passed on to the customer. The prices globally have been volatile, in particular, due hostilities between the Ukraine and Russia and hostilities between Israel and Iran.

The table below sets forth our cost of raw materials consumed and our cost of raw materials consumed as a percentage of total expenditure for periods indicated.

Particulars	Six months period ended September 30, 2024		Six months period ended September 30, 2023		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	₹ lakhs	% of total expenditure	₹ lakhs	% of total expenditure	₹ lakhs	% of total expenditure	₹ lakhs	% of total expenditure	₹ lakhs	% of total expenditure
Cost of raw materials consumed	91,921.08	93.20	59,805.53	84.35	1,31,995.50	87.96	1,28,263.42	90.51	124327.30	89.12

We depend on a select few suppliers, with whom we do not have long-term contracts for the purchase of raw materials. We typically source such raw materials by placing purchase orders from time to time. The primary raw materials that we use to manufacture our products are lead acid batteries, battery plates, lead scrap in various forms, lead concentrate. Timely procurement of raw materials as well as the quality and the price at which they are procured, play an important role in the successful operation of our business.

The following table set forth the contributions towards our top 10 suppliers for the periods indicated:

Particulars	Six month ended September 30, 2024		Six month ended September 30, 2023		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ in lakhs)	% of total expenditure	Amount (₹ in lakhs)	% of total expenditure	Amount (₹ in lakhs)	% of total expenditure	Amount (₹ in lakhs)	% of total expenditure	Amount (₹ in lakhs)	% of total expenditure
Top 10 suppliers	54,674.36	58.83	44,662.66	66.14	83,707.68	62.06	81,723.59	62.69	69,902.83	53.55

Except with the few suppliers, we have not entered into long term contracts for the supply of our raw materials, and typically source raw materials from third-party suppliers under contracts of short period/ purchase orders. Accordingly, we may encounter situations where we might be unable to manufacture and deliver our products due to, amongst other reasons, our inability to procure raw materials for our products. As a result, the success of our business is significantly dependent on maintaining good relationships with our raw material suppliers. Absence of long-term supply contracts subject us to risks such as price volatility caused by various factors such as commodity market fluctuations, currency fluctuations, climatic and environmental conditions, production and transportation cost, changes in domestic government policies, and regulatory and trade sanctions. Additionally, our inability to predict the market conditions may result in us placing supply orders for inadequate quantities of such raw materials.

In the six months period ended September 30, 2024 and September 30, 2023 and in Fiscal 2024, Fiscal 2023 or Fiscal 2022, our imported raw materials as a percentage of total raw materials purchased represented 75.57%, 87.22%, 88.37%, 74.52% and 72.25%, respectively.

The table below sets forth our cost of materials purchased from suppliers in India and outside India for the periods indicated.

Particulars of Suppliers	**Six months period ended September 30, 2024**		**Six months period ended September 30, 2023**		**Fiscal 2024**		**Fiscal 2023**		**Fiscal 2022**	
	₹ lakhs	**% of cost of materials**	**₹ lakhs**	**% of cost of materials**	**₹ lakhs**	**% of cost of materials**	**₹ lakhs**	**% of cost of materials**	**₹ lakhs**	**% of cost of materials**
Imported	69,462.92	75.57	52,161.47	87.22	1,16,646.62	88.37	95,581.88	74.52	89,822.01	72.25
Others	22,458.16	24.43	7,644.06	12.78	15,348.88	11.63	32,681.54	25.48	34,505.29	27.75
Total	91,921.08	100.00	59,805.53	100.00	1,31,995.50	100.00	1,28,263.42	100.00	1,24,327.30	100.00

Some of our raw material imports in India are regulated by the Ministry of Environment, Forest and Climate Change against the Hazardous and other Wastes (Management & Transboundary Movement) Rules, 2016 for collection, storage, processing, transportation and disposal that, *inter alia*, allows the concerned authority to regulate import. Although we have not had any such hurdles in getting the clearances in the past, we are unable to assure you that no such hurdles of import of raw materials will occur in the future. Further, we are unable to assure you that such regulations would not be made more stringent which would consequently restrict our ability to import raw materials from other jurisdictions. Any restriction on purchase of raw materials from outside India could have an adverse effect on our ability to deliver products to our customers, and our business, results of operations and financial condition. Further, if there are any trade restrictions, sanctions or higher tariffs placed by India on purchases made from other countries or similar restrictions are placed by the exporting country for supply of products to India, such trade restrictions, sanctions or higher tariffs may significantly impact our sourcing decisions and may lead to increased cost of purchase, and shortages of raw materials. Trade restrictions, sanctions or higher tariffs, if imposed in future, could have a material adverse effect on our business, results of operations and financial condition.

3. ***Our business is dependent and will continue to depend on our manufacturing facility, and we are subject to certain risks in our manufacturing processes. Any slowdown or shutdown in our manufacturing operations or strikes, work stoppages or increased wage demands by our employees that could interfere with our operations could have an adverse effect on our business, financial condition and results of operations.***

We have five manufacturing facilities (of which one manufacturing facility is yet to commence operations) located at SIPCOT, Kancheepuram, Tamil Nadu and Chittoor, Andhra Pradesh. For further details on our manufacturing facilities, see "*Our Business – Manufacturing Facilities*" on page 212. Our business is dependent upon our ability to manage our manufacturing facility, which is subject to various operating risks, including those beyond our control, such as the breakdown, failure of equipment or industrial accidents, severe weather conditions (including heavy rainfall), natural disasters and infectious disease outbreaks such as the COVID-19 pandemic resulting in unplanned slowdowns and/or shutdowns. Any significant malfunction or breakdown of our machinery, our equipment, our automation systems, our IT systems or any other part of our manufacturing processes or systems (together, our "Manufacturing Assets") may entail significant repair and maintenance costs and cause delays in our operations. If we are unable to repair Manufacturing Assets in a timely manner or at all, our operations may need to be suspended until we procure the appropriate Manufacturing Assets to replace them. Although we have backup for lower value machinery, this is not always possible for capital intensive machinery, and as such, when such equipment fails, we have and may into the future experience operational downtime. We may also experience loss of, or a decrease in, revenue due to lower production levels. Further, the capacity utilisation at our manufacturing facility is subject to various factors such as availability of raw materials, power, water, efficient working of machinery and equipment and optimal production planning. We cannot assure you that we will successfully implement new technologies effectively or adapt its systems to emerging industry standards. In addition, we may be required to carry out planned shutdowns of our facilities for maintenance, statutory inspections, customer audits and testing, or may shut down certain facilities for capacity expansion and equipment upgrades.

As on September 30, 2024, we had 376 employees and 282 contract workers and trainees working in our manufacturing facility. Success of our operations depends on availability of labour and good relationships with our labour force. As of the date of this Preliminary Placement Document, our employees are not members of any organised labour unions. Notwithstanding, strikes and lockouts as a result of disputes with our labour force may adversely affect our operations. While we have not had instance of strikes, lockouts or labour disputes in the past, we cannot assure you that we shall not experience any strikes or lockouts on account of labour disputes in the future. Such events could disrupt our operations and may have a material adverse effect on our business, financial condition and results of operations. In addition, we also may face protests from local citizens at our existing facilities or while setting up new facilities, which may delay or halt our operations.

Further, we may be subject to manufacturing disruptions due to contraventions by us of any of the conditions of our regulatory approvals, which may require our manufacturing facility to cease, or limit, production until the disputes concerning such approvals are resolved.

Although we have not experienced any significant disruptions at our manufacturing facility in the past, we cannot assure you that there will not be any disruptions in our operations in the future. Our inability to effectively respond to such events and rectify any disruption, in a timely manner and at an acceptable cost, could lead to the slowdown or shutdown of our operations or the under-utilization of our manufacturing facility, which in turn may have an adverse effect on our business, financial condition and results of operations.

4. ***We are dependent on sales outside of India, which accounted for a significant portion (more than 50%) of our revenue from operations in the six months period ended September 30, 2024 and September 30, 2023 and in Fiscal 2024, Fiscal 2023 or Fiscal 2022. The demand of our products outside India is subject to international market conditions and foreign regulatory risks that could adversely affect our business, results of operations and financial condition.***

We are dependent on the sale of our products outside India. In the six months period ended September 30, 2024 and in Fiscal 2024, we sold our products in region such as Asia, USA, Africa, Middle East, Europe respectively.

The table below sets forth our revenue from sale of our products outside India along with the contribution by region for the fiscal years indicated:

Region/ Countries	Six months period ended September 30, 2024		Six months period ended September 30, 2023		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	₹ lakhs	% of Revenue from Operations	₹ lakhs	% of Revenue from Operations	₹ lakhs	% of Revenue from Operations	₹ lakhs	% of Revenue from Operations	₹ lakhs	% of Revenue from Operations
Asia	66,067.80	64.52	38,374.78	53.17	85678.33	55.61	82,309.25	55.76	78,881.95	54.22
USA	-	-	288.41	0.40	288.41	0.19	-	-	37.22	0.03
Africa	-	-	97.18	0.41	235.31	0.15	272.91	0.18	-	-
Middle East	-	-	186.47	0.26	276.47	0.18	329.06	0.22	-	-
Europe	91.72	0.09	-	-	342.24	0.22	340.21	0.23	-	-

Region/ Countries	Six months period ended September 30, 2024		Six months period ended September 30, 2023		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	₹ lakhs	% of Revenue from Operations	₹ lakhs	% of Revenue from Operations	₹ lakhs	% of Revenue from Operations	₹ lakhs	% of Revenue from Operations	₹ lakhs	% of Revenue from Operations
Total	**66,159.52**	**64.61**	**38,946.85**	**53.96**	**86,820.76**	**56.36**	**83,251.42**	**56.40**	**78,919.17**	**54.25**

Any developments in the global metal industry, in particular Asia and Middle East, could have an impact on our business and revenue. We experienced a similar trend to that of the industry in Fiscal 2024. Our business, results of operations and financial condition may be impacted in the future by similar industry demand-supply imbalances.

In addition, from time to time, tariffs, quotas and other tariff and non-tariff trade barriers may be imposed on our products in jurisdictions in which we operate or seek to sell our products. There can be no assurance that the Asia and Middle-East, among others, where we sell our products will not impose trade restrictions on us in future. We may also be prohibited from selling our products to certain restricted countries that may be added to a sanctions list maintained by the Government of India. Any imposition of trade barriers in the future could adversely affect our business, results of operations and financial condition.

Our international operations are exposed to additional risks including foreign exchange risk, changes in taxes and tax rates, compliance with a wide range of laws, regulations and practices, exposure to expropriation or other government actions; and political, economic and social instability. See, " *- Exchange rate fluctuations may adversely affect our results of operations as our sales outside India and a portion of our expenditures are denominated in foreign currencies*" on page 59. Further, our strategy is to continue to expand our sales into new markets and such expansion subjects us to various challenges, including those relating to our lack of familiarity with the culture and economic conditions of these new regions, language barriers, difficulties in staffing and managing such operations, and the lack of brand recognition and reputation in such regions. In addition, the risks involved in entering new geographic markets and expanding operations, may be higher than expected, and we may face significant competition in such markets. In the eventuality we are unable to successfully expand into new geographical regions, our growth plans and future performance could be adversely affected.

5. ***Our investments in metal recycling operations may not be successful and may be less profitable or may be loss-making.***

As we continue to expand our recycling operations, particularly in lead and copper, we depend on the steady availability of high-quality recyclable materials, stable operational costs and favourable market demand. However, fluctuations in any of these factors may pose challenges in profitability and long-term growth. The prices of recycled metals such as lead and copper, are heavily influenced by global market conditions. A downturn in demand or drop in metal prices in spite of hedging of metals could lead to revenue losses and potentially render some recycling operations unprofitable.

Additionally, expanding recycling operations may require sustainable capital expenditure for development and implementation, which could consume significant management time and resources. Moreover, our investments in metal recycling business may turn out to be less profitable than expected or even result in losses. This could drain our financial resources and divert management's focus from existing operations, all of which may have a materially adverse effect our business, results of operations and financial condition.

6. ***Our new manufacturing facility in Thervoykandigai Unit in Tamil Nadu and Mundra Unit in Gujarat are subject to the risk of unanticipated delays in implementation and cost overruns. If we are unable to implement the expansion plans at the planned cost, it could materially and adversely impact our business, results of operations and financial condition.***

We have made and intend to continue making investments to expand our operating capacity and bring new products on stream as part of our growth efforts. In the Financial Year 2025, we are planning to commence lead production at our new manufacturing unit at Thervoykandigai in Tamil Nadu. The first phase will cater to expansion of 36,000 metric tonne per annum of lead, which is equipped with cutting-edge automation to improve operational efficiency and lower the carbon footprint, as our company is progressing towards an environment-friendly, sustainable manufacturing practices. This new Thervoykandigai Unit in Tamil Nadu is expected have installed capacity of 72,000 MTPA of lead smelter. In addition, we have also acquired 123 acres of land in Mundra, Gujarat which is intended to begin its operation in 2027.

Our Thervoykandigai Unit and Mundra Unit projects will be subject to the potential problems and uncertainties that construction projects face including cost overruns or delays. Problems that could adversely affect our expansion plans include increased costs of equipment or manpower, inadequate performance of the equipment and machinery installed in our manufacturing facilities, delays in completion, defects in design or construction, the possibility of unanticipated future regulatory restrictions, labour shortages, delays in receiving governmental, statutory and other regulatory approvals, incremental pre-operating expenses, unforeseen taxes and duties, interest and finance charges, environment and ecology costs and other external factors which may not be within the control of our management. There can be no assurance that the proposed capacity additions and expansions will be completed as planned or on schedule, and if they are not completed in a timely manner, or at all, our budgeted costs may be insufficient to meet our proposed capital expenditure requirements. If our actual capital expenditures significantly exceed our budgets, or even if our budgets were sufficient to cover these projects, we may not be able to achieve the intended economic benefits of these projects, which in turn may materially and adversely affect our financial condition, results of operations, cash flows, and prospects. There can be no assurance that we will be able to complete the aforementioned expansion and additions in accordance with the proposed schedule of implementation and any delay could have an adverse impact on our growth, prospects, cash flows and financial condition.

7. ***Our future expansions and acquisitions are dependent upon our ability to raise capital.***

We will require capital, in the form of debt or equity for, among other purposes, expanding our operations, making acquisitions, managing acquired assets, acquiring new equipment, maintaining the condition of its existing equipment and maintaining compliance with environmental laws and regulations. From time to time, we evaluate the acquisition opportunities in the course of our business. To the extent that cash generated internally and cash available under our existing credit facilities may not be sufficient to fund our capital requirements, we may have to obtain financing in the form of debt or equity financing.

Factors that may affect our access to funding or increase its funding costs include (a) the financial and regulatory environments; (b) adverse changes in our operating results, financial condition or cash flows; (c) currency movements, interest rate increases or volatility or other potential market disruptions; (d) a decrease in bank appetite for risk as a result of tightened lending standards, regulatory capital requirements or otherwise and (e) downgrade in India's sovereign ratings. There can be no assurance that we will continue to be successful in obtaining the necessary funding to fund our future expansions and acquisitions or be successful in obtaining such funding on terms favourable to us, or that any such future financing would not result in increased finance charges, increased financial leverage or decreased income or the imposition of more restrictive covenants on our businesses and operations.

8. ***We are subject to certain risks consequent to our operations involving the manufacture, usage and storage of various hazardous substances.***

Our manufacturing processes involve manufacturing, storage and transportation of various hazardous substances including lead, copper and certain raw materials that we use in production that are highly corrosive, hazardous and toxic substances, and we are required to obtain approvals from various authorities for storing hazardous substances. We are subject to operating risks associated with handling of such hazardous materials such as possibility for leakages and ruptures from containers, explosions, and the discharge or release of toxic or hazardous substances, which in turn may cause personal injury, property damage and environmental contamination.

In the event of occurrence of any such accidents, our business operations may be interrupted. Any of these occurrences in the future may result in the shutdown of one or more of our manufacturing units and expose us to civil and/or criminal liability or penalties or fines which could adversely affect our business, results of operations and financial condition. Further, such occurrences may result in the termination of our approvals for storing such substances or penalties thereunder.

Moreover, certain environmental laws impose strict liability for accidents and damages resulting from hazardous substances and, although we have had no such instances during the six months period ended September 30, 2024 and September 30, 2023 and during Fiscal 2024, Fiscal 2023 or Fiscal 2022, any failure to comply with such laws may lead to closure, penalties, fines and imprisonment.

9. ***Non-compliance with and changes in, safety, health, environmental and labour laws and other applicable regulations, may adversely affect our business, financial condition and results of operations.***

We are subject to laws and government regulations, including in relation to safety, health, environmental protection and labour. These laws and regulations impose controls on air and water discharge, processing, handling, storage, transport or disposal of hazardous substances including employee exposure to hazardous substances and other aspects of our manufacturing operations. Further, our products, including the process of manufacture, storage and distribution of such products, are subject to numerous laws and regulations in relationto quality, safety and health. We handle and use hazardous materials in our manufacturing activities and the improper handling or storage of these materials could result in accidents, injure our personnel, property and damage the environment. Any accident at our facilities may result in personal injury or loss of life, environmental damage, substantial damage to or destruction of property and equipment resulting in the suspension of operations. Further, laws and regulations may limit the amount of hazardous and pollutant discharge that our manufacturing facility may release into the air and water. The discharge of materials that are chemical in nature or of other hazardous substances into the air, soil or water beyond these limits may cause us to be liable to regulatory bodies or third parties. Any of the foregoing could subject us to legal proceedings, which could have an adverse impact on our profitability in the event we were found liable and could also adversely affect our reputation. Additionally, the government or the relevant regulatory bodies may require us to shut down our manufacturing plants, which in turn could lead to product shortages that delay or prevent us from fulfilling our obligations to customers.

We are also subject to the laws and regulations governing employees, including in relation to minimum wage and maximum working hours, overtime, working conditions, hiring and termination of employees, contract labour and work permits. We have incurred and expect to continue incurring costs for compliance with such laws and regulations. We have also made and expect to continue making capital expenditures on an on-going basis to comply with all applicable environmental, health and safety and labour laws and regulations. These laws and regulations have, however, become increasingly stringent and it is possible that they will become significantly more stringent in the future. We cannot assure you that we will not be found to be in non-compliance with, or remain in compliance with all applicable environmental, health and safety and labour laws and regulations or the terms and conditions of any consents or permits in the future or that such compliance will not result in a curtailment of production or a material increase in the costs of production.

For instance, the GoI has introduced (a) the Code on Wages, 2019; (b) the Code on Social Security, 2020; (c) the Occupational Safety, Health and Working Conditions Code, 2020; and (d) the Industrial Relations Code, 2020 which consolidate, subsume and replace numerous existing central labour legislations. While the rules for implementation under these codes have not been notified, we are yet to determine the impact of all or some such laws on our business and operations which may restrict our ability to grow our business in the future and increase our expenses. In the absence of any precedents on the subject, the application of these provisions is uncertain and may or may not have an adverse tax impact on us.

10. ***A significant portion (more than 80%) of our revenue from operations in each of the six months period ended September 30, 2024 and September 30, 2023 and of Fiscal 2024, Fiscal 2023 or Fiscal 2022 is attributable to customers operating in the automobile sector. Any adverse changes in these sectors or any other sector in which our large customers operate could adversely impact our business, results of operations and financial condition.***

Our products cater to a wide range of sectors, including automotive (lead-acid batteries and components), electronics (circuitry and connectors). Consequently, our revenues are dependent on the end user industries that use our products as an input. Further, our customers in the automotive sector have a significant contribution to our revenue from operations.

The table set forth below provides the split of our revenue from operations based on the industry in which our customers operate for the periods indicated:

End user industry of our customer	Six months period ended September 30, 2024		Six months period ended September 30, 2023		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	₹ lakhs	**% of Revenue from Operations**	**₹ lakhs**	**% of Revenue from Operations**	**₹ lakhs**	**% of Revenue from Operations**	**₹ lakhs**	**% of Revenue from Operations**	**₹ lakhs**	**% of Revenue from Operations**
Automotive	97,284.43	95.00	69,289.82	96.00	1,46,356.69	95.00	1,41,713.37	96.00	1,38,206.10	95.00
Other	5,120.23	5.00	2,887.08	4.00	7,702.98	5.00	5,904.72	4.00	7,274.01	5.00
Total	**1,02,404.66**	**100.00**	**72,176.90**	**100.00**	**1,54,059.67**	**100.00**	**1,47,618.09**	**100.00**	**1,45,480.10**	**100.00**

Factors affecting any of these industries could have a cascading adverse effect on our business, results of operations and financial condition. Although certain factors, such as general macroeconomic and consumer trends, have a direct impact on demand for automotive products, others can have indirect consequences that are difficult to predict. There can be no assurance that we will not be affected by any significant events impacting the automotive sector or any other sectors in which our customers operate in the future which could have an adverse impact on our business and financial performance.

11. ***The volatility of commodity prices may cause a material adverse effect on our revenue, results of operations, cash flows and financial condition.***

Our business operations, spanning lead, copper, aluminium, and plastics, are significantly exposed to fluctuations in the prices of these raw materials, which constitute a substantial portion of our production costs. Over the past few years, prices of these key raw materials have witnessed significant fluctuations. The price surges elevate our production costs and can compress margins if we are unable to fully pass on the cost increases to customers due to competitive pressures. Conversely, sharp declines in prices can result in inventory write-downs, negatively affecting our financial performance. Such volatility also creates operational risks, including supply chain disruptions, production delays, and cash flow unpredictability, which could strain our working capital. Although we implement strategies like long-term contracts, hedging, and inventory management to mitigate these risks, there is no assurance that these measures will fully protect us from the impact of such fluctuations. Significant price volatility, as evidenced by these increases, could materially and adversely affect our revenue, profitability, and overall financial stability.

12. ***The demand and pricing of non-ferrous metals is volatile and sensitive to the cyclical nature of industry it serves including raw material prices. A decrease in specialty chemical prices may have a material adverse effect on our business, results of operations, prospects and financial condition.***

The prices of our products including lead metals, aluminium metals, copper and its alloys generally fluctuate based on a number of factors, such as, the availability and cost of raw material inputs, fluctuations in domestic and international demand and supply, domestic production and capacity of feedstocks, transportation costs, protective trade measures and various social and political factors, in India and are sensitive to the cyclical trends of the metal industry in general. When downturns occur, we may experience decreased demand for our products, which may lead to decrease in prices, which may, in turn, have a material adverse effect on our business, results of operations, financial condition and prospects. Our business, results of operations and financial condition may be impacted in the future by similar industry demand-supply imbalances.

Further, the prices of essential raw materials like battery plates, other lead scraps, other speciality chemicals used as additives and fuels has marginally raised in the past two years and any fluctuation in raw material prices directly impacts the cost to manufacture our specialty chemical products. In addition, substantial decreases in product prices during periods of economic weakness have not always been balanced by commensurate price increases during periods of economic strength. Any sustained price recovery will most likely require a broad economic recovery, in order to underpin an increase in real demand for specialty chemical products by end users.

13. ***We face competition from both domestic as well as multinational corporations and our inability to compete effectively may have a material adverse impact on our business, results of operations and financial condition.***

Although the metal industry provides for significant entry barriers, competition in our business is based on pricing, relationships with customers, research and development, product registration, product quality, customisation, and innovation. We face pricing pressures from companies, principally in India and abroad, that are able to produce non-ferrous metals at competitive costs and consequently, may supply their products at cheaper prices. We are unable to assure you that we shall be able to meet the pricing pressures imposed by such multinational competitors which would adversely affect our business, results of operations and financial condition. They may also be in a better position to identify market trends, adapt to changes in industry, innovative new products, offer competitive prices due to economies of scale and also ensure product quality and compliance. Further, our competitors may enter into contract manufacturing arrangements with our customers for products that they are currently purchasing from us that could result in the loss of such customer or loss of revenue from such customer. In addition, our customers may decide to backward integrate their businesses, which could reduce their purchases of our products. For more information regarding our industry peers, see "*Industry Overview*" on page 129.

14. ***Four of our five manufacturing units are concentrated in Tamil Nadu. Any significant social, political, economic or seasonal disruption, natural calamities or civil disruptions in Tamil Nadu or in where our other manufacturing units are located could have an adverse effect on our business, results of operations and financial condition.***

We have four of our five manufacturing units concentrated in Kancheepuram, Tamil Nadu and we have one manufacturing facility in Chittoor, Andhra Pradesh. Our manufacturing units and our operations are susceptible to local and regional factors, such as economic and weather conditions, natural disasters, political, demographic and population changes, adverse regulatory developments civil unrest and other unforeseen events and circumstances. Such disruptions could result in the damage or destruction of one or more of our manufacturing capabilities, significant delays in shipments of our products and/or otherwise materially adversely affect our business, financial condition and results of operations. The occurrence of any of these events could require us to incur significant capital expenditure or change our business structure or strategy, which could have an adverse effect on our business, results of operations, future cash flows and financial condition. We cannot assure you that there will not be any significant developments in these regions in the future that may adversely affect our business, results of operations and financial condition.

15. ***Our success largely depends upon the knowledge and experience of our Promoters, Directors, Key Managerial Personnel, and Senior Management Personnel as well as our ability to attract and retain personnel with technical expertise. Our inability to retain our Promoters, Directors, Key Managerial Personnel and Senior Management Personnel or our ability to attract and retain other personnel with technical expertise could adversely affect our business, results of operations and financial condition.***

We depend on the management skills and guidance of our Promoters and Board of Directors for development of business strategies, monitoring their successful implementation and meeting future challenges. Further, we also significantly depend on the expertise, experience and continued efforts of our Key Managerial Personnel and Senior Management Personnel. Any loss of our Promoters, Directors, Key Managerial Personnel and Senior Management Personnel or our ability to attract and retain them and other skilled personnel could adversely affect our business, results of operations and financial condition. Our future performance will depend largely on our ability to retain the continued service of our management team. If one or more of our Key Managerial Personnel or Senior Management Personnel are unable or unwilling to continue in his or her present position, it could be difficult for us to find a suitable or timely replacement and our business, results of operations and financial condition could be adversely affected.

In addition, we may require a long period of time to hire and train replacement personnel when personnel with technical expertise terminate their employment with us. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting and retaining personnel with technical expertise that our business requires. The loss of the services of such persons could have an adverse effect on our business, results of operations and financial condition.

The table below set forth the attrition rate for our employees for the periods indicated:

Particulars	Six months period ended September 30, 2024	Six months period ended September 30, 2023	Fiscal 2024	Fiscal 2023	Fiscal 2022
Attrition rate (%)	2.47	3.96	2.47	3.55	3.54

While these positions have been appropriately filled and we have not faced any impact due to the resignations, we cannot assure that future resignations will not have any impact on the Company's business or operations.

There is significant competition for management and other skilled personnel in the metal recycling industry in which we operate, and it may be difficult to attract and retain the personnel we require in the future. There can be no assurance that our competitors will not offer better compensation packages, incentives and other perquisites to such skilled personnel. Further, as on the date of this Preliminary Placement Document, we do not have key man insurance policies. If we are not able to attract and retain talented employees as required for conducting our business, or if we experience high attrition levels which are largely out of our control, or if we are unable to motivate and retain existing employees, our business, results of operations and financial condition may be adversely affected. For further information, see "*Board of Directors and Senior Management*" on page 219.

16. ***Under-utilization of our installed manufacturing capacities and an inability to effectively utilize these capacities could have an adverse effect on our business, future prospects and future financial performance. Further, our inability to accurately forecast demand for our products may have an adverse effect on our business, results of operations and financial condition.***

We manufacture lead metal, aluminium metal, copper and its alloys at our five manufacturing facilities (of which one manufacturing facility is yet to commence operations). Under-utilization, if any, of our existing manufacturing capacities and an inability to effectively utilize such manufacturing capacities in the future could have an adverse effect on our business, prospects and future financial performance.

We make significant decisions, including determining the levels of business that we will seek and accept, production schedules, personnel requirements and other resource requirements, based on our estimates of customer orders for our products. We adjust our production periodically to meet the anticipated demand of our customers or significantly reduce production of certain products depending on potential orders. Changes in demand for our products could make it difficult to schedule production and lead to a mismatch of production and capacity utilization. Any such mismatch leading to over or under utilization of our manufacturing units could adversely affect our business, results of operations and financial condition.

17. ***We are subject to strict quality requirements, regular inspections and audits by our customers, and any failure to comply with quality standards may lead to cancellation of existing and future orders and could negatively impact our business, results of operations and financial condition. In addition, our business may expose us to potential product recalls and returns, which could adversely affect our results operation, goodwill and the marketability of our products.***

We may be exposed to risks of products recalls and returns or where products are returned to be reworked. The table below sets forth our total returns and rejections and such returns and rejections as a percentage of revenue from operations for the fiscal years indicated:

Particulars	Six months period ended September 30, 2024		Six months period ended September 30, 2023		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	₹ lakhs	% of revenue from operations	₹ lakhs	% of revenue from operations	₹ lakhs	% of revenue from operations	₹ lakhs	% of revenue from operations	₹ lakhs	% of revenue from operations
Returns and rejections	34.00	0.03	46.00	0.06	61.00	0.04	-	-	-	-

We develop, manufacture and market a diverse range of non-ferrous metals. Our products go through various quality checks at various stages including random sampling check and quality check internally. Many of our key customers have audited our facilities and manufacturing processes in the past and may undertake similar audits periodically in the future. These successful audits play a critical role in customer retention, and although we have not experienced any loss of customers due to audits in the past, any issues that arise during these audits may lead to loss of the particular customer. Further, failure of our products to meet prescribed quality standards may result in rejection and reworking of our products.

While we have put in place quality control procedures, we cannot assure that our products will always be able to satisfy our prescribed quality standards. Our quality control procedures may fail to test for all possible conditions of use or identify all defects in the manufacturing of our products. While we have not faced such challenges in past, any failure on our part to successfully maintain quality standards for our products may affect our customer relationships, which may adversely affect our business, results of operations and financial condition.

We may also be subject to claims resulting from manufacturing defects, contamination, adulteration, product tampering or negligence in production, storage or handling which may lead to the deterioration of our products. We have not been subject to such claims during the six months period ended September 30, 2024 and September 30, 2023 and during Fiscal 2024, Fiscal 2023 or Fiscal 2022.

18. ***We may be subject to industrial unrest and increased employee costs, which may adversely affect our business and results of operations.***

As on September 30, 2024, our workforce comprised of 431 permanent and 282 contract employees.

Our employee benefits expense comprise payments made to all the personnel on our payroll and engaged in our operations. The table below sets forth our employee benefits expenses, including as a percentage of revenue from operations, for the periods indicated:

Particulars	Six months period ended September 30, 2024		Six months period ended September 30, 2023		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	₹ lakhs	% of total expenses	₹ lakhs	% of total expenses	₹ lakhs	% of total expenses	₹ lakhs	% of total expenses	₹ lakhs	% of total expenses
Employee benefits expenses	1,231.39	1.25	1,290.03	1.82	2,538.34	1.69	2,272.93	1.60	1,995.85	1.43

Our manufacturing operations are significantly dependent on the cooperation and continued support of our workforce, particularly our employees and personnel. Strikes or work stoppages by our workforce at our manufacturing units could halt our production activities which could impact our ability to deliver customer orders in a timely manner or at all, which could adversely affect the results of our operations and reputation. We do not have any registered labour unions at our manufacturing units and there have been no disruptions to our manufacturing operations during the six months period ended September 30, 2024 and September 30, 2023 and during Fiscal 2024, Fiscal 2023 or Fiscal 2022 on account of labour-related disputes including strikes, lockouts, or collective bargaining arrangements. However, there can be no assurance that we will not experience work disruptions in the future due to disputes or other problems with our workforce. Any such event, at our current facilities or at any new facilities that we may commission in the future, may adversely affect our ability to operate our business and serve our customers, and impair our relationships with certain key customers, which may adversely impact our business, results of operations and financial condition.

19. ***We are dependent on contract labour and any disruption to the supply of such labour for our manufacturing units or our inability to control the composition and cost of our contract labour could adversely affect our operations.***

Our workforce includes personnel that we engage through independent contractors. The table below sets forth details of our contract labourers as at the dates indicated:

	As at September 30, 2024	As at September 30, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Number of contract labourers	282	206	177	240	200

We incur certain contract labour charges for engaging workforce through independent contractors. The table below sets forth the contractual labour charges and such charges as percentage of revenue from operations for the periods indicated:

Particulars	Six months period ended September 30, 2024		Six months period ended September 30, 2023		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	₹ lakhs	% of total expenses	₹ lakhs	% of total expenses	₹ lakhs	% of total expenses	₹ lakhs	% of total expenses	₹ lakhs	% of total expenses
Contractual labour charges	315.13	0.32	222.19	0.31	492.08	0.33	390.19	0.28	310.89	0.22

Although we do not engage these labourers directly, we may be held responsible for any wage payments to these labourers in the event of default by our independent contractors. While the amount paid in such an event can be recovered from the independent contractor, any significant requirement to fund the wage requirements of the engaged labourers or delay in recovering such amounts from the contractors may have an adverse effect on our cash flows and results of operations.

We are also subject to the laws and regulations in India governing employees, including in relation to minimum wage and maximum working hours, overtime, working conditions, hiring and termination of employees, contract labour and work permits. These laws and regulations have, however, become increasingly stringent and it is possible that they will become significantly more stringent in the future. For instance, the GoI has recently introduced (a) the Code on Wages, 2019; (b) the Code on Social Security, 2020; (c) the Occupational Safety, Health and Working Conditions Code, 2020; and (d) the Industrial Relations Code, 2020 which consolidate, subsume and replace numerous existing central labour legislations. While the rules for implementation under these codes have not been notified, we are yet to determine the impact of all or some such laws on our business and operations which may restrict our ability to grow our business in the future and increase our expenses. Furthermore, any upward revision of wages that may be required by the state government to be paid to such contract labourers would increase our costs and may adversely affect the business and results of our operations. For instance, recently the Labour, Skill Development and Employment Department, Government of Gujarat, has pursuant to a notification dated March 27, 2023 under the Minimum Wages act, 1948, increased the basic wage of workers by approximately 24% for skilled, semi-skilled and unskilled labour under the Minimum Wages act, 1948. Any similar upward revisions could have an adverse impact on our costs and profitability in the future.

If we are unable to obtain the services of skilled and unskilled workmen or at reasonable rates, it may adversely affect our business and results of operations. In addition, our manufacturing process is dependent on a technology driven production system and any inability of the contract labourers to familiarize themselves with such technology could adversely affect our business and results of operations.

20. ***We use third party transportation and logistics service providers for delivery of our products to our customers as well as raw materials to our manufacturing units. Any delay in delivery of our products or raw materials or increase in the charges of these entities could adversely affect our business, results of operations and financial condition. We also may be exposed to the risk of theft, accidents and/or loss of our products in transit.***

Our manufacturing operations are dependent on timely and cost-efficient transportation of raw materials to our facilities and of the products we manufacture to our customers. We do not own any vehicles for the transportation of our products and instead use third party transportation and logistics providers for delivery of our products. We also use third party transportation providers for the delivery of raw materials. We have contractual arrangements with any such third-party transportation and logistics providers, and they could stop providing transportation at any time. Any disruption in services by such third-party transportation provider could impact our manufacturing operations and delivery of our products to our customers. Further, transportation strikes could also have an adverse effect on supplies and deliveries to and from our customers and suppliers. Although during the six months period ended September 30, 2024 and September 30, 2023 and during Fiscal 2024, Fiscal 2023 or Fiscal 2022, we did not face any significant disruptions due to our use of third party transportation and logistics service providers, any disruptions of logistics in the future could impair our ability to deliver our products on time, which could materially and adversely affect our business, results of operations and financial condition.

The following table sets forth our freight expenses (inward and outward) on sales charges and such charges as a percentage of total expenses in the periods indicated.

Particulars	Six months period ended September 30, 2024		Six months period ended September 30, 2023		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	₹ lakhs	% of total expenses	₹ lakhs	% of total expenses	₹ lakhs	% of total expenses	₹ lakhs	% of total expenses	₹ lakhs	% of total expenses
Freight expenses (inward and outward)	1,445.68	1.47	1,241.04	1.75	2,566.31	1.71	2,521.25	1.78	2,603.50	1.87

Furthermore, we are exposed to the risk of theft, accidents and/or loss of our products in transit. While we believe we have adequately insured ourselves against such risk, we cannot assure you that our insurance will be sufficient to cover the losses arising due to such theft, accidents and/or loss of our products in transit. While there have been no material instances of theft, accident or loss not covered by insurance or transportation strikes during the six months period ended September 30, 2024 and September 30, 2023 and during Fiscal 2024, Fiscal 2023 or Fiscal 2022, we cannot assure you that such incidents will not occur in future. Any such acts could result in serious liability claims (for which we may not be adequately insured) which could adversely affect our business, results of operations and financial condition.

21. We are dependent on third parties for the supply of utilities, such as electricity, water and fuel and any disruption in the supply of such utilities could adversely affect our manufacturing operations

For our production of our lead metal, copper and aluminium products, we use power, water and fuel to run our machines, equipment and in the production processes itself. Our power requirements are sourced through the local state power grid. We also consume a large amount of water for our operations, which is sourced locally. We also procure fuel from local suppliers.

The table below sets forth our expenses for power, fuel and water for the periods indicated:

Particulars	Six months period ended September 30, 2024		Six months period ended September 30, 2023		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	₹ lakhs	% of total expenses	₹ lakhs	% of total expenses	₹ lakhs	% of total expenses	₹ lakhs	% of total expenses	₹ lakhs	% of total expenses
Power, water and fuel	1,669.07	1.69	1,707.87	2.41	3,485.22	2.32	3,138.11	2.21	2,391.78	1.71

Any interruption in the continuous supply of power, water and fuel in the future may negatively impact our manufacturing processes, which may result in delays in delivery of our products or non-delivery, resulting in loss of revenue and damage to our reputation or customer relationship. In case of unavailability of any supply from, any of our utility providers for any reason, we are unable to assure you that we shall be able to source such utilities from alternate sources in a timely manner and at a commercially reasonable cost, which could adversely affect our business, results of operations and financial condition.

Our utilities expenses have increased significantly in recent years due to increase in power prices, and further increases in power expenses may impact our margins if we are not able to pass these price increases to our customers.

22. ***We avail certain benefits under certain GoI incentive schemes. Cancellation or our inability to meet the conditions under such schemes may result in adversely affect our business operations, cash flows, results of operations and financial condition***

We currently benefit from incentives and schemes granted by the GoI. For example, the GoI provides a variety of export incentives to Indian companies exporting lead, copper and aluminium from India. We also currently benefit from advanced authorisation scheme, remission of duties or taxes on export products scheme and duty drawback schemes, which apply for limited periods. See the section entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operations — Significant Factors Affecting Our Results of Operations — Indian Government Policy*" on page 92 for more information. There is no guarantee that we will continue receiving or benefiting from such policies (or similar policies), and it may be possible that the GoI discontinue such policies in the future.

There is no assurance that we could continue to be able to meet the requirements to be entitled to such grants, and there can further be no assurance that the grants that we could have enjoyed will not be challenged, altered or discontinued subsequently. Any alteration, suspension or termination of our government grants could have a material adverse effect on our business, financial condition, results of operations, cash flows, profitability and prospects.

23. ***We may face numerous protective trade restrictions, including anti-dumping laws, countervailing duties and tariffs, which could adversely affect its financial condition, cash flows and results of operations.***

Protectionist measures, including anti-dumping laws, countervailing duties and tariffs and government subsidization adopted or currently contemplated by governments in some of our export markets could adversely affect our sales. Antidumping duty proceedings or any resulting penalties or any other form of import restrictions in other countries may limit our access to export markets for our products, and in the future additional markets could be closed to us as a result of similar proceedings, thereby adversely impacting its sales and/or limiting its opportunities for growth.

In addition, we are subject to the general risk of doing business overseas and may therefore be affected by global trade wars. For example, there is global economic uncertainty following the recent announcement by the United States to levy certain import tariffs on certain Chinese goods. Though there is no transaction with China other than import of capital goods, if any, the developing strain on the diplomatic relations between India and China may impact our operations. Alternative sourcing for commodities, alloying, relining, etc. may result in a slight cost increase on these products. Foreign vendors are also working on various technical projects also provide the various technology used in our smelters and refiners.

While we are actively monitoring these developments and any other indirect impact that may arise across its operations and dynamically evaluating all opportunities and risks to ensure business continuity, there can be no assurance that any of the above circumstances would not adversely affect our results of operations, cash flows and financial condition.

24. ***We do not own certain land on which we have established facilities and we enjoy a leasehold right over such properties and any revocation or adverse changes in the terms of our leases may have an adverse effect on our business and financial results. Few of the lease agreements contain restrictive covenants that may affect our ability to conduct our business***

We do not own our manufacturing units at Tamil Nadu which are occupied by us on a leasehold basis. The table below sets forth the details of our lease arrangements with respect to our properties under lease:

Location	Primary purpose	Date of lease Agreement	Lessor	Expiry of lease	Lease rental (₹ p.a.)
Company					

Location	Primary purpose	Date of lease Agreement	Lessor	Expiry of lease	Lease rental (₹ p.a.)
Kancheepuram, Tamil Nadu (Smelter division I)	Manufacture of lead & lead alloys	June 8, 2005	State Industries Promotion Corporation of Tamil Nadu Limited (SIPCOT)	99 years	0.83
Kancheepuram, Tamil Nadu (Aluminium division)	Manufacture of aluminium & aluminium alloys	June 11, 2013	State Industries Promotion Corporation of Tamil Nadu Limited (SIPCOT)	99 years	1.77
Thervoykandigai, Tamil Nadu (Lead division)*	Manufacture of lead & lead alloys	April 15, 2013	State Industries Promotion Corporation of Tamil Nadu Limited (SIPCOT)	99 years	7.78
Subsidiary					
Kancheepuram, Tamil Nadu (Plastic division)	Recycling of plastic	August 17, 2022	M/s. Lulla & A. Sekar	6 years	227.26

** The manufacturing facility is yet to commence their operations*

Pursuant to the terms of the lease agreements entered with SIPCOT, if SIPCOT determines that the property is not being utilized by our Company for the purpose for which it was allotted or that the property is in excess of the requirements of our Company, then SIPCOT may cancel the allotment in respect of such land and forfeit the amount so remitted by the Company. Our Company is required to obtain a written approval of SIPCOT prior to making any change to its board of directors, management or control, amalgamating our Company with any other company, transferring any interest of our Company to a third party and mortgaging the property as collateral for financial assistance from financial institutions and banks. There can be no assurance that SIPCOT will grant its consent in time or at all for various activities of our Company. Any failure to obtain any consent, or comply with any condition or covenant under our lease agreements could lead to a termination of the lease and could adversely affect our ability to conduct our business.

25. ***Our inability to fully pass on costs to our customer may impact our cash flows, revenue from operations and financial condition.***

We typically supply products to our customers based on purchase orders issued by our customers. In respect of many of our purchase orders, we are entitled to pass on price escalations of specified raw materials to our customers. However, this is also dependent on market practice in the metal industry with respect to the particular raw material.

Other production costs such as cost of fuel, manpower, inventory carrying cost and currency fluctuations are typically borne by us. As purchase orders are typically finalized on a monthly basis based on the contract executed with the customers before, we commence production of a particular product, we are exposed to the risk of significant increases in these production costs between the time such purchase order is placed and the product is manufactured, which we may not be able to fully recover from our customers. Our ability to pass on costs also ultimately depends on our specific customer relationships and while we attempt to offset these costs through continuous improvements, there can be no assurance that our efforts to pass on all increased costs will be successful, and an inability to pass on these costs may have an adverse impact on our cash flows, results of operations and financial condition.

26. ***Our financial performance may be adversely affected if we are not successful in forecasting customer demands, managing our inventory levels.***

We need to maintain sufficient inventory levels to meet customer expectations at all times. Accumulating excess inventory could increase our inventory costs, and a failure to have adequate inventory in stock to fulfil customer orders could result in inability to meet customer demand or loss of customers. While our inventory of raw materials has increased in the six months period ended September 30, 2024 and September 30, 2023 and in Fiscal 2024, Fiscal 2023 or Fiscal 2022, this increase is in line with the growth in sale of our products and our revenue from operations.

The table below sets forth our inventory, average inventory and inventory turnover ratio as at, or for the periods, indicated:

Particulars	As at September 30, 2024	As at September 30, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Inventories (₹ lakhs)	14,237.02	18,644.13	12,952.38	16,082.39	14,602.60
Average inventory (₹ lakhs)	13,594.70	17,363.26	14,517.39	15,342.50	13,478.94
Inventory turnover ratio	13.54	7.43	9.43	8.49	9.61

Note:
Average inventory is calculated by taking average of opening and closing inventory
Inventory turnover ratio is calculated as cost of materials consumed divided by average inventory

If we are unable to accurately predict sourcing levels or customer trends or if our expectations about customer demands and needs are inaccurate, we may have to take unanticipated markdowns or impairment charges to dispose of the excess or obsolete inventory, which can adversely affect our business, results of operations and financial condition. Furthermore, we may be required to maintain high inventory levels if we anticipate increases in customer demand for our products, which in turn would require a significant amount of working capital. Our inability to finance our working capital needs, or secure other financing when needed, on acceptable commercial terms or at all, could adversely affect our business, results of operations and financial condition.

27. ***We have substantial capital expenditure requirements and working capital requirements and may require additional financing to meet those requirements, which could have an adverse effect on our results of operations and financial condition.***

Our business is capital intensive as we require adequate capital to operate and expand our manufacturing. Our historical capital expenditure has been and is expected to be primarily used towards development and enhancement of production capacities. Historically, we have funded our capital expenditure requirements through a combination of internal accruals and external borrowings.

The table below sets forth our capital expenditure for the periods indicated:

Capital expenditure	Six months period ended September 30, 2024		Six months period ended September 30, 2023		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	₹ lakhs	% of total expenditure	₹ lakhs	% of total expenditure	₹ lakhs	% of total expenditure	₹ lakhs	% of total expenditure	₹ lakhs	% of total expenditure
Buildings	1,391.30	78.18	-	-	224.64	6.39	366.18	6.48	417.92	26.07
Leasehold land	3.82	0.21	-	-	153.40	4.37	878.63	15.55	-	-
Freehold land	228.71	12.85	1,219.94	92.44	1,723.35	49.04	3,209.49	56.82	-	-
Plant and equipment	63.10	3.55	93.92	7.12	1,218.19	34.67	700.21	12.40	849.44	52.99
Lab equipment	1.18	0.07	0.90	0.07	17.40	0.50	35.33	0.63	-	-
Fixtures and furniture	-	-	-	-	4.17	0.12	23.15	0.41	14.85	0,93
Vehicles	82.49	4.64	-	-	90.23	2.57	190.16	3.37	196.48	12.26
Office Equipment	8.91	0.50	4.94	0.37	32.33	0.92	78.24	1.39	31.41	1.96
Electrical Fittings	-	-	-	-	48.26	1.37	167.17	2.96	91.49	5.71
Intangible Assets	-	-	-	-	1.98	0.06	-	-	1.30	0.08

As part of our strategy, we intend to expand our business in India and internationally including two new manufacturing units in the Tamil Nadu and Gujarat. There can be no assurance that our expansion plans will be implemented as planned or on schedule, or that we will achieve our increased planned output capacity or operational efficiency. Although we have not experienced time or cost overruns in the past, if in the future we experience significant delays or mishaps in the implementation of the expansion plans or if there are significant cost overruns, then the overall benefit of such plans to our revenues and profitability may decline. To the extent that the planned expansion does not produce anticipated or desired output, revenue or cost-reduction outcomes, our business, results of operations and financial condition would be adversely affected.

Our sources of additional financing, where required to meet our capital expenditure requirements, may include the incurrence of debt or the issue of equity or debt securities or a combination of both. If we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, and could have a significant effect on our profitability and cash flows and we may be subject to additional covenants, which could limit our ability to access cash flows from operations. Any issuance of equity upon conversion of debt, on the other hand, would result in a dilution of your shareholding. For details in relation to the terms of our existing financing arrangements, see "*Financial Information*" on page 281.

For the six months ended September 30, 2024 and for Fiscals 2024, 2023 and 2022, our working capital requirements amounted to ₹ 30,362.98 lakhs, ₹ 23,763.17 lakhs, ₹ 24,629.87 lakhs and ₹ 24,601.38 lakhs. A significant amount of our working capital is required to finance the purchase of materials and the performance of designing, manufacturing and other work before payment is received from customers. Our working capital requirements may increase if the payment terms in our agreements include reduced advance payments or longer payment schedules. Continued increases in our working capital requirements may have an adverse effect on our financial condition and results of operations.

28. ***Our inability to collect receivables in time or at all and default in payment from our customers could result in the reduction of our profits and affect our cash flows.***

We sell our products on various payment terms including on a cost, insurance and freight basis, on a consignee basis and door delivery or delivery duty paid basis. There have been delays in payments by some of our customers in the past. However, as the said receivables are expected to be realised in the normal course of business, these have not been considered as impaired. A small percentage of our sales are to customers on an open credit basis, with standard payment period of generally between 15 to 30 days. While we generally monitor the ability of our customers to pay these open credit arrangements and limit the credit, we extend to what we believe is reasonable based on an evaluation of each customer's financial condition and payment history, we may still experience losses because of a customer's inability to pay. As a result, we maintain what we believe to be a reasonable allowance for doubtful receivables for potential credit losses based upon our historical trends and other available information, there is a risk that our estimates may not be accurate, and we cannot assure you that we will not experience such delays in payment or default by our customers in the future.

The table set forth below sets forth our trade receivables in the periods indicated as well as bad debts written off and disputed trade receivables – which have significant increase in credit risk:

Particulars	**Six months period ended September 30, 2024**		**Six months period ended September 30, 2023**		**Fiscal 2024**		**Fiscal 2023**		**Fiscal 2022**	
	₹ lakhs	**Receivable turnover days**	**₹ lakhs**	**Receivable turnover days**	**₹ lakhs**	**Receivable turnover days**	**₹ lakhs**	**Receivable turnover days**	**₹ lakhs**	**Receivable turnover days**
Trade receivables	13,650.20	21.47	10,292.71	25.85	10,448.41	24.41	10,154.76	23.35	8,734.69	24.61
Bad debts written off	-	-	-	-	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-	-	-

Any increase in our receivable turnover days in the future will negatively affect our business, results of operations and financial condition. If we are unable to collect customer receivables or if the provisions for doubtful receivables are inadequate, it could have a material adverse effect on our business, results of operations and financial condition.

Macroeconomic conditions could also result in financial difficulties, including insolvency or bankruptcy, for our major customers, and as a result could cause customers to delay payments to us, request modifications to their payment arrangements, that could increase our receivables or affect our working capital requirements, or default on their payment obligations to us. An increase in bad debts or in defaults by our customers, may compel us to utilize greater amounts of our operating working capital and result in increased interest costs, thereby adversely affecting our business, results of operations and financial condition.

29. ***We could incur losses under our purchase orders with our customers or be subjected to disputes or contractual penalties as a result of delays in delivery or failures to meet contract specifications or delivery schedules which may have a material adverse effect on our business, results of operations and financial condition.***

We could incur losses under our purchase orders or be subjected to disputes or contractual penalties as a result of delays in delivery or failures to meet specifications or delivery schedules. In the past three Fiscal and for the six months ended September 30, 2024, there have been no instances of time overruns, due to which we have been required to re-negotiate some of the terms, such as date of delivery of our purchase orders due to a delay in delivery (owing to a combination of internal as well as external factors beyond our control). There can be no assurance that our customers in the future will not rescind their purchase orders with us if there is a delay in delivery beyond the time stipulated in the purchase order. This may have an impact on our reputation, which could have a material adverse effect on our business, results of operations and financial condition. Further, payment of damages and renegotiation of terms of purchase orders could also have an adverse impact on our business, results of operations and financial condition. In addition, certain of our customer purchase orders, enable our customers to set off payments for goods delivered against previous outstanding balances. Any such instances may also impact our cash flows and have an adverse impact on our business, results of operations and financial condition.

30. ***We have incurred indebtedness, and an inability to comply with repayment and other covenants in our financing agreements could adversely affect our business and financial condition.***

As at September 30, 2024, we had aggregate outstanding borrowings (including current maturities of long-term borrowings) of ₹ 14,546.79 lakhs. The table below sets forth certain information on our total borrowings, debt to equity ratio, finance cost and debt service coverage ratio as at the dates indicated:

Particulars	As at September 30, 2024	As at September 30, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Total borrowings[(1)] (₹ lakhs)	14,546.79	19,682.16	10,059.32	14,702.76	10,717.88
Debt to equity ratio [(2)]	0.37	0.73	0.28	0.56	0.51
Finance Costs (₹ lakhs)	642.75	852.26	1718.38	684.25	844.32
Debt service coverage ratio [(3)]	8.05	3.30	1.10	11.26	1.65

[(1)]Total borrowing is calculated as the sum of current and non-current borrowings.
[(2)] Debt-Equity Ratio is calculated as Total Debt divided by total equity. Total Debt is calculated as the sum of (i) non-current borrowings and (ii) current borrowings (including the current maturities of non-current borrowings).
[(3)] Debt service coverage ratio is calculated as EBITDA divided by total of interest and principal payments.

These borrowings are secured, inter alia, through a charge by way of hypothecation on our entire current assets, and, in case of our term loans, on fixed assets that includes land and building on which our manufacturing units are located in favour of lenders. For further details, see "*Financial Information*" on page 281. As some of these secured assets pertain to our manufacturing units, our rights in respect of transferring or disposing of these assets are restricted. In the event we fail to service our debt obligations, the lenders have the right to enforce the security in respect of our secured borrowings and dispose of our assets to recover the amounts due from us which in turn may compel us to shut down our manufacturing units would adversely affect our business, results operations and financial condition.

Furthermore, our loan agreements with our lenders also contain certain negative covenants, including but not limited to, effecting any change in ownership, control, constitution and operating structure capital structure or shareholding pattern and/or management of our Company, any amendment in the constitutional documents, and restrictions on fund raising.

Any failure on our part to comply with these terms in our financing agreements including the security agreements would generally result in events of default under these financing agreements. In such a case, the lenders under each of these respective loan agreements may, at their discretion, accelerate payment and declare the entire outstanding amounts under these loans due and payable, and in certain instances, enforce their security which has been constituted.

31. ***This preliminary placement document contains information from an industry report which we have commissioned from CARE Analytics and Advisory Private Limited***

This Preliminary Placement Document includes information that is derived from an industry report titled "*Industry Research Report on Lead, Copper, Plastics and Aluminium*" dated December 17, 2024 ("CareEdge Research Report"), prepared by CARE Analytics and Advisory Private Limited, a research house, pursuant to an engagement with our Company. We commissioned this report for the purpose of confirming our understanding of the industry in connection with the Issue. Neither we, nor the Book Running Lead Manager, nor any other person connected with the Issue has verified the information in the commissioned report. CARE Analytics and Advisory Private Limited has advised that while it has taken due care and caution in preparing the commissioned report, which is based on information obtained from sources that it considers reliable ("Information"), it does not guarantee the accuracy, adequacy or completeness of the Information and disclaims responsibility for any errors or omissions in the Information or for the results obtained from the use of the Information. The commissioned report also highlights certain industry and market data, which may be subject to assumptions. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions vary widely among different industry sources. Further, such assumptions may change based on various factors. We cannot assure you that the assumptions are correct or will not change and, accordingly, our position in the market may differ, favourably or unfavourably, from that presented in this Preliminary Placement Document. Further, the commissioned report is not a recommendation to invest or disinvest in our Company. CARE Analytics and Advisory Private Limited has disclaimed all financial liability in case of any loss suffered on account of reliance on any information contained in the CareEdge Research Report. Prospective Investors are advised not to unduly rely on the commissioned report or extracts thereof as included in this Preliminary Placement Document, when making their investment decisions.

32. ***Our ability to pay dividends in the future will depend on our future cash flows, working capital requirements, capital expenditures and financial condition of our Company.***

Any dividends to be declared and paid in the future are required to be recommended by our Company's Board of Directors and approved by its Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. Our Company's ability to pay dividends in the future will depend upon regulatory restrictions on dividend distribution, our future results of operations, financial condition, cash flows, sufficient profitability, working capital requirements and capital expenditure requirements. While we have declared dividends in the last three fiscals, we cannot assure you that we will generate sufficient revenues to cover our operating expenses and, as such, pay dividends to our Company's shareholders in future. For further details, see "*Dividends*" on page 91.

33. ***Our contingent liabilities could materially and adversely affect our business, results of operations and financial condition.***

In accordance with IND AS 37, we have disclosed following contingent liabilities as at September 30, 2024, September 30, 2023, March 31, 2024, March 31, 2023 and March 31, 2022:

(in ₹ lakhs)

Nature of Contingent Liabilities	As at September 30, 2024	As at September 30, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Liability in respect of letter of credit/ Bank guarantee opened	275.23	13.24	-	13.25	500.00
Guarantee given for bank loan to Subsidiary	2,800.00	2,800.00	2,800.00	2,800.00	-
Estimated amount of contracts remaining to be executed on	2,844.25	138.00	3,096.93	261.81	89.56

Nature of Contingent Liabilities	As at September 30, 2024	As at September 30, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
capital account and not provided for					

For further information, see "*Financial Information*" on page 281.

Most of the liabilities have been incurred in the normal course of business. If these contingent liabilities were to fully materialize or materialize at a level higher than we expect, it may materially and adversely impact our business, results of operations and financial condition.

34. We may not have sufficient insurance coverage to cover our economic losses as well as certain other risks, not covered in our insurance policies, which could adversely affect business, results of operations and financial condition.

Our operations are subject to various risks inherent to the non-ferrous metal industry and to the sale and maintaining inventory of products, as well as other risks, such as theft, robbery or acts of terrorism and other force majeure events. We maintain insurance coverage for anticipated risks which are standard for our type of business and operations.

The table below sets forth particulars of our insurance coverage as at the dates indicated:

Particulars	As at September 30, 2024	As at September 30, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Insured Assets (₹ lakhs)	25,333.00	25,243.00	25,012.00	24,685.00	22,977.00
Insured Assets as % of fixed assets (gross block less land cost) and inventory	83.60	79.07	90.77	83.78	98.28

Our insurance policies cover our manufacturing units and registered office from losses in the case of natural calamities and fire. Our incoming and outgoing material (for purchase and sales) are insured. There are many events that could significantly impact our operations, or expose us to third-party liabilities, for which we may not be adequately insured. There can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part, or on time. To the extent that we suffer any loss or damage that is not covered by insurance or exceeds our insurance coverage, our business, results of operations and financial condition could be adversely affected. For further details of insurance, see "*Our Business*" on page 203.

We have not taken insurance to protect against all risk and liabilities. For example, we do not have key man insurance, and we do not take insurance for potential product liability claims.

Further, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business. While none of our insurance policies are due for renewal as of the date of this PPD, we cannot assure you that such renewals in the future (on expiry) will be granted in a timely manner, at acceptable cost or at all.

35. Exchange rate fluctuations may adversely affect our results of operations as our sales outside India and a portion of our expenditures are denominated in foreign currencies.

Our Company's financial statements are prepared in Indian Rupees. our sales outside of India and a portion of our raw materials expenditures are denominated in foreign currencies, primarily U.S. Dollar. Accordingly, we have currency exposures relating to buying and selling in currencies other than in Indian Rupees, particularly the U.S. Dollar. Further, we expect our future capital expenditures in connection with our proposed expansion plans may include expenditures in foreign currencies for imported equipment and machinery.

The table set forth below provides our revenue in foreign currency for the periods indicated:

Particulars	Six months period ended September 30, 2024		Six months period ended September 30, 2023		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	₹ lakhs	% of revenue from operations	₹ lakhs	% of revenue from operations	₹ lakhs	% of revenue from operations	₹ lakhs	% of revenue from operations	₹ lakhs	% of revenue from operations
Revenue in foreign currency	66,159.52	64.61	38,946.84	53.96	86,820.76	56.36	83,251.42	56.40	78,919.17	54.25

Further, the table set forth below provides a sensitivity analysis based on the composition of our financial assets and liabilities in foreign currency as at September 30, 2024:

Particulars	Currency	Amount in foreign currency	Amount in ₹	Impact on Profit	
				1% increase	1% decrease
Financial Assets	US Dollar (USD)	95,06,887	79,61,46,064	79.61	79.61
Financial Liabilities	US Dollar (USD)	14,06,927	11,79,97,732	11.80	11.80

A significant fluctuation in the Indian rupee to U.S. dollar or other foreign currency exchange rates could materially and adversely affect our business, results of operations, financial condition and cash flows. The exchange rate between the Indian rupee and these currencies, primarily the U.S. dollar, has fluctuated in the past and any appreciation or depreciation of the Indian rupee against these currencies can impact our profitability and results of operations. Our results of operations have been impacted by such fluctuations in the past and may be impacted by such fluctuations in the future. For example, the Indian rupee had depreciated against the U.S. dollar in four of the last five years, which may impact our foreign currency expenditures. We have had gains and losses due to these fluctuations in foreign currency.

We have natural hedge of our assets or liabilities against exchange rate movements since we have both export & import. Over and above the above hedge, the Company used to hedge the pricing movement wherever required and therefore, changes in the relevant exchange rates could also affect sales, operating results and assets and liabilities reported in Indian Rupees as part of our financial statements. We are affected primarily by fluctuations in exchange rates among the U.S. dollar, and the Indian Rupee, and our business, results of operations and financial condition may be adversely affected by fluctuations in the value of the Indian Rupee against the U.S. Dollar. Additionally, we have earned gains due to these fluctuations in foreign currency.

The table set forth below provides our foreign currency gains and losses for the periods indicated:

(in ₹ lakhs)

Particulars	Six months period ended September 30, 2024	Six months period ended September 30, 2023	Fiscal 2024	Fiscal 2023	Fiscal 2022
Foreign currency gains (losses)	59.23	46.43	81.67	334.62	211.67

These foreign currency gains were related to instances where the market exchange rate at the time of transaction was in our favour. We, however, run the risk from time to time that the market exchange rate may be less favourable to us which may result in foreign currency losses. For further information on our exchange rate risk management, see "*Management's Discussion and Analysis of Financial Position and Results of Operations – Principal Factors Affecting our Results of Operations – Foreign Exchange Rate Risk*" on page 92.

36. ***There are outstanding legal proceedings against our Company and Subsidiaries. Any adverse decision in such proceedings may render us/them liable to liabilities/penalties and may adversely affect our business, results of operations and financial condition.***

Certain legal proceedings involving our Company and Subsidiaries are pending at different levels of adjudication before various courts, tribunals and authorities. In the event of adverse rulings in these proceedings or consequent levy of penalties, we may need to make payments or make provisions for future payments, and which may increase expenses and current or contingent liabilities.

A summary of outstanding litigation proceedings involving our Company and Subsidiaries, as disclosed in "*Legal Proceedings*" on page 273 in terms of the SEBI ICDR Regulations as at the date of this Preliminary Placement Document is provided below.

Name	Criminal proceedings	Tax proceedings	Statutory or regulatory actions	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material civil litigation	Aggregate* amount involved (*₹ in* lakhs)
Company						
By our Company	NA	NA	NA	NA	NA	NA
Against our Company	NA	1	1	NA	NA	632.40
Subsidiaries						
By our Subsidiaries	NA	NA	NA	NA	1	1,066.82
Against our Subsidiaries	NA	NA	NA	NA	1	1,572.18

**Amount to the extent quantifiable*

For further information, see "*Legal Proceedings*" on page 273.

We cannot assure you that any of the outstanding litigation matters will be settled in our favour, or that no (additional) liability will arise out of these proceedings. We are in the process of litigating these matters. Further, such proceedings could divert management time and attention and consume financial resources in their defence. In addition to the foregoing, we could also be adversely affected by complaints, claims or legal actions brought by persons, before various forums such as courts, tribunals, consumer forums or sector-specific or other regulatory authorities in the ordinary course or otherwise, in relation to our products, our technology, our branding or our policies or any other acts/omissions. Further, we may be subject to legal action by our employees and/or ex-employees in relation to alleged grievances such as termination of their employment with us. There can be no assurance that such complaints or claims will not result in investigations, enquiries or legal actions by any courts, tribunals or regulatory authorities against us.

37. ***Our Company may incur penalties or liabilities for non-compliance with certain provisions of the SEBI Listing Regulations and SEBI ICDR Regulations.***

The Equity Shares of our Company are listed on BSE and NSE, therefore we are subject to the obligations and reporting requirements. In the past, our Company failed to comply with the requirements of the SEBI Listing Regulations and SEBI ICDR Regulations. For instance, our Company received (i) a warning letter dated July 3, 2024 from the NSE for non-compliance of Regulation 167(6) of the SEBI ICDR Regulations related to the lock-in of entire pre - preferential allotment of equity shares; (ii) notices dated July 5, 2024 from the NSE and July 15, 2024, from BSE alleging non-compliance with Regulation 46 of the SEBI Listing Regulations concerning the functionality of the Company's website and our Company had submitted the responses dated July 8, 2024 and July 15, 2024, respectively; and (iii) e-mails from NSE and BSE dated November 21, 2024 imposing fine for non-compliance of Regulation 19 and 20 of SEBI Listing Regulations for delay in reconstitution of Nomination & Remuneration Committee and Stakeholder Relationship Committee and our Company has duly paid the same. Our Company endeavours to comply with obligations and reporting requirements under the SEBI Listing Regulations and SEBI ICDR Regulations going forward, there may be non-disclosures or delayed or erroneous disclosures or any other non-compliance in the future and the same may result in Stock Exchanges or SEBI imposing penalties, issuing warnings and show cause notices against us or taking actions as provided under the SEBI Act and rules and regulations made there under. Any such adverse regulatory action or development could affect our business reputation, divert management attention, and result in an adverse effect on our business, results of operations, financial conditions and cash flows.

38. ***Our Company was incorporated in 1995 and we are unable to trace some of our corporate records. We cannot assure you that no legal proceedings or regulatory actions will be initiated against our Company in the future in relation to the missing filings and corporate records, which may impact our financial condition and reputation.***

We have been unable to trace form filings, resolutions and challans for certain allotments of our Company as the relevant information was not available in the records maintained by our Company or on the online portal of the Ministry of Corporate Affairs ("**MCA Portal**"). Despite conducting internal searches and engaging an independent practicing company secretary, i.e., KSM Associates, to conduct a physical search of our records at the RoC, we have not been able to trace the following documents:

Accordingly, we have relied upon the PCS certificate dated December 17, 2024 prepared by KSM Associates for the disclosures in relation to the abovementioned allotments in this Preliminary Placement Document. While the information in relation to the corporate actions has been disclosed in "*Capital Structure*" on page 87, based on the available records including the PCS certificate, board and shareholders resolutions and minutes of our Board, to the extent available, we may not be able to furnish any further documents evidencing such allotments. We cannot assure you that the form filings which we have not been able to locate will be available in the future or that the information gathered through other available documents is correct. Further, we cannot assure you that the filing was done, at all or in timely manner, and that we shall not be subject to penalties on this account.

Additionally, while no legal proceedings or regulatory action has been initiated against our Company in relation to the aforementioned matter as of the date of this Preliminary Placement Document, we cannot assure you that such proceedings or regulatory actions will not be initiated against our Company in the future in relation to the aforesaid missing statutory filing.

39. We are affected by climate change and decarbonisation, and failure of our ESG initiatives may adversely affect our reputation and loss of business opportunities

Climate change may have various impacts on us in the medium to long term. These impacts include the risks and opportunities related to the demand of products and services, impact due to transition to a low-carbon economy, disruption to the supply chain, risk of physical harm to the assets due to extreme weather conditions, regulatory changes etc. Our operations are likely to be affected by rising regulatory changes and investor demands aimed at limiting or reducing greenhouse emissions. This will lead to higher costs for fossil fuels, penalties for emissions exceeding permitted limits and increased administrative costs for compliance monitoring and reporting. For instance, the carbon border adjustment mechanism ("**CBAM**") will be applicable to our lead business as well as copper business and aluminium business. We would need to potentially pay additional taxes for imports into countries implementing CBAM. Also, CBAM could increase our risk exposure due to decreased market access.

Increasing scrutiny and rapidly evolving expectations, including by governmental and non-governmental organisations, consumer advocacy groups, third-party interest groups, investors, consumers, customers, employees and other stakeholders, regarding environmental, social, and governance ("**ESG**") practices and performance, particularly as they relate to the environment, sustainability, climate change, health and safety, supply chain management, diversity, labour conditions and human rights, could adversely affect our business, cash flows, results of operations or financial condition. The standards for tracking and reporting on ESG matters are relatively new, have not been harmonized and continue to evolve. Legislators and regulators have imposed, and likely will continue to impose, ESG-related legislation, rules and guidance, which may conflict with one another, create new disclosure obligations, result in additional compliance costs or expose us to new or additional risks. In addition, customers and other stakeholders have encouraged or insisted on, and likely will continue to encourage or insist on in the future, the adoption of various ESG practices that may conflict with one another and may exceed the requirements of applicable laws or regulations. Furthermore, certain organizations that provide information to investors have developed ratings for evaluating companies on their approach to various ESG matters. Implementing any necessary enhancements to our global processes and controls to reflect the increased scrutiny and rapidly evolving expectations regarding ESG matters may be complex, time-consuming and costly.

However, we may be unable to successfully implement our ESG efforts or the changes we implement in connection with our ESG efforts may not generate the intended effects, which could adversely affect our business, cash flows, results of operations or financial condition. For example, our ESG goals and commitments could hinder our ability to obtain sufficient amounts of products or materials, either at a reasonable cost or at all, including because our ESG goals and commitments could reduce the number of manufacturers or suppliers with business practices or access to materials that satisfy the requirements of our ESG goals and commitments. In addition, we expect that stakeholders will compare our ESG goals and commitments against those of our competitors. Our competitors could have more robust ESG goals and commitments or be more successful at implementing their ESG goals and commitments than us, which could adversely affect our reputation. Our competitors could also decide not to establish ESG goals and commitments at a scope or scale that is comparable to our ESG goals and commitments, which could result in our competitors having lower supply chain or operating costs.

Our reputation may be affected by our perceived ESG credentials and our ability to meet our ESG goals. Despite our efforts, any actual or perceived failure to achieve our ESG goals or the perception (whether or not valid) that we have failed to act responsibly with respect to ESG matters, comply with ESG laws or regulations or meet societal, investor and consumer ESG expectations could result in negative publicity and reputational damage, lead consumers or customers to purchase competing products or investors to choose not to invest in our company or cause dissatisfaction among our employees or other stakeholders, which could adversely affect our business, cash flows, results of operations or financial condition.

40. Delay/ default in payment of statutory dues may attract penalties and in turn have an adverse impact on our financial condition.

We are required to make certain payments to various statutory authorities from time to time, including but not limited to payments pertaining to employee provident fund, employee state insurance, income tax and excise duty. The table below sets forth the details of the statutory dues paid by our Company in relation to our employees for the periods indicated below:

Nature of payment	Six months period ended September 30, 2024	Six months period ended September 30, 2023	Fiscal 2024	Fiscal 2023	Fiscal 2022
Provident Fund (₹lakhs)	101.59	101.92	119.56	204.62	155.00
Number of employees for whom provident fund has been paid	435	467	438	486	531
ESIC (₹lakhs)	7.05	8.66	8.27	16.02	17.64
Number of employees for whom ESIC has been paid	216	267	212	281	334
Tax Deducted at Source on salaries ("**TDS**") (₹lakhs)	108.78	87.91	128.24	177.53	168.27

While there have been no instances of delay or failure to pay statutory dues in the six months period ended September 30, 2024 and September 30, 2023 and in Fiscal 2024, Fiscal 2023 or Fiscal 2022, we cannot assure you to that we will be able to pay our statutory dues timely, or at all, in the future. Any failure or delay in payment of such statutory dues may expose us to statutory and regulatory action, as well as significant penalties, and may adversely impact our business, results of operations, cash flows and financial condition.

41. We have two (2) registered trademarks and have filed a trademark application for our corporate logo. We also rely on a combination of trade secret and contractual restrictions to protect our intellectual property. If we are unable to protect our intellectual property rights, our business, results of operations and financial condition may be adversely affected.

We rely on a combination of trade secret and contractual restrictions to protect our intellectual property as we do not own any patents. As of the date of this Preliminary Placement Document, we have two (2) registered trademarks in India, which are valid up to February 16, 2028 and December 31, 2028, respectively. We may not be able to protect our intellectual property rights, including our trademark after receipt of approval from the Trademark Registry, against third-party infringement and unauthorised use of our intellectual property, including by our competitors.

While our agreements with our employees and consultants who develop our intellectual property including our proprietary intermediates and products, technology, systems and processes on our behalf include confidentiality provisions and provisions on ownership of intellectual property developed during employment or specific assignments, as applicable, these agreements may not effectively prevent unauthorized use or disclosure of our confidential information, our intellectual property including our proprietary products, technology, systems and processes and may not provide an adequate remedy in the event of unauthorized use or disclosure of our confidential information or infringement of our intellectual property. Despite our efforts to protect our proprietary rights, unauthorized parties may copy aspects of our proprietary products, technology, systems and processes and use information that we consider proprietary. In addition, in respect of products without registered trademark protection third parties may assert rights in our name, brands and marks, although they have not done so in the past. Further, unauthorized parties may also attempt, or successfully endeavour, to obtain our intellectual property, confidential information, and trade secrets through various methods, including through cybersecurity attacks, and legal or other methods of protecting this data may be inadequate. In addition, our trade secrets may become known or independently developed by our competitors, and in such cases, we may no longer enjoy the exclusive use of some of our formulations or maintain the confidentiality of information relating to our products.

Although no such proceedings have been initiated during the six months period ended September 30, 2024 and during Fiscal 2024, Fiscal 2023 or Fiscal 2022, we may need to litigate to protect our intellectual property or to defend against third party infringement. Any such litigation could be time consuming and costly, and the outcome cannot be guaranteed. We may not be able to detect any unauthorised use or take appropriate and timely steps to enforce or protect our intellectual property. Any inability to use or protect our intellectual property could affect our relationships with our customers, which could materially and adversely affect our brand, business, results of operations and financial condition.

42. We require various licenses and approvals for undertaking our businesses and the failure to obtain or retain such licenses or approvals in a timely manner, or at all, may adversely affect our business, results of operations and financial condition.

We require certain statutory and regulatory permits, licenses and approvals to operate our business, such as consents to operate from the state pollution control boards (where our Manufacturing Facilities are located), registration and licenses (including the factory license) issued under the Factories Act for our Manufacturing Facilities, registration certificates issued under various labour laws as well as various taxation related registrations, such as registrations for payment of GST, professional taxes and service taxes. As on date of this Preliminary Placement Document, we have obtained all material approvals for our business operations. Additionally, our licenses, permits and approvals impose certain terms and conditions that require us to incur significant costs and restrict certain of our business activities. We cannot assure you that our approvals, licenses, permits and registrations may not be revoked or suspended in the event of any non-compliance with any terms or conditions set forth thereof.

In the future, we will be required to regularly renew permits, licenses and approvals for our business, and to obtain new permits, licenses and approvals for any proposed expansion. While we will endeavour to renew or obtain such permits, licenses and approvals as required, we cannot assure you that the relevant authorities will issue any such approvals within our anticipated timeframe or at all.

Further, we cannot assure you that the legal framework, licensing and other regulatory requirements or enforcement trends in the industries and jurisdictions in which we operate will not further change in a manner that makes it more costly or difficult to renew or obtain the statutory and regulatory permits, licenses and approvals we require to operate our business, or that we will be successful in responding to such changes. Moreover, as we grow our business, the requirements for obtaining new licenses, approvals and authorisations will also increase. If we lose or are otherwise unable to maintain any of our required licenses, registrations, permits and approvals under the applicable laws and regulations, our business operations may be adversely affected which in turn could have an adverse effect on our results of operations, financial condition and cash flows.

43. We have in the past entered into related party transactions and may continue to do so in the future and there can be no assurance that we could not have achieved more favourable terms if such transactions had not been entered into with related parties.

In the ordinary course of our business, we have entered into transactions with related parties including reimbursement of expenses and remuneration to key managerial personnel. We believe that all related party transactions that we have entered into are legitimate business transactions conducted on an arms' length basis, and it is likely that we will continue to enter into related party transactions in the future. While all related party transactions that we enter into, will be subject to board or shareholder approval, as necessary under the Companies Act, 2013 and the Listing Regulations and the policy on related party transactions adopted by our

Board, there can be no assurance that these or any future related party transactions that we may enter into, individually or in the aggregate, will not have an adverse effect on our business, financial condition, results of operations and future prospects. Further, the transactions we have entered into and any future transactions with our related parties have involved or could potentially involve conflicts of interest which may be detrimental to our Company and against your interest. For further details regarding our related party transactions, see the section "*Related Party Transactions*" as disclosed on page 90.

44. ***After the completion of the Issue, our Promoters will continue to collectively hold substantial shareholding in our Company.***

Currently, our Promoters own an aggregate of 44% of our issued, subscribed and paid-up Equity Share capital. After the completion of the Issue, our Promoter along with the members of Promoter Group will continue to exercise significant influence over our business and all matters requiring shareholders' approval, including the composition of our Board of Directors, the adoption of amendments to our certificate of incorporation, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, lending, investments and capital expenditures. This concentration of ownership may also delay, defer or even prevent a change in control of our Company and may make some transactions more difficult or impossible without the support of our Promoters. Further, the Takeover Regulations may limit the ability of a third party to acquire control. The interests of our Promoters, as our Company's controlling shareholder, could conflict with our Company's interests, your interests or the interests of our other shareholders. There is no assurance that our Promoter will act to resolve any conflicts of interest in our Company's or your favour.

45. ***Certain unsecured loans have been availed by us which may be recalled by lenders.***

As of September 30, 2024, we had availed unsecured loans aggregating to ₹ 960.74 lakhs, from our Directors. Any failure to service such indebtedness, or otherwise perform any obligations under such financing agreements may lead to acceleration of payments under such credit facilities, which may adversely affect our Company. For further information, see "*Financial Information*" on page 281.

46. ***Our funding requirements and the proposed deployment of Net Proceeds are not appraised by any independent agency, which may affect our business and results of operations.***

We propose to use the Gross Proceeds for the purposes described in "*Use of Proceeds*" on page 79 of this Preliminary Placement Document. Our funding requirements are based on management estimates and our current business plans and has not been appraised by any bank or financial institution. The deployment of the Gross Proceeds will be monitored by Care Ratings Limited, appointed as the Monitoring Agency in relation to the Issue. The deployment of the Gross Proceeds will be at the discretion of our Board. We may have to reconsider our estimates or business plans due to changes in underlying factors, some of which are beyond our control, such as interest rate fluctuations, changes in input cost and other financial and operational factors. Accordingly, you will need to rely upon our management's judgment with respect to the use of proceeds. If we are unable to deploy the Gross Proceeds in a timely or an efficient manner, it may affect our business and results of operations.

47. ***Any delays in the schedule of implementation of our proposed objects could have an adverse impact on our business, financial condition and results of operations.***

We propose to utilize ₹[●] lakhs of our Net Proceeds towards (i) funding working capital requirements of our Company; (ii) capital expenditure of our Company for set up a recycling and processing unit in Thiruvallur, Tamil Nadu; and (iii) general corporate purposes. For further information, see "*Use of Proceeds*" on page 79. We are subject to risks associated with delays in the schedule of implementation of our proposed object. These include risks on account of market conditions, delay in procuring and operationalizing assets or necessary licenses and approvals, competition, price fluctuations, interest rate fluctuations and other external factors. In the event we are unable to adhere to our proposed schedule of implementation of our objects, we may be subject to cost escalations which in-turn could have a material adverse impact on our business, financial condition and results of operations.

48. ***Our employees may engage in misconduct or other improper activities, including noncompliance with regulatory standards and requirements.***

We are exposed to the risk of employee fraud or other misconduct. Misconduct by employees could include inventory loss and intentional failures to comply with any regulations applicable to us, to provide accurate information to regulatory authorities, to comply with manufacturing standards we have established, or to report financial information or data accurately or disclose unauthorized activities to us. There can be no assurance that we will be able to identify and deter such misconduct, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risk. Although we have had no material incidents of employee misconduct during the six months period ended September 30, 2024 and during Fiscal 2024, Fiscal 2023 or Fiscal 2022, if our employees engage in any such future misconduct, we could face criminal penalties, fines, revocation of regulatory approvals and harm to our reputation, any of which could form a material adverse effect on our business, results of operations or financial condition.

49. Our Subsidiaries may not pay cash dividends on shares that we hold in them. Consequently, our Company may not receive any return on investments in our Subsidiaries.

Our Subsidiaries are separate and distinct legal entities, having no obligation to pay dividends and may be restricted from doing so by law or contract, including applicable laws, charter provisions and the terms of their financing arrangements. We cannot assure you that our Subsidiaries will generate sufficient profits and cash flows, or otherwise be able to pay dividends to us in the future.

50. Failure or disruption of our IT systems may adversely affect our business, results of operations and financial condition.

We have implemented various information technology ("**IT**") and/or enterprise resource planning ("**ERP**") solutions to cover key areas of our operations and accounting. In addition, IT is important to our manufacturing processes and automation. Our IT solutions are potentially vulnerable to damage or interruption from a variety of sources, which could result from (among other causes) cyber-attacks on or failures of such infrastructure or compromises to its physical security, as well as from damaging weather or other acts of nature. A significant or large-scale malfunction or interruption of one or more of our IT systems, ERP systems, or manufacturing IT systems, could adversely affect our ability to keep our operations running efficiently and affect product availability, particularly in the country, region or functional area in which the malfunction occurs, and a wider or sustained disruption to our business could also occur. In addition, it is possible that a malfunction of our data system security measures could enable unauthorized persons to access sensitive business data, including information relating to our intellectual property or business strategy or those of our customers. While we have not faced significant disruptions in the six months period ended September 30, 2024 and in Fiscal 2024, Fiscal 2023 or Fiscal 2022, subject to cyber-attack reported in May 2024 by the Company and however, data are recovered in full from the available back up, any such malfunction or disruptions in future could cause economic losses for which we could be held liable or cause damage to our reputation. Any of these developments, alone or in combination, could have a material adverse effect on our business, results of operations and financial condition. Although we have had no incidents during the six months period ended September 30, 2024 and during Fiscal 2024, Fiscal 2023 or Fiscal 2022, the unavailability of, or failure to retain, well trained employees capable of constantly servicing our IT, and/or ERP systems may lead to inefficiency or disruption of our operations and thereby adversely affecting our business, results of operations and financial condition.

51. Any downgrade of our credit ratings could adversely affect our business.

As of the date of this Preliminary Placement Document, we have received the following credit ratings on our debt and credit facilities.

Instrument or Rating Type	₹ lakhs	Date	Ratings
Working capital demand loan	2,400	January 23, 2024	CRISIL A-/Stable (Reaffirmed)

These ratings assess our overall financial capacity to pay our obligations and are reflective of our ability to meet financial commitments as they become due. Further, there can be no assurance that these ratings will not be revised or changed by the above rating agencies due to various factors. Any downgrade in our credit ratings may increase interest rates for refinancing our outstanding debt, which would increase our financing costs, and adversely affect our future issuances of debt and our ability to raise new capital on a competitive basis.

52. If we do not continue to invest in new technologies and equipment, our machines and equipment may become obsolete and our production costs may increase relative to our competitors, which may have an adverse impact on our business, results of operations and financial condition.

We believe that going forward, our profitability and competitiveness will depend in large part on our ability to maintain low cost of operations, including our ability to process and supply sufficient quantities of our specialty products as per the agreed specifications. If we are unable to respond or adapt to changing trends and standards in machines, equipment and technologies, or otherwise adapt our machines, equipment and technologies to changes in market conditions or requirements, in a timely manner and at a reasonable cost, we may not be able to compete effectively and our business, financial condition and results of operations may be adversely affected.

53. Our inability to successfully implement some or all our business strategies in a timely manner or at all could have an adverse effect on our business.

As part of our strategy aimed towards business growth and improvement of market position, we intend to implement several business strategies, which include:

- Expand product offerings in emerging sectors
- Expand our manufacturing capacity to capture additional market share
- Focus on technology upgrades and invest in advanced manufacturing technologies
- Continue to build our global customer base and enter new geographical markets

Our strategies may not succeed due to various factors, including our inability to reduce our debt and our operating costs, our failure to develop new products with sufficient growth potential as per the changing market preferences and trends, our failure to execute agreements with our customers, our failure to effectively market our products or foresee challenges with respect to our business initiatives, our failure to sufficiently upgrade our infrastructure, machines, automation, equipment and technology as required to cater to the requirement of changing demand and market preferences, our failure to maintain highest quality in our operations or to ensure scaling of our operations to correspond with our strategy and customer demand, changes in Government of India policy or regulation, our inability to respond to regular competition, and other operational and management difficulties. For further details of our strategies, see "*Our Business – Our Strategies*" on page 209.

External Risks Factors

54. A slowdown in economic growth in India could cause our business to suffer.

Our performance and the growth of our business are dependent on the health of the overall Indian economy. Any slowdown or perceived slowdown in the Indian economy or future volatility in global commodity prices could adversely affect our business. Additionally, an increase in trade deficit, or a decline in India's foreign exchange reserves could negatively affect liquidity, which could adversely affect the Indian economy and our business. In particular, the COVID-19 pandemic caused an economic downturn in India and globally. Any downturn in the macroeconomic environment in India could also adversely affect our business, results of operations and financial condition.

India's economy could be adversely affected by a general rise in interest rates or inflation, adverse weather conditions affecting agriculture, commodity and energy prices as well as various other factors. A slowdown in the Indian economy could adversely affect the policy of the Government of India towards the metal industry, which may in turn adversely affect our financial performance and our ability to implement our business strategy.

55. Changing regulations in India could lead to new compliance requirements that are uncertain.

Our business, financial performance, cash flow and results of operations could be adversely affected by unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations applicable to us and our business. Our business, cash flows, results of operations and prospects may be adversely impacted, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. The regulatory and policy environment in which we operate are evolving and are subject to change. The Government of India may implement new laws or other regulations and policies that could affect our business in general, which could lead to new compliance requirements, including requiring us to obtain approvals and licenses from the Government and other regulatory bodies, or impose onerous requirements.

We are subject to laws and government regulations, including in relation to safety, health, environmental protection and labour. These laws and regulations impose controls on air and water discharge, employee exposure to hazardous substances and other aspects of our manufacturing operations. Further, laws and regulations may limit the amount of hazardous and pollutant discharge that our manufacturing facilities may release into the air and water. The discharge of materials that hazardous into the air, soil or water beyond these limits may cause us to be liable to regulatory bodies or third parties. Any of the foregoing could subject us to litigation, which could lower our profits in the event we were found liable and could also adversely affect our reputation. Additionally, the government or the relevant regulatory bodies may require us to shut down our manufacturing facilities, which in turn could lead to product shortages that delay or prevent us from fulfilling our obligations to customers.

For instance, the Government of India has recently introduced the Code on Social Security, 2020 ("**Social Security Code**"); the Occupational Safety, Health and Working Conditions Code, 2020; the Industrial Relations Code, 2020 and the Code on Wages, 2019, which consolidate, subsume and replace numerous existing central labour legislations (collectively, the "**Labour Codes**"). The Government of India has deferred the effective date of implementation of the respective Labour Codes, and they shall come into force from such dates as may be notified. Different dates may also be appointed for the coming into force of different provisions of the Labour Codes. While the rules for implementation under these codes have not been notified, we are yet to determine the impact of all or some such laws on our business and operations which may restrict our ability to grow our business in the future and increase our expenses. For instance, under the Social Security Code, a new concept of deemed remuneration has been introduced, such that where an employee receives more than half (or such other percentage as may be notified by the Central Government) of their total remuneration in the form of allowances and other amounts that are not included within the definition of wages under the Social Security Code, the excess amount received shall be deemed as remuneration and accordingly be added to wages for the purposes of the Social Security Code and the compulsory contribution to be made towards the employees' provident fund. In another example, the Government of India has made it mandatory for business establishments with turnover above a certain size to offer digital modes of payment from November 2019, with no charges being levied on the consumers or the merchants by banks and payment service providers. Such measures could adversely impact our income streams in the future and adversely affect its financial performance. Further, pursuant to the Finance (No.2) Act of 2024, notified on August 16, 2024, the Government of India has introduced new income tax slabs, an increase in standard deduction and an increase in the deduction available in respect of private sector employer's contribution to National Pension Scheme from 10% to 14% of the salary of the concerned employees. There is no certainty on the impact of the full union budget on tax laws or other regulations, which may adversely affect our business, financial condition, results of operations or on the industry in which we operate.

Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations, cash flows, financial condition and prospects. For instance, the Supreme Court of India has in a decision clarified the components of basic wages which need to be considered by companies while making provident fund payments, which resulted in an increase in the provident fund payments to be made by companies. Any such decisions in future or any further changes in interpretation of laws may have an impact on our financial conditions, cash flows and results of operations.

56. A substantial portion of our assets and operations are located in India and we are subject to regulatory, economic, social and political uncertainties in India.

A substantial portion of our assets and employees are located in India, and we intends to continue to develop and expand its facilities in India. Consequently, our financial performance will be affected by changes in exchange rates and controls, interest rates, commodity prices, subsidies and controls, changes in government policies, including taxation policies, the outbreak of infectious diseases, social and civil unrest and other political, social and economic developments in or affecting India.

The Government of India exercises significant influence over many aspects of the Indian economy. Since 1991, successive Indian governments have pursued policies of economic liberalisation, including by significantly relaxing restrictions on the private sector. Nevertheless, the role of the Indian central and state governments in the Indian economy as producers, consumers and regulators has remained significant and there is no assurance that such liberalisation policies will continue. The rate of economic liberalisation could change and specific laws and policies affecting metals and mining companies, foreign investments, currency exchange rates and other matters affecting investment in India could change as well.

Furthermore, negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India and could then adversely affect our business and financial performance.

Any other global economic developments or the perception that any of them could occur may adversely affect global economic conditions and the stability of global financial markets and may significantly reduce global market liquidity and restrict the ability of market participants to operate in certain financial markets. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on its business, cash flows, financial condition and results of operations.

57. ***Terrorist attacks and other acts of violence involving India or neighbouring countries could adversely affect our operations directly or may result in a more general loss of customer confidence and reduced investment in these countries that reduces demand for our products, which would have a material adverse effect on our business, results of operations, financial condition and cash flows.***

Terrorist attacks and other acts of violence or war involving India or neighbouring countries may adversely affect the Indian markets and the worldwide financial markets. The occurrence of any of these events may result in a loss of business confidence, which could potentially lead to economic recession and generally have a material adverse effect on our businesses, results of operations, financial condition and cash flows. In addition, any deterioration in international relations may result in investor concern regarding regional stability which could adversely affect the price of our Equity Shares. Furthermore, any wars, acts of terrorism and uncertain political or economic prospects or instability in the Europe, particularly in Russia and Ukraine have adversely impacted global financial markets and an increase in the price of crude oil. The conflict in these two countries may continue in unforeseeable future and broaden across the region and lead to significant political uncertainties in a number of countries.

South Asia has also experienced instances of civil unrest and hostilities among neighbouring countries from time to time, especially between India and Pakistan. Present relations between India and Pakistan continue to be fragile on the issues of terrorism, armament and Kashmir. India has also experienced terrorist attacks in some parts of the country. These hostilities, attacks and tensions could lead to political or economic instability in India and a possible adverse effect on our business and our future financial performance. Military activity or terrorist attacks in the future could influence the Indian economy by disrupting communications and making travel more difficult and such political tensions could create a greater perception that investments in Indian companies involve higher degrees of risk.

Social and civil unrest within other countries in Asia, could adversely influence the Indian economy and could have a material adverse effect on the market for securities of Indian companies, including our Equity Shares. Such activity or terrorist attacks could adversely affect the Indian economy by disrupting communications and making travel more difficult. Resulting political tensions could create a greater perception that investments in Indian companies involve a high degree of risk. Furthermore, if India were to become engaged in armed hostilities, particularly hostilities that were protracted or involved the threat or use of nuclear weapons, we might not be able to continue its operations.

58. ***Natural calamities, climate change and health epidemics and pandemics in India could adversely affect our business, results of operations and financial condition. In addition, hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect our business, results of operations and financial condition.***

India has experienced natural calamities, such as earthquakes and floods in recent years. Natural calamities could have an adverse impact on the Indian economy which, in turn, could adversely affect our business, and they may also damage or destroy our manufacturing units, warehouses or other assets. Further, such events also may lead to the disruption of, or damage, to manufacturing equipment and machines, logistics operations, information systems, electrical systems and telecommunication services for sustained periods. Natural calamities also may make it difficult or impossible for employees to reach our business locations. Damage or destruction that interrupts our operations or assets could adversely affect our reputation, our relationships with our customers, our senior management team's ability to administer and supervise our business or it may cause us to incur substantial additional expenditure to repair or replace damaged assets. equipment or machines. Though some of the losses are covered under appropriate insurance, the above factors may still adversely affect our business, results of operations and financial condition.

India has from time-to-time experienced instances of social, religious and civil unrest and hostilities between neighbouring countries. Military activity or terrorist attacks in the future could influence the Indian economy by disrupting communications and making travel and logistics more difficult. Such political tensions also could create a greater perception that investments in Indian companies involve higher degrees of risk. Events of this nature in the future, as well as social and civil unrest within other countries in Asia and Europe, could influence the Indian economy and could have a material adverse effect on the market for securities of Indian companies.

59. A slowdown in our exports due to tariffs and trade barriers and international sanctions could adversely affect our business, financial condition and results of operations.

A significant portion of our revenue is derived from exports. From time to time, tariffs, quotas and other tariff and non-tariff trade barriers may be imposed on our products in jurisdictions in which we operate or seek to sell our products. There can be no assurance that the European Community and the United States, among others, where we seek to sell our products will not impose trade restrictions on us in future. We may also be prohibited from exporting to certain restricted countries that may be added to a sanctions list maintained by the Government of India or other foreign governments, such as the Specially Designated Nationals and Blocked Persons list maintained by the Office of Foreign Assets Control of the US Department of Treasury in the United States. In February 2022, hostilities between Russia and the Ukraine commenced, which has led to the imposition of sanctions of various Russian interests (and in some cases Belarus) by the European Union, Australia, Canada, Japan, New Zealand, Switzerland, South Korea, the United Kingdom and the United States. Any such imposition of trade barriers or international sanctions may have an adverse effect on our business, financial condition and results of operations.

60. Labour laws in India may adversely affect our profitability.

We have a large number of employees and any further changes in labour rules and regulations may increase our employee benefits expenses, which could have an adverse effect on our results of operations. Uncertainty in the applicability, interpretation or implementation of any amendment or change in governing laws, regulations or policies, including by reason of an absent or limited body of administrative or judicial precedents may be time consuming and costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future. There can be no assurance that such future legislative or regulatory changes will not have any adverse effect on our business, results of operations, financial condition and cash flows.

61. Significant differences exist between Ind AS and other accounting principles, such as U.S. GAAP and IFRS, which investors outside India may be more familiar with and may consider material to their assessment of our financial condition, results of operations and cash flows.

Our financial statements are prepared in accordance with Ind AS. Ind AS differ in certain significant respects from IFRS, U.S. GAAP and other accounting principles with which prospective investors outside India may be familiar. No attempt has been made to reconcile any information given in this Placement Document to any other principles or to base it on any other standards. If our financial statements were to be prepared in accordance with such other accounting principles, our financial condition, results of operations and cash flows may be substantially different. Prospective investors should review the accounting policies applied in the preparation of our financial statements and consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar. Any reliance by persons unfamiliar with Ind AS and other Indian accounting principles on the financial information presented in this Placement Document should accordingly be limited.

62. A downgrade in ratings of India and other jurisdictions we operate in may affect the trading price of the Equity Shares.

Our borrowing costs and our access to the debt capital markets depend significantly on the credit ratings of India. Any further adverse revisions to credit ratings for India and other jurisdictions we operate in by international rating agencies may adversely impact our ability to raise additional financing. This could have an adverse effect on our ability to fund our growth on favourable terms and consequently adversely affect our business and financial performance and the price of the Equity Shares.

63. We may be affected by competition laws in India, the adverse application or interpretation of which could adversely affect our business.

The Competition Act, 2002, of India, as amended ("**Competition Act**"), was enacted for the purpose of preventing practices that have or are likely to have an adverse effect on competition in India and has mandated the Competition Commission of India ("**CCI**") to prevent such practices. Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an appreciable adverse effect on competition ("**AAEC**") is considered void and may result in the imposition of substantial penalties. Further, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or the provision of services or shares the market or source of production or provision of services in any manner, including by way of allocation of geographical area or number of consumers in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an AAEC and is considered void. The Competition Act also prohibits abuse of a dominant position by any enterprise. If it is proved that the contravention committed by a company took place with the consent or connivance or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such company, that person shall be also guilty of the contravention and may be punished.

Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an AAEC in India. However, the impact of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage. In the event we pursue an acquisition in the future, we may be affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, results of operations, cash flows and prospects. The manner in which the Competition Act and the CCI affect the business environment in India may also adversely affect our business, financial condition, cash flows and results of operations.

The Competition (Amendment) Act, 2023 ("**Competition Amendment Act**") was notified on April 11, 2023, which amends the Competition Act and give the CCI additional powers to prevent practices that harm competition and the interests of consumers. The Competition Amendment Act, inter alia, modifies the scope of certain factors used to determine AAEC, reduces the overall time limit for the assessment of combinations by the CCI from 210 days to 150 days and empowers the CCI to impose penalties based on the global turnover of entities, for anti-competitive agreements and abuse of dominant position. We have not experienced any instances wherein we were subject to any penalty or received any notice from the CCI in the last three Fiscals and six months ended September 30, 2024, we cannot assure you such instances will not arise in the future.

64. Financial and political instability in other countries may cause increased volatility in Indian financial markets.

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, including conditions in the United States of America, Europe and certain emerging economies in Asia. In particular, the ongoing military conflicts between Russia and Ukraine and in West Asia could result in increased volatility in, or damage to, the worldwide financial markets and economy. Increased economic volatility and trade restrictions could result in increased volatility in the markets for certain securities and commodities and may cause inflation. Any worldwide financial instability including possibility of default in the US debt market may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and us. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Concerns related to a trade war between large economies may lead to increased risk aversion and volatility in global capital markets and consequently have an impact on the Indian economy.

In addition, China is one of India's major trading partners and there are rising concerns of a possible slowdown in the Chinese economy as well as a strained relationship with India, which could have an adverse impact on the trade relations between the two countries. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term effect of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilising effects.

These developments, or the perception that any of them could occur, have had and may continue to have an adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity, restrict the ability of key market participants to operate in certain financial markets or restrict our access to capital. This could have an adverse effect on our business, financial condition and results of operations and reduce the price of the Equity Shares.

65. ***The Indian tax regime has undergone substantial changes which could adversely affect our business and the trading price of the Equity Shares.***

Any change in Indian tax laws could have an effect on our operations. The Government of India has implemented two major reforms in Indian tax laws, namely the Goods and Services Tax ("**GST**"), and provisions relating to general anti-avoidance rules ("**GAAR**"). The indirect tax regime in India has undergone a complete overhaul. The indirect taxes on goods and services, such as central excise duty, service tax, central sales tax, state value added tax, surcharge and excise have been replaced by GST with effect from July 1, 2017. The GST regime continues to be subject to amendments and its interpretation by the relevant regulatory authorities is constantly evolving. GAAR became effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement may result in, among others, a denial of tax benefit to us and our business. In the absence of any substantial precedents on the subject, the application of these provisions is subjective. If the GAAR provisions are made applicable to us, it may have an adverse tax impact on us. Further, if the tax costs associated with certain of our transactions are greater than anticipated because of a particular tax risk materializing on account of new tax regulations and policies, it could affect our profitability from such transactions.

Earlier, distribution of dividends by a domestic company was subject to Dividend Distribution Tax ("**DDT**"), in the hands of the company at an effective rate of 20.56% (inclusive of applicable surcharge and cess). Such dividends were generally exempt from tax in the hands of the shareholders. However, the Government of India has amended the Income-tax Act, 1961 ("**IT Act**") to abolish the DDT regime. Accordingly, any dividend distribution by a domestic company is subject to tax in the hands of the investor at the applicable rate. Additionally, the Company is required to withhold tax on such dividends distributed at the applicable rate.

The Government of India announced the union budget for Financial Year 2024-2025, following which the Finance Bill, 2024 ("**Finance Bill**") was introduced in the Lok Sabha on February 1, 2024. Subsequently, the Finance Bill received the assent from the President of India and became the Finance Act, 2024, with effect from April 1, 2024 ("**Finance Act**"). Investors are advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning, investing or trading in the Equity Shares. There is no certainty on the impact that the Finance Act may have on our business and operations or on the industry in which we operate. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

We cannot predict whether any new tax laws or regulations impacting our services will be enacted, what the nature and impact of the specific terms of any such laws or regulations will be or whether if at all, any laws or regulations would have an adverse effect on our business. Further, any adverse order passed by the appellate authorities/ tribunals/ courts would have an effect on our profitability. In addition, we are subject to tax related inquiries and claims.

66. If inflation were to rise in India, we might not be able to increase the prices of our products at a proportional rate in order to pass costs on to our customers thereby reducing our margins.

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of wages and other expenses.

High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to adequately pass on to our customers, whether entirely or in part, and may adversely affect our business, results of operations, cash flows and financial condition. In particular, we might not be able to reduce our costs or increase the price of our products to pass the increase in costs on to our customers. In such case, our business, results of operations, cash flows and financial condition may be adversely affected.

Further, the Government of India has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

67. Our business is affected by global economic conditions, especially in the geographies we cater to, which may have an adverse effect on our business, financial condition, results of operations and prospects.

Our business depends substantially on global economic conditions. During the six months ended September 30, 2024 and September 30, 2023 and during Fiscal 2024, Fiscal 2023 and Fiscal 2022, our sales from exports, as a percentage of our revenue from operations were 64.61%, 53.96%, 56.36%, 56.40% and 54.25% respectively. A significant number of our customers and the majority of the end users of our products are located and primarily operating in Asia, USA and Africa and some of them were adversely impacted by the economic downturn in these economies, disruption in banking and financial systems, economic weakness, unfavourable government policies, rising inflation, lowering of spending power and customer confidence, and political uncertainty.

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Financial turmoil in Asia, U.S. and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business, results of operations and financial condition.

The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections in recent years. Financial markets and the supply of credit could continue to be negatively impacted by ongoing concerns surrounding the sovereign debts and/or fiscal deficits of several countries in Europe, the possibility of further downgrades of, or defaults on, sovereign debt, concerns about a slowdown in growth in certain economies and uncertainties regarding the stability and overall standing of the European Monetary Union.

A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in the Indian financial markets and indirectly in the Indian economy in general. Any worldwide financial instability could influence the Indian economy. In response to such developments, legislators and financial regulators in the United States, Europe and other jurisdictions, including India, have implemented several policy measures designed to add stability to the financial markets. In addition, any increase in interest rates by the United States Federal Reserve will lead to an increase in the borrowing costs in the United States which may in turn impact global borrowing as well. Furthermore, in several parts of the world, there are signs of increasing retreat from globalization of goods, services and people, as pressure for the introduction of a protectionist regime is building and such developments could adversely affect Indian exports. However, the overall impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. In the event that the current adverse conditions in the global credit markets continue or if there is any significant financial disruption, this could have an adverse effect on our business, results of operations and financial condition.

If we are unable to successfully anticipate and respond to changing economic and market conditions, our business, results of operations and financial condition and prospects may be adversely affected.

68. ***Any downgrading of India's sovereign rating by a credit rating agency could have a negative impact on our business.***

Our borrowing costs and our access to the capital markets depend significantly on the credit ratings of India. Any adverse revisions to credit ratings for India and other jurisdictions we operate in by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such financing is available, including raising any overseas additional financing. This could have an adverse effect on our ability to fund our growth on favourable terms and consequently adversely affect our business, results of operations, financial condition, cash flows and the price of the Equity Shares.

69. ***The extent and reliability of Indian infrastructure, to the extent insufficient, could adversely impact our business, financial condition and results of operations.***

India's physical infrastructure is less developed than that of many developed nations. Any congestion or disruption with its port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt our normal business activity. Any deterioration of India's physical infrastructure would harm the national economy, disrupt the transportation of goods and supplies including our specialty marine chemical products, and add costs to doing business in India. These problems could interrupt our business operations, which could have adverse effect on our business, financial condition and results of operations.

70. ***Indian laws contain restrictions on the acquisition and transfer of Indian securities by persons resident outside India. The conversion of the Rupee proceeds from such sale into foreign currency and the repatriation of such foreign currency from India could require the RBI's approval. Approvals required from the RBI or any other government authority may not be obtained on terms favourable to a non-Indian resident investor or at all.***

Indian laws contain certain restrictions on the acquisition and transfer of Indian securities by persons resident outside India. For further details, see "*Issue Procedure – Qualified Institutional Buyers*" on page 233. The information has been provided for the benefit of investors and such information below does not purport to be a complete analysis of the restrictions under Indian laws for the acquisition and/or transfer of securities in an Indian company by a person resident outside India. Our Company, the BRLM and their respective officers, directors, representatives, agents, affiliates and associates accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire any Equity Shares offered in the Issue.

Any person not resident in India seeking to sell or transfer the Equity Shares (other than through a sale on one of the Stock Exchanges) should seek advice from Indian legal advisers as to the applicable requirements. If any approval is required, our Company cannot guarantee that any approval will be obtained in a timely manner or at all. Due to possible delays in obtaining requisite approvals, investors in the Equity Shares may be prevented from realising gains during periods of price increases or limiting losses during periods of price declines.

Further, in accordance with the Consolidated FDI Policy dated October 15, 2020, Government of India, investments where the beneficial owner of the equity shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route. These investment restrictions shall also apply to subscribers of offshore derivative instruments.

There are certain restrictions on the conversion of Indian Rupees into foreign currency. FEMA together with rules and regulations thereunder regulates transactions involving foreign exchange and provides that certain transactions cannot be carried out without the general or special permission of the RBI. FEMA has eased restrictions on current account transactions. However, the RBI continues to exercise control over capital account transactions (i.e., those which alter the assets or liabilities, including contingent liabilities, of persons). The RBI has from time to time issued regulations, circulars and guidelines under FEMA to regulate the various kinds of capital account transactions, including certain aspects of the purchase and issuance of shares of Indian companies. Approvals required from the RBI or any other government authority may not be obtained on terms favourable to a non-Indian resident investor or at all.

71. ***Investors in the Equity Shares offered in the Issue may be unable to enforce a judgment of a foreign court against our Company, Directors, members of the Senior Management or Key Management Personnel, the BRLM or any of their directors or executive officers in India, except by way of a lawsuit in India.***

Our Company and its subsidiaries are incorporated under the laws of India. Substantially all of our directors and key management personnel are residents of India and substantially all of our assets are located in India. As a result, it may not be possible for investors to effect service of process upon such persons outside India, or to enforce judgments obtained against such parties outside India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court was of the view that the amount of damages awarded was excessive or inconsistent with public policy, or if judgments are in breach or contrary to Indian law. Further, any judgment or award in a foreign currency would be converted into Indian Rupees on the date of such judgment or award and not on the date of payment.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, such as the United Kingdom, United Arab Emirates, Singapore and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements established in the Civil Procedure Code. The Civil Procedure Code only permits the enforcement and execution of monetary decrees in the reciprocating jurisdiction, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India, including the United States, cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be directly enforceable in India. The party in whose favour a final foreign judgment in a non-reciprocating territory is rendered may bring a fresh suit in a competent court in India based on the final judgment within three years of obtaining such final judgment. However, it is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India or that an Indian court would enforce foreign judgments if it viewed the amount of damages as excessive or inconsistent with the public policy in India. Furthermore, there is no assurance that a suit brought in an Indian court in relation to a foreign judgment will be disposed of in a timely manner. In addition, any person seeking to enforce a foreign judgment in India is required to obtain the prior approval of the Reserve Bank of India to repatriate any amount recovered, and we cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approval would be acceptable. Such an amount may also be subject to income tax in accordance with applicable law.

MARKET PRICE INFORMATION

As on the date of this Preliminary Placement Document, our Company's issued, subscribed and paid-up share capital comprises 2,60,50,358 Equity Shares bearing face value of ₹ 5 per equity share. The Equity Shares are listed and traded on NSE and BSE.

On December 17, 2024, the closing price of the Equity Shares on BSE and NSE was ₹ 910.35 and ₹ 912.15, respectively. The tables below set out, for the periods indicated, the high, low and average closing prices and the trading turnover on NSE and BSE for our Equity Shares.

(i) The following tables set forth the reported high, low and average market prices and the trading volumes of the Equity Shares on the Stock Exchanges on the dates on which such high and low prices were recorded for Fiscals 2024, 2023 and 2022:

BSE									
Fiscal	**High (₹)**	**Date of high**	**Number of Equity Shares traded on the date of high**	**Total turnover of Equity Shares traded on date of high (₹ lakhs)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on the date of low**	**Total turnover of Equity Shares traded on date of low (₹ lakhs)**	**Average price for the year (₹)**
2024	905.90	February 7, 2024	26,024	226.03	299.60	April 3, 2024	14,828	47.20	493.75
2023	1,368.80	September 13, 2022	1,72,340	2,243.16	264.00	March 29, 2023	10,605	29.02	548.99
2022	749.00	March 21, 2022	38,307	282.43	202.15	April 1, 2021	12,441	26.89	423.53

(Source: www.bseindia.com)
Notes:
1. High, low and average prices are based on the daily closing prices.
2. In the case of a year, average represents the average of the closing prices of all trading days of each year presented.
3. In case of two days with the same high or low price, the date with the higher volume has been chosen.

NSE									
Fiscal	**High (₹)**	**Date of high**	**Number of Equity Shares traded on the date of high**	**Total turnover of Equity Shares traded on date of high (₹ lakhs)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on the date of low**	**Total turnover of Equity Shares traded on date of low (₹ lakhs)**	**Average price for the year (₹)**
2024	906.30	February 7, 2024	2,55,216	2,213.32	300.05	April3, 2023	36,474	115.96	493.69
2023	356.55	March 6, 2023	16,275	56.59	262.10	March 28, 2023	40,402	110.05	302.58
2022*	NA	NA	NA	NA	NA	NA	NA	NA	NA

** During Fiscal 2022 equity shares were not listed on NSE*
(Source: www.nseindia.com)
Notes:
1. High, low and average prices are based on the daily closing prices.
2. In the case of a year, average represents the average of the closing prices of all trading days of each year presented.
3. In case of two days with the same high or low price, the date with the higher volume has been chosen.

(ii) The following table sets forth the details of the number of Equity Shares traded on the Stock Exchanges and the turnover during Fiscals 2024, 2023 and 2022:

Fiscal	Number of Equity Shares Traded		Turnover (In ₹ lakhs)	
	BSE	NSE	BSE	NSE
2024	32,96,236	1,75,74,409	17,700.14	97,938.16
2023	64,76,203	3,17,041	42,313.61	951.19
2022*	69,77,158	NA	29,793.70	NA

** During Fiscal 2022 equity shares were not listed on NSE*
(Source: www.bseindia.com and www.nseindia.com)

(iii) The following tables set forth the reported high, low and average market prices and the trading volumes of the Equity Shares on the Stock Exchanges on the dates on which such high and low prices were recorded during each of the last six months:

BSE										Equity Shares traded in the month	
Month	High (₹)	Date of high	Number of Equity Shares traded on date of high	Total turnover of Equity Shares traded on date of high (₹ lakhs)	Low (₹)	Date of low	Number of Equity Shares traded on date of low	Total turnover of Equity Shares traded on date of low (₹ lakhs)	Average price for the month (₹)	Volume	Turnover (₹ in lakhs)
November 30, 2024	1,039.45	November 8, 2024	13,462	135.37	821.00	November 18, 2024	7,800	65.67	907.79	3,42,427	3,254.95
October 31, 2024	2,209.00	October 15, 2024	14,003	295.52	792.00	October 28, 2024	20,864	171.02	1,422.29	5,55,466	6,434.86
September 30, 2024	2,382.05	September 5, 2024	26,867	613.08	1,802.45	September 2, 2024	10,993	208.62	2,086.08	10,502	224.19
August 31, 2024	1,945.00	August 26, 2024	18,444	353.71	1,281.60	August 1, 2024	43,341	614.25	1,615.54	27,278	442.56
July 31, 2024	1,300.00	July 25, 2024	38,608	473.30	818.45	July 1, 2024	14,961	126.64	1,025.81	16,879	161.53
June 30, 2024	885.00	June 25, 2024	35,068	299.45	579.05	June 5, 2024	4,709	29.32	715.11	16,230	125.81

(Source: www.bseindia.com)
Notes:
1. High, low and average prices are based on the daily closing prices.
2. In the case of a year, average represents the average of the closing prices of all trading days of each year presented.
3. In case of two days with the same high or low price, the date with the higher volume has been chosen.

NSE											
Month	**High (₹)**	**Date of high**	**Number of Equity Shares traded on date of high**	**Total turnover of Equity Shares traded on date of high (₹ lakhs)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on date of low**	**Total turnover of Equity Shares traded on date of low (₹ lakhs)**	**Average price for the month (₹)**	**Equity Shares traded in the month**	
										Volume	**Turnover (₹ in lakhs)**
November 30, 2024	1,038.00	November 8, 2024	78,731	795.12	821.30	November 18, 2024	91,454	767.56	907.91	93,480	871.07
October 31, 2024	2,213.30	October 15, 2024	1,02,969	2,171.30	792.00	October 28, 2024	1,96,630	1,643.78	1,421.44	1,27,975	1,606.03
September 30, 2024	2,380.00	September 5, 2024	3,38,953	7,750.39	1,802.00	September 2, 2024	1,95,975	3,725.41	2,087.10	1,17,768	2,509.68
August 31, 2024	1,955.45	August 26, 2024	1,21,918	2,338.93	1,270.65	August 1, 2024	7,51,613	10,650.14	1,614.42	2,05,595	3,274.18
July 31, 2024	1,299.95	July 25, 2024	7,36,689	9,030.19	814.50	July 1, 2024	1,60,372	1,357.06	1,026.26	4,34,669	4,558.11
June 30, 2024	885.00	June 25, 2024	5,84,031	4,994.65	579.50	June 5, 2024	31,817	198.02	715.29	1,75,081	1,385.27

Notes:
1. High, low and average prices are based on the daily closing prices.
2. In the case of a year, average represents the average of the closing prices of all trading days of each year presented.
3. In case of two days with the same high or low price, the date with the higher turnover has been chosen.

(iv) The following table sets forth the market price on the Stock Exchanges on September 24, 2024 being the first working day following the approval of our Board for the Issue:

BSE					
Open	**High**	**Low**	**Close**	**Number of Equity Shares traded**	**Volume (₹ in lakhs)**
2,105.25	2,130.00	2,035.30	2,044.75	6,318	131.01

(Source: www.bseindia.com)

NSE					
Open	**High**	**Low**	**Close**	**Number of Equity Shares traded**	**Volume (₹ in lakhs)**
2,109.00	2,130.00	2,035.00	2,043.80	58,781	1,218.76

(Source: www.nseindia.com)

USE OF PROCEEDS

The Gross Proceeds from the Issue aggregate to ₹ [●] lakhs. Subject to compliance with applicable laws, the net proceeds from the Issue, after deducting fees, commissions, and the estimated expenses of the Issue of approximately ₹ [●] lakhs, shall be approximately ₹ [●] lakhs (the "**Net Proceeds**").

Objects of the Issue

Subject to compliance with applicable laws, our Company intends to use the Net Proceeds towards funding the following objects:

1. Funding working capital requirements of our Company;
2. Capital expenditure of our Company for set up a recycling and processing unit in Thiruvallur, Tamil Nadu; and
3. General corporate purposes.

(collectively, referred to hereinafter as the "**Objects**")

Utilisation of Net Proceeds

The Net Proceeds are proposed to be used in the accordance with the details provided in the following table:

(in ₹ lakhs)

Sr. No.	Particulars	Amount which will be financed from Net Proceeds(2)
1.	Funding working capital requirements of our Company	8,150.00
2.	Capital expenditure of our Company for setting up a recycling and processing unit in Thiruvallur, Tamil Nadu	4,975.45
3.	General corporate purposes(1)(2)	[●]
Total Net Proceeds(2)		[●]

(1) To be determined upon finalisation of the Issue Price and updated in the Placement Document. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.
(2) To be determined upon finalisation of the Issue Price.

Our main objects clause and objects incidental and ancillary to the main objects as set out in the Memorandum of Association enables our Company to undertake our existing business activities and activities proposed to be funded from the Net Proceeds.

In accordance with applicable laws, we undertake to not utilize proceeds from the Issue unless Allotment is made and the corresponding return of Allotment is filed with RoC, and the final listing and trading approvals are received from each of the Stock Exchanges, whichever is later.

Proposed schedule of implementation and deployment of Net Proceeds

We propose to deploy the Net Proceeds for the aforesaid purposes in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below:

(in ₹ lakhs)

Sr. No.	Particulars	Total estimated cost	Amount to be funded from Net Proceeds	Estimated deployment of the Net Proceeds	
				Fiscal 2025	Fiscal 2026
1.	Funding working capital requirements of our Company	-	8,150.00	650.00	7,500.00
2.	Capital expenditure of our Company for setting up a recycling and processing unit in Thiruvallur, Tamil Nadu.	9,459.69	4,975.45	3,500.00	1,475.45
3.	General corporate purposes(1)(2)	-	[●]	[●]	[●]
Total Net Proceeds(2)		**9,459.69**	[●]	[●]	[●]

(1) The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.
(2) To be determined upon finalisation of the Issue Price and updated in the Placement Document.

The above-stated funding requirements, deployment of funds and the intended use of Net Proceeds indicated above is based on management estimates, current circumstances of our business, our existing business plans, the prevailing market conditions and other commercial and technical factors. Given the nature of our business, we may have to revise our funding requirements and intended deployment schedule on account of a variety of factors such as our financial condition, business and growth strategy, and external factors such as market conditions, competitive environment, price fluctuations and interest or exchange rate fluctuations and other external factors which may not be within the control of our management. Depending upon such factors, we may have to reduce or extend the deployment period for the stated objects. This may entail rescheduling or revising the planned expenditure, implementation schedule and funding requirements, including the expenditure for a particular purpose, at the discretion of our management.

In the event that the estimated utilization of the Net Proceeds and Issue related expenses in a scheduled fiscal year is not completely met, due to the reasons stated above, the same shall be utilised in the next fiscal year or if required, the amount scheduled for deployment in a specific Fiscal may be utilized in an earlier Fiscal, as may be determined by our Company, in accordance with applicable laws. Subject to applicable laws, in the event of any increase in the actual utilization of funds earmarked for the purposes set forth above, such additional funds for a particular activity will be met by way of means available to us, including from internal accruals and any additional equity and/or debt arrangements.

Subject to compliance with applicable laws, in case of any variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed from internal accruals, additional equity and/or debt arrangements or by surplus funds available in respect of the other purposes for which funds are being raised in the Issue (except towards general corporate purposes). For details, please see "*Risk Factors - Our funding requirements and the proposed deployment of Net Proceeds are not appraised by any independent agency, which may affect our business and results of operations.*" on page 65.

Our Company proposes to deploy the entire Net Proceeds towards the Objects stated above. If the Net Proceeds are not utilized (in full or in part) for the Objects for the period stated above due to any reason, including (i) the timing of completion of the Issue; (ii) market conditions outside the control of our Company; and (iii) any other economic, business and commercial considerations, the remaining Net Proceeds shall be utilized (in part or full) in subsequent periods in such manner as may be determined by our Company, in accordance with applicable laws. Further, our Company may also utilise any portion of or the entire the Net Proceeds, towards the aforementioned Objects, ahead of the estimated schedule of deployment specified above.

Details of the Objects of the Net Proceeds

1. Funding working capital requirements of our Company

Our Company's business is working capital intensive, and we fund the majority of our working capital requirements in the ordinary course of our business from our internal accruals, equity and financing from banks by way of working capital facilities. As of September 30, 2024, on a standalone basis, the aggregate total sanctioned limit of working capital facilities of ₹ 24,000.00 lakhs. Our Company requires working capital primarily for financing and/or replenishment of the inventory.

We propose to utilize ₹ 8,150.00 lakhs from the Net Proceeds to fund the working capital requirements of our Company in Fiscal 2025 and Fiscal 2026.

Our Company requires additional working capital for funding future growth requirements. Considering future growth in business activities, based on historic growth rate of our Company and the estimated cash flow that will be generated from the business, our Company estimates the working capital requirement of ₹ 33,434.43 lakhs in Fiscal 2025 and ₹ 51,619.32 lakhs in Fiscal 2026 and of which our Company proposes to utilize ₹ 8,150.00 lakhs from the Net Proceeds received from this Issue.

Basis of estimation of working capital requirement

Existing working capital

The details of Company's working capital and the source of funding, on the basis of the Audited Standalone Financial Statements for the Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2022 of our Company are provided in the table below:

(in ₹ lakhs)

Sr. No.	Particulars	Half year period till September 30, 2024 (Unaudited)	As of March 31,		
			2024	2023	2022
I.	**Current Asset**				
(a)	Inventories	13,616.53	12,386.38	15,097.78	14,602.60
(b)	Trade Receivables	13,394.49	10,119.61	9,919.68	8,734.69
(c)	Other Current Assets	6,133.51	3,229.15	3,328.03	2,677.28
	Total Current Assets (A)	**33,144.53**	**25,735.14**	**28,345.49**	**26,014.57**
II.	**Current Liabilities**				
(a)	Trade Payables	1,268.91	960.00	837.06	784.77
(b)	Other Current Liabilities and Provisions	1,512.64	1,011.97	2,878.56	628.42
	Total Current Liabilities (B)	**2,781.55**	**1,971.97**	**3,715.62**	**1,413.19**
III.	**Total Working Capital Requirement (C = A-B)**	**30,362.98**	**23,763.17**	**24,629.87**	**24,601.38**
IV.	**Funding Pattern**				
(a)	Working Capital Funding from Borrowings	14,212.95	9,446.44	14,202.64	10,717.88
(b)	Internal Accruals / Net worth	16,150.03	14,316.73	10,427.23	13,883.50
	Total	**30,362.98**	**23,763.17**	**24,629.87**	**24,601.38**

Note: Pursuant to the certificate dated December 17, 2024, issued by L. Mukundan & Associates, Chartered Accountants.

Assumptions for working capital requirements

Holding levels

Provided below are details of the holding levels (days) for the financial years ended March 31, 2024 and March 31, 2023 which have been computed from the audited consolidated financial statements of our Company and March 31, 2022, which have been computed from the audited standalone financial statements of our Company:

Sr. No.	Particulars	For the period ended September 30, 2024 (Actual)	Number of days for the Fiscal ended		
			March 31, 2024 (Actual)	March 31, 2023 (Actual)	March 31, 2022 (Actual)
I.	**Current Assets**				
(a)	Inventory Days (as number of days of cost of goods sold)	27	33	42	41
(b)	Trade Receivable (as number of days of Revenue from operations)	24	24	25	22
(c)	Other Current Assets Days(as number of days of Revenue from operations)	11	8	8	7
II.	**Current Liabilities**				
(a)	Trade Payable Days (as number of days of cost of goods sold)	3	3	2	2
(b)	Other current liabilities & provision (Net) days (as number of days of Revenue from operations)	3	2	7	2

Pursuant to the certificate dated December 17, 2024, issued by L. Mukundan & Associates, Chartered Accountants.

Notes:
Inventory Days: Inventory / Cost of Goods Sold x 365
Trade Receivable Days: Trade Receivables / Revenue from Operations x 365
Other Current Assets Days: Other Current Assets / Revenue from Operations x 365
Trade Payable Days: Trade Payables / Cost of Goods Sold x 365
Other Current Liability Days: Other Current Liabilities / Cost of Goods Sold (including direct expenses) x 365
Current tax Liabilities & provision Days: Current Tax Liabilities & provisions / Cost of Goods Sold x 365

Key Assumptions

The working capital projections made by the Company are based on certain key assumptions, as set out below:

Particulars	Assumptions and Justifications
Inventory Days	Over the past three fiscal years inventory days declined from 41 days in Fiscal 2022 to 33 days in Fiscal 2024, due to reduction in transit time of Raw materials, processing and despatch of material to customers. This trend aligns with company's working capital management target on reduced inventory holding period requiring effective inventory management. The inventory days is projected to be in the same range of 32- 33 days in Fiscal 2025 and Fiscal 2026 in spite of higher capacity creation in current and future product portfolios.
Trade receivable	In last three years trade receivable days have remained steady in the range of 22 to 25 days, indicating a stable customer base and well-defined payment terms. This performance aligns with the company's focus on fostering long-term partnerships and its position as a key supplier to major battery manufacturers. As of Sept 24, receivable days remained consistent, reflecting strong customer relationship management. The trade receivable days for Fiscal 2025 and Fiscal 2026 will be in the range of 27 days to 25 days considering new product portfolios and diversified geographical markets.
Trade payable	Over the past three fiscal years, trade payable days have remained consistently low around 2-3 days, reflecting the company's financial stability and effective management of supplier relationships. Timely payments to suppliers are critical in the metal recycling industry to ensure a reliable supply of scrap, particularly given the dependence on a global supply network. As of September 2024, and in the projection for Fiscal 2025 and Fiscal 2026, maintaining similar payable days ranging around 2-3 days underscores the continued focus on strong supplier relationship management.
Other current assets	Over the past three years other current assets days outstanding have remained stable around 7-8 days, indicating effective management of these assets. As of September 2024, the increase to 15 days this is due to increase in supplier advances, GST/ Rebates receivables and increase in security deposits. Taking into consideration the ratio of domestic vs import procurements in forthcoming years, we estimate holding levels be round 13 days to 11 days for the Fiscal 2025 and Fiscal 2026 respectively.
Other current liabilities	The company's other current liabilities and provisions comprise of provision for tax, statutory dues paid, advance and deposit from customers, lease liabilities current. Holding levels under this head has ranged from 2-7 days in the last three Fiscals and as at September 30, 2024. The Company has projected this at around 2 days each for Fiscal 2025 and Fiscal 2026 in the forthcoming years.

Note: Pursuant to the certificate dated December 17, 2024, issued by L. Mukundan & Associates, Chartered Accountants.

2. Capital expenditure of our Company for setting up a recycling and processing unit in Thiruvallur, Tamil Nadu

Our Company intends to utilize ₹ 4,975.45 lakhs of the Net Proceeds towards funding the capital expenditure requirements of our Company, for setting up a recycling and processing unit of lead, copper and plastic with installed capacity of 72,000 MT, 12,000 MT and 9,000 MT per annum, respectively. The plant will be set up in the phased manner in fiscal years 2025.

Land: The facility is proposed to be setup on land admeasuring 25 acres situated at Thiruvallur, Tamil Nadu which is leased by a subsidiary of our Company, Harsha Exito Engineering Private Limited from SIPCOT. The Company obtained a part of this land in sub-lease pursuant to sub-lease deed dated April 1, 2024.

Estimated Cost

The amount proposed to be deployed from Net Proceeds for funding capital expenditure requirements towards setting up a recycling and processing unit in Thiruvallur, Tamil Nadu, is ₹ 4,975.45 lakhs out of total cost of ₹ 9,459.69 lakhs. We intend to utilize ₹ 4,975.45 lakhs from the Net Proceeds towards proposed expansion and the balance requirement, if any, will be funded from borrowings and the internal accruals of, or through further infusion of investments by our Company in the form of additional equity.

The total estimated cost of funding to execute the capital expenditure is ₹ 4,975.45 lakhs, and such cost has been certified by way of the project report titled "*Detailed Project Report of Pondy Oxides and Chemicals Limited*" dated December 16, 2024 (the "**TEV Report**"), issued by CARE Analytics and Advisory Private Limited, who has been appointed by our Company for this purpose.

The total estimated cost of the Project is set forth below:

Particulars	Total* (in ₹ lakh)
Land#	N.A.
Building and Civil work	3,096.39
Imported Plant and Machinery	5,032.95
Indigenous Plant and Machinery	951.50
Preliminary Expenses	106.42
Contingency^	272.43
Total Project Cost	**9,459.69**

* *The costs are inclusive of applicable goods and services tax (GST) and charges.*
\# *The estimated cost for the Project excludes costs associated with rent of land. The land on which the expansion is proposed to be set up is currently subleased by the Company from its Subsidiary.*
^ *Contingency costs include 3% on the hard cost (building and civil cost, plant and machinery cost) and other unforeseen expenses projected to be incurred.*

An indicative list of equipment and machinery, and services, that are intended to be purchased, along with details of the purchase orders/ quotations obtained by our Company in relation to the Project are set forth below, which has been certified by CARE Analytics and Advisory Private Limited pursuant to its TEV Report:

1. The table below sets forth the breakdown of the total estimated costs to be utilised towards building and civil work in relation to the Project:

Particulars	Vendor/Supplier	Total estimated costs (in ₹ lakh)
Kettle Foundation, PEB Works, Flooring	Albis Construction Pvt. Ltd.	1,588.60
FG Shed	Albis Construction Pvt. Ltd.	1,035.45
Total before GST		**2,624.06**
GST		472.33
Total		**3,096.39**

2. The table below sets forth the breakdown of the total estimated costs to be utilised towards indigenous/imported plant and machinery costs in relation to the Project:

Particulars	Vendor/Supplier	Total estimated costs (in ₹ lakh)
Indigenous plant and machinery		
Chimney	Airtech Engineers	21.16
APC system	Airflow Engineers	79.93
Utilities-APC line works	BSK Engineering Services	17.81
Cooling tower	Sashma Global Private Ltd.	34.89
Crane	Palfinger	58.49
DG set	GMMCO	46.70
Forklift	Toyota Material Handling India	39.00
Electrical works	Saro Electricals	69.00
Fire hydrant	Fire Pack	23.35
Soda ash silo	Sashma Global Private Ltd.	12.32
Tyre washer	Engineers Automation	14.95
Stirrer VDR and gear motors	Techno Products Development Pvt. Ltd	44.21
Weigh bridge	Essae Digitronics	23.37
Wet scrubber	Bindu Tech	50.63
Refining bricks	Mitashi Industrial Price	12.69
Refining pot shell	Southern Heavy Engineering	32.75
RLNG & O2 pipe line	BSK Engineering Services	61.38
Rotary refractory	Gita Refractories	115.75
Scrubber brought out	Bindu Tech	25.80
Settling chamber	Bindu Tech	22.17
Sub-Total Indigenous Plant and Machinery Cost without GST		**806.36**
GST		145.14
Sub-Total Indigenous Plant and Machinery Cost with GST		**951.50**
Imported - Plant and Machinery		
Lead + Copper machinery (Incl Freight & Insurance)	-	4,967.00
Spectro Lab	-	65.95
Sub-Total Imported Plant and Machinery Cost		**5,032.95**

Total Plant and Machinery Cost	5,984.45

3. The table below sets forth the breakdown of the total estimated costs to be utilised towards preliminary and pre-operative costs in relation to the Project:

Particulars	Vendor/Supplier	Total estimated costs (in ₹ lakh)
Architect - Design & Engineering Services	Trilogue Studio LLP	52.09
Project Management Consultant (PMC)	CBRE	26.60
MEP Consultant	Sashma Global Private Ltd.	11.50
Sub-Total Preliminary & Pre-Operative Expenses		**90.19**
GST		16.23
Total Preliminary & Pre-Operative Expenses		**106.42**

Our Company has received quotations from various service providers and suppliers for construction work and sourcing of equipment and the Company has placed order for certain capital goods and for certain items is yet to place any orders or enter into definitive agreements for purchase of such services and/or equipment. For further details of our strategies, see "*Our Business – Our Strategies*" on page 209. Our Company intends to utilize ₹ 4,975.45 lakhs from Net Proceeds based on our current estimates and may change, depending on our business requirements, from time to time. An indicative list of such services, equipment, and machinery that we intend to purchase, along with details of the quotations we have received in this respect is set forth above.

No second-hand or used machinery is proposed to be purchased out of the Net Proceeds.

All quotations received from the above suppliers are valid as on the date of this Preliminary Placement Document. However, we have not entered into any definitive agreements with any of the above suppliers which have provided quotations and there can be no assurance that the above-mentioned suppliers would be engaged to eventually supply the service and/or machinery or that the above-mentioned service/machinery would be purchased at the specified costs. The quantity of machinery to be purchased is based on the estimates of our Company's management. No second-hand or used equipment is proposed to be purchased out of Net Proceeds.

Our Promoters, Directors, Key Managerial Personnel and Senior Management do not have any interest in the proposed construction of structural and civil works, purchase of machinery and upgradation of existing equipment, or in the entities from whom we have obtained quotations in relation to such activities.

While we do not require any further licenses / approvals from any governmental authorities at this stage of the proposed plan for setting up a recycling and processing unit, we will apply for all such necessary approvals that we may require at future relevant stages. In the event of any unanticipated delay in receipt of such approvals, the proposed schedule implementation and deployment of the Net Proceeds may be extended or may vary (with approvals required, if any) accordingly.

3. General Corporate Purposes

Our Company intends to deploy ₹ [●] lakhs from the Net Proceeds towards general corporate purposes and the business requirements of our Company, as approved by our management, from time to time, subject to such utilization for general corporate purposes not exceeding 25% of the Gross Proceeds.

Such general corporate purposes may include, but are not restricted to meeting fund requirements which our Company may face in the ordinary course of business, any repayment or pre-payment of our borrowings, strategic initiatives, partnerships, tie-ups, joint ventures or acquisitions, investment in our Subsidiaries, meeting expenses incurred in the ordinary course of business and any other purpose as may be approved by our Board or a duly appointed committee from time to time, subject to compliance with applicable law, including the necessary provisions of the Companies Act, 2013.

The allocation or quantum of utilization of funds towards the specific purposes described above will be determined by our Board, based on our business requirements and other relevant considerations, from time to time. Our Company's management shall have flexibility in utilising surplus amounts, if any, in accordance with applicable law.

Interim use of Net Proceeds

Pending utilisation of the Net Proceeds towards the purposes described in this section, our Company shall deposit the Net Proceeds in a separate bank account with a scheduled commercial bank included in the Second Schedule of the Reserve Bank of India Act, 1934 or to temporarily invest the funds in creditworthy instruments, including money market/ mutual funds, as approved by the Board and/or a duly authorized committee of the Board, from time to time, and in accordance with applicable laws.

In accordance with applicable laws, we undertake to not utilize proceeds from the Issue unless Allotment is made and the corresponding return of Allotment is filed with the RoC, and the final listing and trading approvals are received from each of the Stock Exchanges, whichever is later.

Monitoring of utilisation of funds

Pursuant to Regulation 173A of the SEBI ICDR Regulations, our Company has appointed CARE Rating Limited, a credit rating agency registered with the SEBI, as the monitoring agency ("**Monitoring Agency**"). The Monitoring Agency shall submit its report to our Company in the format specified in Schedule XI of the SEBI ICDR Regulations on a quarterly basis, till 100% of the proceeds of the Issue have been utilised. The board of directors and the management of our Company will provide their comments on the findings of the Monitoring Agency as specified in Schedule XI of the SEBI ICDR Regulations. Our Company shall, within 45 days from the end of each quarter, upload the report of the Monitoring Agency on our website and also submit the same to the Stock Exchanges.

The report of the Monitoring Agency shall be placed before our Audit Committee on a quarterly basis, promptly upon its receipt. On an annual basis, our Company shall (i) prepare a statement of funds utilised for purposes other than those stated in this Preliminary Placement Document and place it before the Audit Committee and make other disclosures as may be required until such time as the Net Proceeds remain unutilised; and (ii) disclose every year, the utilization of the Proceeds during that year in its annual report. Such disclosure shall be made only until such time that all the Proceeds have been utilised in full.

Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the proceeds of the Issue from the Objects, as stated above; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Issue from the Objects, as stated above. This information will also be published on our website simultaneously with the interim or annual financial results and explanation for such variation (if any) will be included in our Directors' report, after placing the same before the Audit Committee.

Other confirmations

As permissible under applicable laws, our Company's management will have flexibility in deploying the Net Proceeds. The amounts and timing of any expenditure will depend on, among other factors, the amount of cash generated by our operations, competitive and market developments and the availability of acquisition or investment opportunities on terms acceptable to us.

Neither of our Promoters, members of the Promoter Group or Directors are making any contribution either as part of the Issue or separately in furtherance of the Objects. None of our Promoters, members of the Promoter Group or our Directors shall receive any proceeds from the Issue, whether directly or indirectly. Since the Issue is only made to Eligible QIBs, our Promoters, Directors, Key Managerial Personnel or Senior Management are not eligible to subscribe in the Issue.

There are no material existing or anticipated transactions in relation to the utilisation of the Net Proceeds entered or to be entered into by our Company with our Promoters, Promoter Group, Directors, Key Managerial Personnel and/or Senior Management.

CAPITALISATION STATEMENT

The following table sets forth our capitalization and total borrowings, on a consolidated basis, as of September 30, 2024 which is derived from the Unaudited Consolidated Financial Results and adjusted to give effect to the receipt of the gross proceeds of the Issue.

This table should be read in conjunction with the sections titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Financial Information*" on pages 92 and 281, respectively.

(in ₹ lakhs, unless otherwise stated)

Particulars	**Pre-Issue (as at September 30, 2024) (unaudited consolidated basis)**	**Amount after considering the Issue (i.e. Post Issue)*#^ (unaudited consolidated basis)**
Current borrowings		
– Secured	13,465.30	[●]
– Unsecured	781.49	[●]
Current maturities of long-term borrowing/finance lease obligations	-	[●]
Non-current borrowings		
– Secured	-	[●]
– Unsecured	300.00	[●]
Total Borrowing (A)	**14,546.79**	**[●]**
Equity		
Equity share capital	1,302.52	[●]
Other equity	38,127.72	[●]
Non-controlling interest	-	
Total Equity (B)	**39,430.24**	**[●]**
Total capitalization (A+B)	**53,977.03**	**[●]**
Total Borrowing/ Total Equity (A/B)	**0.37**	**[●]**

Notes:
* *Will be finalized upon determination of the Issue Price.*
\# *Adjustments do not include Issue related expenses*
^ *As adjusted to reflect the number of Equity Share issued pursuant to the Issue*

CAPITAL STRUCTURE

The share capital of our Company as on the date of this Preliminary Placement Document is set forth below:

(in ₹ except share data)

	Particulars	Aggregate value at face value (except for securities premium account)
A	**AUTHORISED SHARE CAPITAL**	
	4,03,00,000 Equity Shares of face value of ₹ 5 each	20,15,00,000
B	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE ISSUE**	
	2,60,50,358 Equity Shares^ of face value of ₹ 5 each	13,02,51,790
C	**PRESENT ISSUE IN TERMS OF THIS PRELIMINARY PLACEMENT DOCUMENT**	
	Up to [●] Equity Shares aggregating up to ₹ [●] lakhs(1)(2)	[●]
D	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE ISSUE**	
	[●] Equity Shares	[●]
E	**SECURITIES PREMIUM ACCOUNT**	
	Before the Issue (as on the date of this Preliminary Placement Document)	71,21,92,968
	After the Issue(3)	[●]

(1) *This Issue has been authorised and approved by our Board of Directors pursuant to its resolution passed on September 23, 2024. The Shareholders of our Company have authorised and approved the Issue by way of a special resolution passed on October 25, 2024.*

(2) *To be determined upon finalisation of the Issue Price. The amount has been calculated on the basis of Gross Proceeds from the Issue.*

(3) *The securities premium account after the Issue is calculated on the basis of gross proceeds from the Issue. Adjustments do not include Issue related expenses*

^ *As on date of this Preliminary Placement Document, 12,13,019 fully convertible warrants issued by the Company which are outstanding and which may be exercised in one or more tranches, which upon conversion would result into 24,26,038 Equity Shares on allotment.*

Equity share capital history of our Company

The history of the equity share capital of our Company since the date of incorporation is set forth below:

Date of allotment	Number of equity shares allotted	Cumulative number of equity shares	Issue price per equity share (₹)	Face Value per equity shares (in ₹)	Nature of consideration
March 21, 1995*	900	900	10	10	Cash
August 10, 1995	7,50,000	7,50,900	10	10	Other than Cash
August 24, 1995	4,82,000	12,32,900	10	10	Cash
September 8, 1995	3,69,600	16,02,500	10	10	Cash
March 28, 1996	34,09,300	50,11,800	10	10	Cash
December 21, 2002	5,01,177	55,12,977	N.A.	10	N.A.
Pursuant to the shareholders' resolution dated February 28, 2005, our Company sub-divided the face value of its equity shares from face value of ₹10 each to equity shares of face value of ₹2 each. Accordingly, the issued, subscribed and the paid-up equity share capital of our Company being 55,12,977 equity shares of ₹10 each were subdivided into 2,75,64,885 equity shares of ₹2 each.					
September 11, 2006	1,83,76,590	4,59,41,475	4	2	Cash
January 22, 2007	45,94,150	5,05,35,625	N.A.	2	N.A.
Pursuant to the board resolution dated January 22, 2007 and shareholders' resolution dated December 28, 2006, our Company consolidated the face value of its equity shares from face value of ₹2 each to equity shares of face value of ₹10 each. Accordingly, the issued, subscribed and the paid-up equity share capital of our Company being 5,05,35,625 equity shares of ₹2 each was consolidated to 1,01,07,125 equity shares of ₹10 each.					
March 29, 2012	10,44,860**	1,11,51,985	N.A.	10	Other than Cash
January 12, 2015	(55,75,992)	55,75,993	N.A.	10	Other than Cash
March 21, 2020	2,36,397	58,12,390	N.A.	10	Other than Cash
September 30, 2022	58,12,390	1,16,24,780	N.A.	10	N.A.
February 28, 2024	9,86,197	1,26,10,977	507	10	Cash
July 31, 2024	78,896	1,26,89,873	507	10	Cash
August 2, 2024	3,35,306	1,30,25,179	507	10	Cash

Date of allotment	Number of equity shares allotted	Cumulative number of equity shares	Issue price per equity share (₹)	Face Value per equity shares (in ₹)	Nature of consideration
Pursuant to shareholders' resolution dated September 18, 2024, our Company sub-divided the face value of its equity shares from face value of ₹10 each to equity shares of face value of ₹5 each. Accordingly, the issued, subscribed and the paid-up equity share capital of our Company being 1,30,25,179 equity shares of ₹10 each was subdivided into 2,60,50,358 equity shares of ₹5 each.					

**The date of subscription to the Memorandum of Association is February 17, 1995. Our Company obtained the certificate of incorporation from the Registrar of Companies Tamil Nadu at Madras on March 21, 1995. The allotment of equity shares pursuant to the initial subscription was taken on record by our Board on March 29, 1995*
***Our Company filed a scheme of amalgamation under the Companies Act, 1956, for amalgamating Lohia Metals Private Limited ("Transferor Company") with our Company ("Transferee Company"). The scheme was approved vide the order of the Honorable High Court of Madras on March 12, 2012. Consequently, pursuant to the approval of the scheme, our Company allotted 11,02,500 equity shares of face value of ₹10 each to the shareholders of the Transferor Company out of which inter-se shareholding of 57,640 equity shares held by the Transferee Company in the Transferor Company stands cancelled.*

Note: *Certain corporate records and regulatory filings in relation to certain allotments of equity shares of our Company are not traceable. For details, see "Risk Factors – Our Company was incorporated in 1995 and we are unable to trace some of our corporate records. We cannot assure you that no legal proceedings or regulatory actions will be initiated against our Company in the future in relation to the missing filings and corporate records, which may impact our financial condition and reputation" on page 61.*

Preference Shares

As on the date of this Preliminary Placement Document, our Company has not issued any preference shares.

Proposed Allottees in the Issue

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment shall be made by our Company in consultation with the Book Running Lead Manager, to Eligible QIBs, on a discretionary basis. For details of the names of the proposed Allottees and the percentage of post-Issue Equity Share Capital that may be held by them, please see "*Details of Proposed Allottees*" on page 282.

Pre-Issue and post-Issue shareholding pattern

The pre-Issue and post-Issue shareholding pattern as on December 13, 2024 and the post-Issue shareholding pattern:

Sr. No.	Category	Pre-Issue^#		Post-Issue^*	
		Number of Equity Shares held	% of shareholding	Number of Equity Shares held	% of shareholding
A.	**Promoters' holding**				
1.	Indian				
	Individual	1,14,00,830	43.76	[●]	[●]
	Bodies corporate	-	-	[●]	[●]
	Sub-total	**1,14,00,830**	**43.76**	**[●]**	**[●]**
2.	Foreign promoters	-	-	[●]	[●]
	Sub-total (A)	**1,14,00,830**	**43.76**	**[●]**	**[●]**
B	**Non-Promoter holding**				
1.	Institutional investors	2,29,064	0.88	[●]	[●]
2.	Non-Institutional investors:				
	Corporate bodies	12,66,829	4.86	[●]	[●]
	Directors and relatives	75,652	0.29	[●]	[●]
	Indian public	1,13,71,028	43.65	[●]	[●]
	Others including Non- resident Indians (NRIs)	17,06,955	6.56	[●]	[●]
	Sub-total (B)	**1,46,49,528**	**56.24**	**[●]**	**[●]**
	Grand Total (A+B)	**2,60,50,358**	**100.00**	**[●]**	**[●]**

Based on beneficiary position data of our Company as on December 13, 2024
^ *As on date of this Preliminary Placement Document, 12,13,019 fully convertible warrants issued by the Company which are outstanding and which may be exercised in one or more tranches, which upon conversion would result into 24,26,038 Equity Shares on allotment.*
* *The post-Issue shareholding pattern shall be filled-in before filing of the Placement Document with the Stock Exchanges.*

Employee stock option plan

As on the date of this Preliminary Placement Document, our Company does not have any employee stock option plan.

Other confirmations

(i) Other than 12,13,019 fully convertible warrants (which will convert into 24,26,038 Equity Shares) there are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares as on the date of this Preliminary Placement Document.

(ii) The Promoter, the Directors, the Key Managerial Personnel and the Senior Management of our Company do not intend to participate in the Issue.

(iii) There will be no change of control of our Company pursuant to the Issue.

(iv) Except as disclosed below and under "– *Equity share capital history of our Company*" on page 87, our Company has not made any allotment of Equity Shares or preference shares, including for consideration other than cash, or pursuant to a preferential issue, private placement or a rights issue, in the one year immediately preceding the date of filing of this Preliminary Placement Document:

Allotment of 16,27,221 fully convertible warrants, which may be exercised in one or more tranches, and to persons belonging to "promoter/promoter group" and "non-promoter/public" categories pursuant to the resolution passed by our Board on January 12, 2024 and our Shareholders on February 6, 2024. These warrants are convertible into Equity Shares, in one or more tranches, within a period of 18 months from the date of allotment.

(v) Our Company shall not make any subsequent qualified institutions placement until the expiry of two weeks from the date of the Issue. Further, Equity Shares allotted pursuant to the Issue cannot be sold by the Allottee for a period of one year from the date of Allotment, except on the Stock Exchanges.

(vi) Our Equity Shares have been listed for a period of at least one year prior to the date of issuance of the notice to convene the meeting of our Shareholders, i.e. September 23, 2024, to approve the Issue.

RELATED PARTY TRANSACTIONS

For details of the related party transactions during (i) September 30, 2024; (ii) Fiscal 2024; (iii) Fiscal 2023; and (iv) Fiscal 2022, as per the requirements under Ind AS 24 'Related party disclosures' notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standard) Rules 2015, as amended and as reported, please see the section titled "*Financial Information*" on page 281.

DIVIDENDS

In accordance with the provisions of the Companies Act, 2013, as amended, dividend shall be paid out of (a) relevant financial year's profit, after providing for depreciation in accordance with the provisions of the applicable law; or (b) net profit from any previous financial year(s), after providing for depreciation and remaining undistributed; or (c) out of (a) and (b) mentioned above

Dividend amounts are determined each Fiscal in accordance with our Board's assessment of our Company's financial performance, past dividend trends, liquidity position, capital expenditure requirements, debt obligations, the external market conditions, the future potential of our Company and other factors. The declaration and payment of interim dividends, if any, will be approved by the Board of Directors at their discretion, subject to the provisions of the Articles of Association and the Companies Act, 2013, as amended. Further, the declaration and payment of final dividends, if any, will be recommended by the Board of Directors and approved by the shareholders of our Company, at their discretion, subject to the provisions of the Articles of Association and the Companies Act, 2013, as amended.

Our Company has declared a final dividend for the Fiscals 2024, 2023 and 2022. Further, no interim dividend has been declared by our Company during Fiscal 2025 till the date of filing of this Preliminary Placement Document. For details, see "*Risk Factors - Our ability to pay dividends in the future will depend on our future cash flows, working capital requirements, capital expenditures and financial condition of our Company*" on page 58.

The following table details the dividend declared and paid or payable by our Company on the Equity Shares for the period concerning October 1, 2024, till the date of this Preliminary Placement Document, six month period ended September 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022:

Particulars	**Face Value of Equity Share (in ₹)**	**Dividend per Equity Share (in ₹)**	**Total amount of dividend# (in ₹ lakhs)**	**Dividend rate (%)**
From October 1, 2024, till the date of filing of this Preliminary Placement Document	5	Nil	Nil	Nil
Six-month period ended September 30, 2024	10	Nil	Nil	Nil
Fiscal 2024	10	5.00	651.26	50.00
Fiscal 2023	10	5.00	581.23	50.00
Fiscal 2022	10	5.00	290.62	50.00

#*Including unclaimed dividend.*

Future Dividends

Investors are cautioned not to rely on past dividends as an indication of the future performance of our Company or for an investment in the Equity Shares offered in the Issue. The amounts paid as dividends in the past are not necessarily indicative of the Dividend Distribution Policy of our Company or dividend amounts, if any, in the future. There is no guarantee that any dividend will be declared or paid in the future or that the amount thereof will not be decreased. The form, frequency and amount of future dividends declared by our Company will depend on a number of internal and external factors, including, but not limited to, the factors set out in the Dividend Distribution Policy and such other factors that the Board may deem relevant in its discretion, subject to the approval of our Shareholders.

For a summary of certain Indian tax consequences of dividend distributions to shareholders, see "*Statement of Possible Tax Benefits*" beginning on page 266.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with our Audited Consolidated Financial Statements prepared as of and for each of the financial years ended March 31, 2024 and 2023. Audited Standalone Financial Statements prepared as of and for each of the financial year ended March 31, 2022 in accordance with the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and the Companies Act, and our Unaudited Consolidated Financial Results for the period ended September 30, 2024 and September 30, 2023, in accordance with Ind AS 34 'Interim Financial Reporting', prescribed under Section 133 of the Companies Act, 2013 and as required under the SEBI Listing Regulations, each included elsewhere in this Preliminary Placement Document. Ind AS differs in certain material respects from U.S. GAAP and IFRS. Financial information for the six-months ended September 30, 2024 and September 30, 2023, is not annualized and not indicative of full year results, and is not comparable with annual financial statements presented in this Preliminary Placement Document.

Our financial year ends on March 31 of each year. Accordingly, all references to a particular "fiscal year" and "Fiscal" are to the 12-month period ending on March 31 of that year. This discussion contains forward-looking statements that involve risks and uncertainties and reflects our current view with respect to future events and financial performance. Actual results may differ from those anticipated in these forward-looking statements as a result of factors such as those set forth under "Forward-looking Statements" and "Risk Factors" on pages 15 and 40, respectively.

*The industry related information contained in this section is derived from the report titled "Industry Research Report on Lead, Copper, Plastics and Aluminium" prepared by CareEdge dated December 17, 2024 (the "**CareEdge Research Report**"), which we commissioned for the purposes of confirming our understanding of the industry in connection with the Issue. Neither we, nor any other person connected with the Issue, including the BRLM, has independently verified the information derived from the CareEdge Research Report. Further, CareEdge may also base their opinion on estimates, projections, forecasts and assumptions that may prove to be incorrect. Prospective investors are advised not to unduly rely on the CareEdge Research Report when making their investment decision.*

OVERVIEW

We are the secondary producer of lead, lead alloys, aluminium, copper, plastic additives producers and other value-added products (*Source: CareEdge Research Report*). We also aim to enhance the range of value-added products within our existing offerings. We are the first 3N7 lead brand registered on the London Metal Exchange from India. Additionally, we have received the prestigious AEO T3 certification as an Authorised Economic Operator from the Ministry of Finance, along with the esteemed 3-star export house status from the Government of India.

Our range of products includes (i) lead and lead alloys; (ii) copper; (iii) aluminium and aluminium alloys; and (iv) plastic granules. Our products cater to a wide range of sectors, including automotive (lead-acid batteries and components), electronics (circuitry and connectors), construction (aluminium). The following table sets forth the information on our segment wise revenue contribution in the periods indicated therein:

Particulars	For six months period ended September 30				Fiscal					
	2024		2023		2024		2023		2022	
	Revenue (₹ in lakhs)	% of revenue from operations	Revenue (₹ in lakhs)	% of revenue from operations	Revenue (₹ in lakhs)	% of revenue from operations	Revenue (₹ in lakhs)	% of revenue from operations	Revenue (₹ in lakhs)	% of revenue from operations
Lead and lead alloys	99,526.89	97.19	68,399.38	94.77	1,47,404.27	95.68	1,44,389.07	97.81	1,41,240.39	97.09
Aluminium and aluminium alloys	217.82	0.21	2,475.35	3.43	4,199.83	2.73	180.65	0.12	-	-
Copper	1,049.11	1.02	384.75	0.53	559.30	0.36	1,394.39	0.94	700.28	0.48

Plastics	1,610.84	1.57	917.41	1.27	1,896.27	1.23	594.36	0.40	-	-
Others	-	-	-	-	-	0.00	1,059.62	0.72	3,539.44	2.43
Total	**1,02,404.66**	**100.00**	**72,176.89**	**100.00**	**1,54,059.67**	**100.00**	**1,47,618.09**	**100.00**	**1,45,480.11**	**100.00**

We are present in four states in India. We export to more than 20 countries including Korea, Singapore and Thailand. During the six months period ended September 30, 2024 and 2023 and for the financial years 2024, 2023 and 2022, exports of products amounted to ₹ 66,159.52 lakhs, ₹ 38,946.84 lakhs, ₹ 86,820.76 lakhs, ₹ 83,251.42 lakhs and ₹ 78,919.17 lakhs, which accounted for 64.61%, 53.96%, 56.36%, 56.40% and 54.25% of our revenue from operations, respectively.

We have two Wholly Owned Subsidiaries, POCL Future Tech Private Limited and Harsha Exito Engineering Private Limited. For further details, please see "*Our Business – Our Subsidiaries*" on page 214.

As of September 30, 2024, we together with our Subsidiaries, have five manufacturing facilities (of which one manufacturing facility is yet to commence operations) located at Tamil Nadu and Andhra Pradesh. Additionally, as part of our expansion plans to enhance manufacturing capacity, we propose to expand the operations of our existing manufacturing facility at Thervoykandigai, Tamil Nadu. This expansion aims to increase our manufacturing capacities by an additional 72,000 MTPA for lead, 12,000 MTPA for copper and 9,000 MTPA for plastic. For further details, see "*Our Business - Our Strategies - Expand our manufacturing capacity to capture additional market share*" and *"Use of Proceeds*" on pages 209 and 79, respectively. Our manufacturing facilities are ISO 9001: 2015, ISO 14001:2015 and ISO 45001:2018 certified.

We have a diversified customer base and we served more than 20 export destinations. We have long-established relationships with most of our customers. Some of our marquee customers include Amara Raja Energy & Mobility Limited, Mangal Industries Limited, Glencore International AG, Yuasa Battery (Thailand) PCL, Hankook & Company Co. Ltd. and Hyundai Sungwoo Solite Co., Ltd.

Our Company was incorporated in 1995 and is led by experienced Promoters, Anil Kumar Bansal and Ashish Bansal with significant experience in the non-ferrous metals & recycling industry and technical knowledge of manufacturing process. We also have qualified and experienced Key Managerial Personnel and members of Senior Management that has demonstrated its ability to anticipate and capitalize on changing market trends, manage and grow our operations and leverage and deepen customer relationships.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

1. Government Policies and Initiatives with respect to environment regulation

- Lack of awareness of hazards associated with improper disposal of lead-acid batteries.
- Stringent environmental regulations governing use and disposal of lead-acid batteries.

Government regulations and policies of India as well as the countries to which we export our products can affect the demand for, and availability of our products. We have incurred and expect to continue incurring costs for compliance with such laws and regulations. Any changes in government could adversely affect our business and results of operations in such jurisdictions. We are also subject to laws and government regulations, including in relation to safety, health, environmental protection and labour. These laws and regulations impose controls on air and water discharge, noise levels, storage handling, employee exposure to hazardous substances and other aspects of our manufacturing operations. Further, our products, including the process of manufacture, storage and distribution of such products, are subject to numerous laws and regulations in relation to quality, safety and health. We handle and use hazardous materials in our R&D and manufacturing activities and the improper handling or storage of these materials could result in accidents, injure our personnel, property and damage the environment.

2. Capacity Expansion and our expansion plans

As we continue our growth by expanding our existing manufacturing facilities and constructing new manufacturing facilities, we may encounter regulatory, personnel and other difficulties that may increase our expenses and reduce our profitability. Problems that could adversely affect our expansion plans include labour shortages, issues with procurement of equipment or machinery, increased costs of equipment or manpower, inadequate performance of the equipment and machinery installed in our manufacturing facilities, delays in completion, defects in design or construction of our future manufacturing facilities, the possibility of unanticipated future regulatory restrictions, delays in receiving governmental, statutory and other regulatory approvals, incremental pre-operating expenses, taxes and duties, interest and finance charges, working capital margin, environment and ecology costs and other external factors which may not be within the control of our management. Given the substantial increase in our installed capacity and our planned capacity expansion plans, our financial results are and will not be directly comparable to historical figures on account of the expected commencement of commercial production once the facility is completed and commence commercial production. Further, we may experience a fluctuation in our financial results which can impact our future financial performance metrics with prior periods.

3. Revenue from key customers

We depend on certain key customers for a substantial portion of our revenues. Our customers typically have specific requirements and accordingly, maintaining close relationships with our key customers is critical part of our business strategy and to the ongoing growth of our operations. The demand for our products and services from our key customers has a significant impact on our results of operations and financial condition. In the event that we lose one or more of our key customers or if the amount of business we receive from them is reduced for any reason, our cash flows and results of operations may be affected.

There can be no assurance that such orders will not be short closed, cancelled or reduced, or that customers will fulfil their payment obligations and other obligations, in a timely manner or at all, in accordance with the agreements, or that customers will not dispute the amounts owed to us. Any cancellations, revisions, or modifications to any orders significantly impacts our operations. Our customers include domestic and international industries across different sectors. We have strong and long-established relationships with most of our customers. The demand for our products from our customers has a significant impact on our results of operations and financial condition and our sales are particularly affected by the inventory and sales levels of our key customers.

4. Currency fluctuation

We conduct most of our operations in India and the functional currency of our financial statements is Indian rupees. We export to more than 20 countries where transactions are generally denominated in the respective entity's functional currency.

Exchange rates between some of these currencies and the Indian rupee may fluctuate in the future, thereby impacting our results of operations and cash flows in rupee terms. Further, while we have a foreign currency risk management framework in place that is reviewed periodically, an established review mechanism, financial derivatives that seek to cover hedging risk and defined limits beyond which unhedged positions may not remain open, we are nevertheless exposed to foreign exchange risks since our business is dependent on imports and exports entailing large foreign exchange transactions, in currencies including the US Dollar, the Euro,. Significant changes in the value of certain currencies relative to the currencies could also have an adverse effect on our financial condition, cash flows and results of operations. Accordingly, volatility in currency exchange rates may have a significant effect on the financial condition, cash flows or results of operations of our Company.

5. Overall Economic Conditions

Our results of operations are dependent on the overall economic conditions in the markets in which we operate. We expect that these economic factors and conditions, particularly changes in consumer confidence, employment levels, fuel prices, urbanisation, changes in consumer preferences, government policies and interest rates, will continue to be the most important factors affecting our results of operations.

SIGNIFICANT ACCOUNTING POLICIES

1. GROUP INFORMATION

The Consolidated Financial Statements comprise financial statements of Pondy Oxides And Chemicals Limited ("the parent Company" or "the Company") and its subsidiaries (collectively, "the Group").

The Principle Activities of the Group are converting Scraps of various forms of various forms of Lead, Alumnium and Copper into Lead Metal, Aluminium Metal, Copper and its Alloys. Lead battery scrap is smelted by the company to produce secondary lead metal is then processed into pure lead and specific lead alloys.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

Statement of compliance

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

Use of estimates

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

Functional and presentation currency

"These financial statements are presented in Indian Rupees (INR), which is the Group’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 May 28, 2024."

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.

Principles of Consolidation

The Consolidated financial statements relate to the Parent Company and its Subsidiaries. The Consolidated financial statements have been prepared on the following basis:

The financial statements of the Parent Company and its Subsidiaries have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating material intra-group balances, intragroup transactions and resulting unrealised profits or losses, unless cost cannot be recovered.

The Consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances are presented to the extent possible, in the same manner as the Parent Company's standalone financial statements.

The details of the companies considered in the preparation of the consolidated financial statements are given below

Subsidiary companies	Country of Incorporation	Ownership Interest as at March 31, 2024

POCL Future Tech Private Limited	India	100%
Harsha Exito Engineering Private Limited	India	100%

3. MATERIAL ACCOUNTING POLICIES

a) Current versus non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

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

b) Fair value measurement

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

c) Revenue Recognition

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

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

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

Sale of services

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

Export entitlements

In respect of the exports made by the Group, 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 Group 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 Group's right to receive dividend is established by the reporting date, which is generally when shareholders approve the dividend.

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

Presentation

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

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

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

Component Cost

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

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

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

Derecognition

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

e) Depreciation on property, plant and equipment

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

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

Depreciation for PPE on additions is calculated on pro-rata basis from the date of such additions. For deletion/ disposals, the depreciation is calculated on pro-rata basis up to the date on which such assets have been discarded/ sold. Additions to fixed assets, costing Rs.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.

Based on technical evaluation, the management believes that the useful lives as given below best represent the period over which the management expects to use the asset

Assets	Useful life in years
Buildings	5 - 60

Plant and Equipment	3 - 25
Electrical Fittings	3 - 10
Lab Equipment	3 - 10
Office Equipment	3 - 5
Furniture and Fixtures	3 - 10
Vehicles	3 - 10

f) Intangible assets

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

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

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

Useful life and amortisation of intangible assets

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

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

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

Subsequent cost and measurement

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

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

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

Derecognition

Gains or losses arising from derecognition of intangible assets 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.

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 Group 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.

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

Though the Group 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 Group'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 initially recognised at fair value except for trade receivables which are intially measured at transaction price. 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.

The company offsets a financial asset and a financial liability when it currently has a legally enforceable right to set off the recognized amounts and the company intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

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 at amortised cost:

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

When the Group 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 Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group 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 Group 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 Group could be required to repay.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity, if any, is recognised in profit or loss, except in case of equity instruments classified as FVOCI, where such cumulative gain or loss is not recycled to statement of profit and loss.

Impairment of financial assets

In accordance with Ind AS 109, the Group 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 Group 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 116

The application of simplified approach does not require the Group 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 Group 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 Group 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 Group 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 Group 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 Group 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 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 computation of EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

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 Group'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 Group 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 Group 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 Group 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 Group 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 Group 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 Group 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 Group 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 Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group 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 Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

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

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

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

j) Foreign currency transactions and translations

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group at the functional currency spot rates at the date at which the transaction first qualifies for recognition. However, for practical reasons, the Group 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 Group 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 Group 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 Group which are outstanding during the period, other than borrowings made specifically towards purchase of the qualifying asset. The amount of borrowing cost that the Group 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 Group 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 Group will pay normal Income tax and it is highly probable that future economic benefits associated with it will flow to the Group during the specified period. The Group 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 Group will pay normal Income tax during the specified period.

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

Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences.

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

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

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

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

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

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

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 tax assets and deferred tax liabilities 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 Group has no obligation, other than the contribution payable to the provident fund. The Group 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 Group operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

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

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

Compensated absences

The Group 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 Group in respect of services provided by the employees up to the reporting date.

o) Leases

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets

(i) Right of Use Assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date when the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. The right-of-use assets are also subject to impairment.
Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

(ii) Lease Liability

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is generally not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The Company's lease liabilities are included in Other Financial Liabilities.

(iii) Short term leases and leases of low value assets
Short term leases and leases for which the underlying asset is of low value, the lease payment is recognised as an expense based on straight line basis over 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 Group 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 Group 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 Group discloses a brief description of the nature of the contingent assets at the end of the reporting period, and, where practicable, an estimate of their financial effect.

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

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

s) Cash Flow Statement

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

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

t) Earnings per share

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

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

u) Business Combination

Business combinations are accounted for using the acquisition accounting method as at the date of the acquisition, which is the date at which control is transferred to the Company.
The consideration transferred in the acquisition and the identifiable assets acquired and liabilities assumed are recognised at fair values on their acquisition date. Goodwill is initially measured at cost being the excess of aggregate consideration transferred over the net identifiable assets and liabilities. Transaction costs are recognised in profit & loss account.

Non-GAAP Financial Measures

In addition to our results determined in accordance with Ind AS, we believe the following non-GAAP measures are useful to our Company and our investors as a means of assessing and evaluating our performance in comparison to prior periods. We use the following non-GAAP financial information to evaluate our ongoing operations and for internal planning and forecasting purposes: EBITDA, EBITDA Margin, PAT Margin, ROE, Capital Employed, ROCE, Debt, Net Debt, Debt- Equity Ratio, Net Debt-EBITDA Ratio, Net Worth, Return on

Net Worth, Net Asset Value per Equity Share, Pre-Tax Operating Profit, Net Tangible Assets, Monetary Assets and % of Monetary Assets to Net Tangible Assets. We believe that non-GAAP financial information, when taken collectively with financial measures prepared in accordance with Ind AS, may be helpful to investors because it provides an additional tool for investors to use in evaluating our ongoing operating results and trends and in comparing our financial results with other companies in our industry because it provides consistency and comparability with past financial performance. However, our management does not consider these non-GAAP measures in isolation or as an alternative to financial measures determined in accordance with Ind AS.

Non-GAAP financial information is presented for supplemental informational purposes only, has limitations as an analytical tool and should not be considered in isolation or as a substitute for financial information presented in accordance with Ind AS. Non-GAAP financial information are not recognized under Ind AS and do not have standardized meanings prescribed by IND AS. In addition, non-GAAP financial measures used by us may differ from similarly titled non-GAAP measures used by other companies. The principal limitation of these non-GAAP financial measures is that they exclude significant expenses and income that are required by Ind AS to be recorded in our financial statements, as further detailed below. In addition, they are subject to inherent limitations as they reflect the exercise of judgment by management about which expenses and income are excluded or included in determining these non-GAAP financial measures. A reconciliation is provided below for each non-GAAP financial measure to the most directly comparable financial measure prepared in accordance with Ind AS. Investors are encouraged to review the related Ind AS financial measures and the reconciliation of non-GAAP financial measures to their most directly comparable Ind AS financial measures included below and to not rely on any single financial measure to evaluate our business.

(₹ in lakhs, except as otherwise stated)

Particulars	**Six-month period ended September 30, 2024***	**Fiscal 2024**	**Fiscal 2023**	**Fiscal 2022**
Revenue from Operations	1,02,404.66	1,54,059.67	1,47,618.09	1,45,480.10
Total Income	1,02,551.61	1,54,470.75	1,48,045.37	1,45,943.27
Gross margin (%)(1)	10.1%	11.2%	11.8%	11.0%
EBITDA(2)	5177.31	7027.03	7702.45	7715.46
EBITDA margin (%)(3)	5.1%	4.6%	5.2%	5.3%
Profit for the period/ year(4)	2,821.43	3,187.22	4653.83	4824.76
Net Profit Ratio (%)(5)	2.8%	2.1%	3.2%	3.3%
Return on Capital Employed (%)(6)	16.4%	12.5%	16.0%	21.6%
Return on Equity (%)(7)	14.3%	8.9%	17.6%	23.2%
Debt Equity Ratio(8)	0.37	0.28	0.56	0.51
Interest coverage ratio(9)	6.58	3.62	9.42	7.78
Current ratio(10)	1.98	2.48	1.56	2.33
Debtors Turnover(11)	17.00	14.95	15.63	14.83
Inventory Turnover ratio(12)	13.54	9.43	8.49	9.61

**annualised.*

Notes:

1. *Gross Margin % is calculated as Gross Profit divided by Revenue from Operations. Gross Profit calculated as Revenue from Operation reduced by Cost Of Goods Sold (COGS). COGS calculated as cost of materials consumed plus purchase of stock-in-trade plus changes in inventories of finished goods and WIP.*
2. *Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) is calculated as profit before exceptional items and tax, plus finance costs, depreciation & amortisation expenses, minus other income.*
3. *EBITDA Margin is calculated as EBITDA divided by revenue from operation.*
4. *Profit for the period/year is profit for the period/year excluding exceptional items.*
5. *Net Profit Ratio is calculated as profit for the period/ year divided by revenue from operations.*
6. *Return on Capital Employed (ROCE) is calculated as Earnings Before Interest and Tax (EBIT) expressed as a percentage of Capital Employed. EBIT is determined as profit before exceptional items and tax, plus finance costs, minus other income. Capital Employed is calculated as the sum of total debt and total equity. Total Equity is calculated by adding equity share capital and other equity. Total Borrowings consist of current borrowings and non-current borrowings.*
7. *Return on Equity is calculated as Profit for the period / year divided by Total Equity.*
8. *Debt to equity ratio is calculated as Total Debt divided by Total Equity.*
9. *Interest coverage ratio is calculated as Adjusted Profit divided by finance costs, where adjusted profit is calculated as profit for the period/year plus finance costs, depreciation & amortisation expenses.*
10. *Current ratio is calculated by total current assets divided by total current liabilities.*
11. *Debtor Turnover Ratio is calculated as Revenue from Operations divided by Average Trade Receivables. Average Trade Receivables are determined as the average of trade receivables at the beginning and end of the reporting period.*
12. *Inventory Turnover Ratio is calculated as the Cost of Goods Sold (COGS) divided by Average Inventory. Average Inventory is determined as the average of inventory at the beginning and end of the reporting period.*

Reconciliation for Revenue from operations to Gross Margin (%)

(₹ in lakhs, except as otherwise stated)

Particulars	Six-month period ended September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Revenue from operations (A)	1,02,404.66	1,54,059.67	1,47,618.09	1,45,480.10
Cost of material consumed (B)	91,921.08	1,31,995.50	1,28,263.42	1,24,327.30
Purchases of Stock in Trade (C)	607.24	4,095.83	2,314.57	8,292.09
Changes in inventories of finished goods and WIP (D)	(468.00)	735.10	(369.69)	(3,082.99)
Cost of Goods Sold (E = B+C+D)	92,060.32	1,36,826.43	1,30,208.30	1,29,536.40
Gross Profit (F = A-E)	10,344.34	17,233.24	17,409.79	15,943.70
Gross Margin (%) (F/A)	**10.1%**	**11.2%**	**11.8%**	**11.0%**

Reconciliation of Profit for the period/ year to EBITDA and EBITDA margin (%)

(₹ in lakhs, except as otherwise stated)

Particulars	Six-month period ended September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Profit before tax from continuing operations (A)	3,918.93	4,401.32	6336.31	6435.65
Finance costs (B)	642.75	1,718.38	684.25	844.32
Depreciation and amortization expense (C)	762.58	1,318.41	1109.17	898.66
Other income (D)	146.95	411.08	427.28	463.17
EBITDA (E=A+B+C-D)	5177.31	7027.03	7702.45	7715.46
Revenue from operations (F)	1,02,404.66	1,54,059.67	1,47,618.09	1,45,480.10
EBITDA margin (%) (G=E/F)	**5.1%**	**4.6%**	**5.2%**	**5.3%**

Reconciliation of Total Borrowings to Total Debts

(₹ in lakhs, except as otherwise stated)

Particulars	Six-month period ended September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Current Borrowings (A)	14,246.79	9,759.32	14104.74	9840.45
Non-current Borrowings (B)	300	300	598.02	877.43
Total Debt (C=A+B)	**14546.79**	**10059.32**	**14702.76**	**10717.88**

Reconciliation of Total Equity to Debt-to-Equity Ratio and Capital Employed

(₹ in lakhs, except as otherwise stated)

Particulars	Six-month period ended September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Equity share capital (A)	1,302.52	1,261.10	1,162.48	581.24
Other equity (B)	38,127.72	34,463.34	25,256.59	20,233.43
Total Equity (C = A+B)	39,430.24	35,724.44	26,419.07	20,814.67
Total Debt (D)	14,546.79	10,059.32	14,702.76	10,717.88
Debt to Equity Ratio (H=D/C)	0.37	0.28	0.56	0.51
Capital employed (I=D+C)	53,977.03	45,783.76	41,121.83	31,532.55

Reconciliation of Profit for the period/ year to EBIT and Return on Capital Employed (%)

(₹ in lakhs, except as otherwise stated)

Particulars	Six-month period ended September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Profit before tax from continuing operations (A)	3,918.93	4,401.32	6336.31	6,435.65
Finance costs (B)	642.75	1,718.38	684.25	844.32
Other income (C)	146.95	411.08	427.28	463.17
EBIT (D=A+B-C)	4,414.73	5,708.62	6,593.28	6,816.8
Capital Employed (E)	53,977.03	45,783.76	41,121.83	31,532.55
Return on Capital Employed (D/E)	**16.4%**	**12.5%**	**16.0%**	**21.6%**

**Annualized*

Reconciliation of Profit for the period/ year to Return on Equity

(₹ in lakhs, except as otherwise stated)

Particulars	Six-month period ended September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Profit for the period/ year (A)	2,821.43	3,187.22	4,653.83	4,824.76
Total Equity (B)	39,430.24	35,724.44	26,419.07	20,814.67
Return on equity ratio(A/B)	**14.3%**	**8.9%**	**17.6%**	**23.2%**

**Annualized*

Reconciliation of Profit for the period/ year to Net Profit Ratio

(₹ in lakhs, except as otherwise stated)

Particulars	Six-month period ended September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Profit for the period/ year (A)	2,821.43	3,187.22	4653.83	4824.76
Revenue from operations (B)	1,02,404.66	1,54,059.67	1,47,618.09	1,45,480.10
Net Profit Ratio (C=A/B)	**2.8%**	**2.1%**	**3.2%**	**3.3%**

Reconciliation Total Current Assets and Total Current Liabilities to Current Ratio

(₹ in lakhs, except as otherwise stated)

Particulars	Six-month period ended September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Current assets(A)	33,926.75	29,316.04	30097.48	26239.5
Current liabilities(B)	17,283.92	12,002.01	19389.63	11253.64
Less: Current maturities of long-term loan (C)	-	-	-29.41	-27.5
Less: Lease liabilities (D)	153.03	172.19	113.72	-
Adjusted Current liabilities (E=B-C-D)	17130.89	11829.82	19305.32	11281.14
Current Ratio(A/E)	**1.98**	**2.48**	**1.56**	**2.33**

Reconciliation of Interest Coverage Ratio

(₹ in lakhs, except as otherwise stated)

Particulars	Six-month period ended September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Profit after tax **(A)**	2,821.43	3,187.22	4,653.83	4,824.76
Depreciation and amortisation expense **(B)**	762.58	1,318.41	1,109.17	898.66
Finance Cost **(C)**	642.75	1,718.38	684.25	844.32
Adjusted Profit (D= A+B+C)	4,226.76	6224.01	6,447.25	6,567.74
Interest Coverage Ratio (D/C)	**6.58**	**3.62**	**9.42**	**7.78**

Debtors Turnover

(₹ in lakhs, except as otherwise stated)

Particulars	Six-month period ended September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Net Sales of Product and Services (A)	1,02,404.66	1,54,059.67	1,47,618.09	1,45,480.10
Average Debtors (B)	12,049.31	10,301.59	9,444.73	9807.86
Debtors Turnover (A/D)	17.00	14.95	15.63	14.83

* Annualized

Inventory Turnover ratio

(₹ in lakhs, except as otherwise stated)

Particulars	Six-month period ended September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Cost of material consumed (B)	91,921.08	1,31,995.50	1,28,263.42	1,24,327.30
Purchases of Stock in Trade (C)	607.24	4,095.83	2,314.57	8,292.09
Changes in inventory of stock-in-trade (D)	(468.00)	735.10	(369.69)	(3,082.99)
Cost of Goods Sold (E =B+C+D)	92,060.32	1,36,826.43	1,30,208.30	1,29,536.40
Average inventory (F)	13,594.70	14,517.39	15,342.50	13478.94
Inventory Turnover ratio (E/F)	13.54	9.43	8.49	9.61

* Annualized.

PRINCIPAL COMPONENTS OF INCOME

Income: Our total income include revenue from operations and other income.

Revenue from Operations: We recognise revenue primarily from (i) sale of products consisting of manufactured goods and traded goods and (ii) sale of services (conversion charges received). The products sold are non-ferrous metals and others such as plastics. We also generate operating revenue other operating income from conversion work contracts undertaken for customers.

Other income: Other income primarily include interest receipts, Mark To Market MTM gain on forward contracts, income from subsidy, gain in foreign exchange fluctuation (net), profit on fixed assets sold/scrapped/ written off and miscellaneous income.

Expenses: Our expenses primarily include cost of material consumed, change in inventories of finished goods and work-in-progress, purchase of stock-in trade, employee benefits expenses, finance costs, depreciation and amortization expenses and other expenses.

Employee benefits expenses primarily include (i) salary and wages; (ii) contribution to provident and other funds; and (iii) staff welfare expenses.

Finance costs primarily include (i) interest on bank borrowings, (ii) interest to others and (iii) interest on lease liability.

Other expenses primarily include:

- Power and fuel, consumption of packing material, Environmental control expenses conversion charges, contract wages, repairs and maintenance of building, repairs and maintenance of plant and machinery and repairs and maintenance of others, factory expenses, freight and forwarding, rent, sales commission.

RESULTS OF OPERATIONS

Six-month period ended September 30, 2024 and September 30, 2023

The following tables set forth our selected financial information form unaudited consolidated financial statement for the six-month period ended September 30, 2024 and September 30, 2023 the components of which are also expressed as a percentage of total income for such periods:

Particulars	**For the six months ended September 30, 2024**		**For the six months ended September 30, 2023**	
	Amount (₹ in lakhs)	***% of Total Revenue***	***Amount (₹ in lakhs)***	***% of Total Revenue***
Revenue from Operations	1,02,404.66	99.86%	72,176.90	99.69%
Other income	146.95	0.14%	224.02	0.31%
Total Income	**1,02,551.61**	**100.00%**	**72,400.92**	**100.00%**
Cost of materials consumed	91,921.08	89.63%	59,805.53	82.60%
Purchase of stock-in-trade	607.24	0.59%	3,040.98	4.20%
Changes in inventories of work-in-progress, stock-in-trade and finished goods	(468.00)	(0.46%)	1,619.32	2.24%
Employee benefit expenses	1,231.29	1.20%	1,290.03	1.78%
Finance costs	642.75	0.63%	852.26	1.18%
Depreciation and amortization expense	762.58	0.74%	683.05	0.94%
Other expenses	3,935.74	3.84%	3,606.73	4.98%
Total Expenses	**98,632.68**	**96.18%**	**70,897.90**	**97.92%**
Profit before tax	**3,918.93**	**3.82%**	**1,503.02**	**2.08%**
Tax Expenses	**1,097.50**	**1.07%**	**524.08**	**0.72%**
Profit after tax	**2,821.43**	**2.75%**	**978.94**	**1.35%**

Six-month period ended September 30, 2024 compared to six-month period ended September 30, 2023

Income

Our total income increased by 41.64% to ₹1,02,551.61 lakhs for six-month period ended September 30, 2024 from ₹72,400.92 lakhs for six-month period ended September 30, 2023, on account of the factors discussed below.
Revenue from operations

Revenue from operations increased by 41.88 % to ₹1,02,404.66 lakhs for six-month period ended September 30, 2024 from ₹72,176.9 lakhs for six-month period ended September 30, 2023, due to additional sale of 3,621 MTS of lead and lead alloys for value of Rs. 7,491.80 Lakhs to new customers and 8,629 MTS lead and lead alloys for a value of Rs. 22,735.96 Lakhs to the existing customers.

Other income

Our other income decreased by 34.40% to ₹146.95 lakhs for six-month period ended September 30, 2024 from ₹224.02 lakhs for six-month period ended September 30, 2023, primarily due to reclassification of export benefit of Rs. 40.18 Lakhs to Revenue from operations and difference between the sale value and written down value of old fixed assets for Rs. 36.89 Lakhs.

Expenses

Our total expenses increased by 39.12% to ₹98,632.68 lakhs for six-month period ended September 30, 2024 from ₹70,897.90 lakhs for six-month period ended September 30, 2023, on account of the factors discussed below.

Cost of materials consumed: Our cost of material consumed increased by 53.70% to ₹91,921.08 lakhs for six-month period ended September 30, 2024 from ₹59,805.53 lakhs for six-month period ended September 30, 2023, due to proportionate increase in consumption to the extent of additional sales and normal inflation in the other related costs.

Purchase of Stock in Trade: Our purchase of stock in trade decreased by 80.03 % to ₹607.24 lakhs for six-month period ended September 30, 2024, as compared to ₹3,040.98 lakhs for six-month period ended September 30, 2023 which is mainly due to variation in sales volume of traded goods.

Change in inventories of finished goods and WIP: Our change in inventories of finished goods and WIP decreased by 128.90 % to ₹(468.00) lakhs for six-month period ended September 30, 2024 as compared to ₹1,619.32 lakhs for six-month period ended September 30, 2023, due to decrease in inventory work in progress, stock of finished goods and stock in trade.

Employee Benefit Expense: Our employee benefit expense decreased by 4.55 % to ₹1,231.29 lakhs for six-month period ended September 30, 2024 from ₹1,290.03 lakhs for six-month period ended September 30, 2023, primarily due to reduction in employees from 492 in September 2023 to 469 employees in September 2024 and increase in salaries, wages and bonus and staff welfare expenses and other amenities to the existing employees on year on year basis.

Finance Costs: Our finance costs decreased by 24.58 % to ₹642.75 lakhs for six-month period ended September 30, 2024 from ₹852.26 lakhs for six-month period ended September 30, 2023, primarily due to reduction in availment of loans from Rs. 19,182.16 lakhs in September 2023 to Rs. 14,246.79 lakhs in September 2024 due to increase in internal accruals and a part proceeds from preferential allotment utilised for working capital.

Depreciation and Amortization Expense: Our depreciation and amortization expenses increased by 11.64 % to ₹762.58 lakhs for six-month period ended September 30, 2024 from ₹683.05 lakhs for six-month period ended September 30, 2023, primarily due to charging of depreciation for the full period against the depreciation charged on pro-rata basis in the previous year for the addition made.

Other Expenses: Our other expenses increased by 9.12 % to ₹3,935.74 lakhs for six-month period ended September 30, 2024 from ₹3,606.73 lakhs for six-month period ended September 30, 2024, primarily due to increase in turnover resulted in increase in rates and taxes, repairs and maintenance, business promotion expenses, advertisement and publicity, compensation expenses and miscellaneous expenses and increase in management fees, commission and brokerage and provision for impairment of investments.

Tax Expense

Our tax expenses increased by 109.20 % to ₹1,097.50 lakhs for six-month period ended September 30, 2024 from ₹524.08 lakhs for six-month period ended September 30, 2023, primarily due to increase in profits before tax from ₹3,918.93 lakhs for six-month period ended September 30, 2024 from ₹1,503.02 lakhs for six-month period ended September 30, 2023.

Profit for the Period

As a result of the foregoing factors, our profit increased by 188.21 % to ₹2,821.43 lakhs for six-month period ended September 30, 2024 from ₹978.94 lakhs for six-month period ended September 30, 2023.

Fiscal 2024 and Fiscal 2023

The following tables set forth our selected financial information from audited consolidated financial statement for Fiscals 2024, and 2023 the components of which are also expressed as a percentage of total income for such years:

Particulars	Fiscal Year 2024		Fiscal Year 2023	
	Amount (₹ in lakhs)	*% of Total Revenue*	*Amount (₹ in lakhs)*	*% of Total Revenue*
Revenue from Operations	1,54,059.67	99.73%	1,47,618.09	99.71%
Other income	411.08	0.27%	427.28	0.29%
Total Income	**1,54,470.75**	**100.00%**	**1,48,045.37**	**100.00%**
Cost of materials consumed	1,31,995.50	85.45%	1,28,263.42	86.64%
Purchase of stock-in-trade	4,095.83	2.65%	2,314.57	1.56%
Changes in inventories of work-in-progress, stock-in-trade and finished goods	735.10	0.48%	(369.69)	(0.25%)
Employee benefit expenses	2,538.34	1.64%	2,272.93	1.54%
Finance costs	1,718.38	1.11%	684.25	0.46%
Depreciation and amortization expense	1,318.41	0.85%	1,109.17	0.75%
Other expenses	7,667.87	4.96%	7,434.41	5.02%
Total Expenses	**1,50,069.43**	**97.15%**	**1,41,709.06**	**95.72%**
Profit before tax	**4,401.32**	**2.85%**	**9,187.54**	**6.21%**
Tax Expenses	**1,214.10**	**0.79%**	**1,682.48**	**1.14%**
Profit after tax	**3,187.22**	**2.06%**	**7,505.06**	**5.07%**

Fiscal 2024 compared to Fiscal 2023

Income

Our total income increased by 4.34 % to ₹1,54.470.75 lakhs for Fiscal 2024 from ₹1,48,045.38 lakhs for Fiscal 2023, on account of the factors discussed below.

Revenue from operations: Our revenue from operations increased by 4.36% to ₹1,54,059.67 lakhs for Fiscal 2024 from ₹1,47,618.09 lakhs for Fiscal 2023, primarily due to increase in sale of Aluminium Alloys for Rs. 4019.18 Lakhs and increase in export sales of 3569.34 Lakhs and decrease in Domestic sale of lead and lead alloys amounting to Rs. 1146.94 Lakhs.

Other income: Our other income decreased by 3.79% to ₹411.08 lakhs for Fiscal 2024 from ₹427.28 lakhs for Fiscal 2023, primarily due to variation in exchange fluctuation in the current year.

Expenses

Our total expenses increased by 5.90 % to ₹1,50,069.43 lakhs for Fiscal 2024 from ₹1,41,709.06 lakhs for Fiscal 2023, on account of the factors discussed below.

Cost of materials consumed: Our cost of material consumed increased by 2.91 % to ₹1,31.995.50 lakhs for Fiscal 2024 from ₹1,28,263.4 lakhs for Fiscal 2023 due to proportionate increase in consumption to the extent of additional sales and normal inflation in the other related costs.

Purchase of Stock in Trade: Our purchase of stock in trade increased by 76.96 % from ₹4,095.83 lakhs for Fiscal 2024 as compared to ₹2,314.57 lakhs for Fiscal 2023which is mainly due to variation in sales volume of traded goods

Change in inventories of finished goods and WIP: Our change in inventories of finished goods and WIP increased by 298.84 % to ₹735.10 lakhs for Fiscal 2024 as compared to ₹(369.69) lakhs for Fiscal 2023, due to decrease in inventory work in progress, stock of finished goods and stock in trade.

Employee Benefit Expense: Our employee benefit expense increased by 11.68 % to ₹2,538.34 lakhs for Fiscal 2024 from ₹2,272.93 lakhs for Fiscal 2023, primarily due to increase in salaries, wages and bonus and staff welfare expenses on Year-to-Year basis.

Finance Costs: Our finance costs increased by 151.13 % to ₹1,718.38 lakhs for Fiscal 2024 from ₹684.25 lakhs for Fiscal 2023, primarily due to increase in interest on bank borrowing and lease liability.

Depreciation and Amortization Expense: Our depreciation and amortization expenses increased by 18.86 % to ₹1,318.41 lakhs for Fiscal 2024 from ₹1,109.17 lakhs for Fiscal 2023, primarily due to addition of fixed assets and increase in amortisation of intangible assets.

Other Expenses: Our other expenses increased by 3.14 % to ₹7,667.87 lakhs for Fiscal 2024 from ₹7,434.41 lakhs for Fiscal 2023, primarily due to marginal increase in power and fuel, contract wages, rates and taxes, conversion charges rent, sales commission and miscellaneous expenses.

Tax Expense

Our tax expenses decreased by 27.84 % to ₹1,214.10 lakhs for Fiscal 2024 from ₹1,682.48 lakhs for Fiscal 2023, primarily due to decrease in profits before tax to ₹4,401.32 lakhs for Fiscal 2024 from ₹9,187.54 lakhs (this include exceptional gain of ₹2,851.23 lakhs) for Fiscal 2023.

Profit for the Year

As a result of the foregoing factors, our profit for the year decreased by 57.53 % to a profit of ₹3,187.22 lakhs for Fiscal 2024 from a profit of ₹7,505.06 lakhs for Fiscal 2023.

Fiscal 2023 and Fiscal 2022

The following tables set forth our selected financial information from audited standalone financial statement for Fiscals 2023, and 2022 the components of which are also expressed as a percentage of total income for such years:

Particulars	**Fiscal Year 2023**		**Fiscal Year 2022**	
	Amount (₹ in lakhs)	***% of Total Revenue***	***Amount (₹ in lakhs)***	***% of Total Revenue***
Revenue from Operations	1,47,166.84	99.71%	1,45,480.1	99.68%
Other income	425.33	0.29%	463.17	0.32%
Total Income	**1,47,592.17**	**100.00%**	**1,45,943.27**	**100.00%**
Cost of materials consumed	1,28,091.07	86.79%	1,24,327.3	85.19%
Purchase of stock-in-trade	1,737.63	1.18%	8,292.09	5.68%
Changes in inventories of work-in-progress, stock-in-trade and finished goods	40.49	0.03%	(3,082.99)	(2.11%)
Employee benefit expenses	2,231.42	1.51%	1,995.85	1.37%
Finance costs	684.12	0.46%	844.32	0.58%
Depreciation and amortization expense	1,006.33	0.68%	898.66	0.62%
Other expenses	7,225.44	4.90%	6,232.39	4.27%
Total Expenses	**1,41,016.5**	**95.54%**	**1,39,507.62**	**95.59%**
Profit after before	**6,575.67**	**4.46%**	**6,435.65**	**4.41%**
Tax Expenses	**1,655.55**	**1.12%**	**1,610.89**	**1.10%**
Profit after tax	**4,920.12**	**3.33%**	**4,824.76**	**3.31%**

Fiscal 2023 compared to Fiscal 2022

Income

Our total income increased by 1.13 % to ₹1,47,592.17 lakhs for Fiscal 2023 from ₹1,45,943.27 lakhs for Fiscal 2022, on account of the factors discussed below.

Revenue from operations: Revenue from operations increased by 1.16 % to ₹1,47,166.84 lakhs for Fiscal 2023 from ₹1,45,480.10 lakhs for Fiscal 2022, primarily due to increase in sale of lead & lead alloys amounting to Rs. 2,244.50 lakhs to existing customers and the sale of aluminium alloys amounting to Rs. 180.65 lakhs during the Fiscal 2023. Reduction in conversion charges of Rs. 712.44 lakhs due to variation in job work undertaken by the company and reduction in other operating revenue of Rs. 25.96 lakhs due to reduction in sale of scrap during the Fiscal 2023.

Other income: Our other income decreased by 8.17 % to ₹425.33 lakhs for Fiscal 2023 from ₹463.17 lakhs for Fiscal 2022, primarily due to gain on foreign exchange fluctuation (net) amounting to Rs. 122.95 lakhs, increase in MTM gain amounting to Rs. 43.86 lakhs in forward contract and decrease in income from subsidy amounting to Rs. 225.99 lakhs.

Expenses

Our total expenses increased by 1.08 % to ₹1,41,016.50 lakhs for Fiscal 2023 from ₹1,39,507.62 lakhs for Fiscal 2022, on account of the factors discussed below.

Cost of materials consumed: Our cost of material consumed increased by 3.03 % to ₹1,28,091.07 lakhs for Fiscal 2023 from ₹1,24,327.30 lakhs for Fiscal 2022 due to increase in turnover and increase in the raw material cost .

Purchase of Stock in Trade: Our purchase of stock in trade decreased by 79.04 % to ₹1,737.63 lakhs for Fiscal 2023 as compared to ₹8,292.09 lakhs for Fiscal 2022 in proportion to trading sales. Significant decrease in trading Sales from Rs. 8,866.40 lakhs in 2021-22 to 19,193.56 lakhs in 2022-23 has resonated with the reduction of Purchase.

Change in inventories of finished goods and WIP: Our change in inventories of finished goods and WIP increased by 101.31% to ₹40.49 lakhs for Fiscal 2023 as compared to ₹(3,082.99) lakhs for Fiscal 2022, primarily due to variation in the movement of finished goods and stock in trade.

Employee Benefit Expense: Our employee benefit expense increased by 11.80 % to ₹2,231.42 lakhs for Fiscal 2023 from ₹1,995.85 lakhs for Fiscal 2022, primarily due to increase in salaries & wages and staff welfare expenses on Year on Year basis.

Finance Costs: Our finance costs decreased by 18.97 % to ₹684.12 lakhs for Fiscal 2023 from ₹844.32 lakhs for Fiscal 2022, primarily due to decrease in interest on bank borrowing and others.

Depreciation and Amortization Expense: Our depreciation and amortization expenses increased by 11.98 % to ₹1,006.33 lakhs for Fiscal 2023 from ₹898.66 lakhs for Fiscal 2022, primarily due to addition of fixed assets.

Other Expenses: Our other expenses increased by 15.93 % to ₹7,225.44 lakhs for Fiscal 2023 from ₹6,232.39 lakhs for Fiscal 2022, primarily due to increase in power and fuel, consumption of packing material, contract wages, repairs and maintenance building, plant and machinery and others, factory expenses, rent and sales commission.

Tax Expense

Our tax expenses increased 2.77 % to ₹1,655.55 lakhs for Fiscal 2023 from ₹1,610.89 lakhs for Fiscal 2022, primarily due to increase in profits before tax.

Profit for the Year

As a result of the foregoing factors, our profit for the year increased by 1.98 % to a profit of ₹4,920.12 lakhs for Fiscal 2023 from a profit of ₹4,824.76 lakhs for Fiscal 2022.

LIQUIDITY AND CAPITAL RESOURCES

We have historically financed the expansion of our business and operations primarily through funds generated from our operations. From time to time, we have obtained loan facilities to finance our short-term working capital requirements.

CASH FLOWS

The following table sets forth certain information relating to our cash flows in the periods indicated:

(in ₹ lakhs)

Particulars	For the six months ended September 30, 2024	For the six months ended September 30, 2023	Fiscal Year		
			2024	2023	2022*
Net cash flow from operating activities	(1,938.13)	(2,257.08)	6,530.48	7,791.71	6,321.35
Net cash flow from investing activities	(3,846.61)	(1,284.36)	(5,282.65)	(10,867.55)	(1,436.48)
Net cash flow from financing activities	4,739.53	3,545.90	(185.78)	3,010.01	(4,822.46)
Net increase/(decrease) in cash and cash equivalents	(1,045.21)	4.46	1,062.04	(65.83)	62.41
Cash and cash equivalents at the beginning	1,071.17	65.92	9.13	74.96	12.55
Cash and cash equivalents at end	25.96	70.38	1,071.17	9.13	74.96

**Standalone Figures*

Operating Activities

Net cash flows used in operating activities were ₹1,938.13 lakhs for the six-month period ended September 30, 2024. While our net profit before tax was ₹3,918.93 lakhs, we had an operating profit before changes in working capital of ₹5,293.38 lakhs, primarily due to adjustments for depreciation & amortisation expenses and finance costs. Our income tax paid (net of refunds) for the six-month period ended September 30, 2024, amounted to ₹753.87 lakhs.

Net cash flows used in operating activities were ₹2,257.08 lakhs for the six-month period ended September 30, 2023. While our net profit before tax was ₹1,503.03 lakhs, we had an operating profit before changes in working capital of ₹2,999.07 lakhs, primarily due to adjustments for depreciation & amortisation expenses and finance costs. Our income tax paid (net of refunds) for the six-month period ended September 30, 2023, amounted to ₹432.06 lakhs.

Net cash flows from operating activities were ₹6,530.48 lakhs for Fiscal 2024. While our net profit before tax was ₹4,401.32 lakhs, we had an operating profit before changes in working capital of ₹7,415.93 lakhs, primarily due to adjustments for depreciation & amortisation expenses and finance costs. Our income tax paid (net of refunds) for Fiscal 2024 amounted to ₹1,223.66 lakhs.

Net cash flows from operating activities were ₹7,791.71 lakhs for Fiscal 2023. While our net profit before tax was ₹9,187.54 lakhs, we had an operating profit before changes in working capital of ₹9,227.53 lakhs, primarily due to adjustments for depreciation & amortisation expenses, finance costs, capital reserve, and CIRP adjustments. Our income tax paid (net of refunds) for Fiscal 2023 amounted to ₹1,906.77 lakhs.

Net cash flows used in operating activities were ₹6,321.35 lakhs for Fiscal 2022. While our net profit before tax was ₹6,435.65 lakhs, we had an operating profit before changes in working capital of ₹8,169.99 lakhs, primarily due to adjustments for depreciation & amortisation expenses and finance costs. Our income tax paid (net of refunds) for Fiscal 2022 amounted to ₹1,518.74 lakhs.

Investing Activities

Net cash flows used in investing activities were ₹3,846.61 lakhs for the six-month period ended September 30, 2024, primarily comprising the purchase of property, plant, and equipment of ₹5,112.23 lakhs, sales proceeds from property, plant, and equipment of ₹20.54 lakhs, interest received of ₹18.95 lakhs, and maturity of fixed deposits with banks of ₹1,226.04 lakhs.

Net cash flows used in investing activities were ₹1,284.36 lakhs for the six-month period ended September 30, 2023, primarily comprising the purchase of property, plant, and equipment of ₹1,468.33 lakhs, sales proceeds from property, plant, and equipment of ₹198.91 lakhs, interest paid of ₹0.69 lakhs, and investment in fixed deposits with banks of ₹14.25 lakhs.

Net cash flows used in investing activities were ₹5,282.66 lakhs for Fiscal 2024, primarily comprising the purchase of property, plant, and equipment of ₹3,682.11 lakhs, sales proceeds from property, plant, and equipment of ₹313.51 lakhs, interest received of ₹0.71 lakhs, dividend received of ₹0.16 lakhs, and investment in fixed deposits with banks of ₹1,914.93 lakhs.

Net cash flows used in investing activities were ₹10,867.55 lakhs for Fiscal 2023, primarily comprising the purchase of property, plant, and equipment of ₹11,061.31 lakhs, sales proceeds from property, plant, and equipment of ₹48.43 lakhs, interest received of ₹7.34 lakhs, dividend received of ₹0.06 lakhs, and maturity of fixed deposits with banks of ₹137.93 lakhs.

Net cash flows used in investing activities were ₹1,436.48 lakhs for Fiscal 2022, primarily comprising the purchase of property, plant, and equipment of ₹1,393.62 lakhs, sales proceeds from property, plant, and equipment of ₹26.73 lakhs, interest received of ₹7.07 lakhs, dividend received of ₹0.20 lakhs, and investment in fixed deposits with banks of ₹76.86 lakhs.

Financing Activities

Net cash flows from financing activities were ₹4,739.53 lakhs for the six-month period ended September 30, 2024, primarily comprising proceeds from short-term borrowings of ₹4,487.47 lakhs, proceeds from the issue of warrants of ₹1,575.00 lakhs, expenses on the issue of shares of ₹39.48 lakhs, dividends paid of ₹651.26 lakhs, and finance costs of ₹632.30 lakhs.

Net cash flows from financing activities were ₹3,545.90 lakhs for the six-month period ended September 30, 2023, primarily comprising repayment of long-term borrowings of ₹98.02 lakhs, proceeds from short-term borrowings of ₹5,077.42 lakhs, dividends paid of ₹581.24 lakhs, and finance costs of ₹852.26 lakhs.

Net cash flows used in financing activities were ₹185.78 lakhs for Fiscal 2024, primarily comprising proceeds from the issue of shares of ₹4,650.68 lakhs, proceeds from the issue of warrants of ₹2,062.50 lakhs, repayment of long-term borrowings of ₹298.02 lakhs, repayment of short-term borrowings of ₹4,345.42 lakhs, dividends paid of ₹581.24 lakhs, and finance costs of ₹1,674.28 lakhs.

Net cash flows generated from financing activities were ₹3,010.01 lakhs for Fiscal 2023, primarily comprising repayment of long-term borrowings of ₹279.41 lakhs, proceeds from short-term borrowings of ₹4,264.29 lakhs, dividends paid of ₹290.62 lakhs, and finance costs of ₹684.25 lakhs.

Net cash flows used in financing activities were ₹4,822.46 lakhs for Fiscal 2022, primarily comprising repayment of long-term borrowings of ₹1,088.95 lakhs, repayment of short-term borrowings of ₹2,743.88 lakhs, dividends paid of ₹145.31 lakhs, and finance costs of ₹844.32 lakhs.

CONTINGENT LIABILITIES AND COMMITMENTS

The following table summarizes our contingent liabilities and commitments as at September 30, 2024, March 31, 2024, March 31, 2023, and March 31, 2022, as determined in accordance with Ind AS 37, are described below :

(in ₹ lakhs)

Particulars	As of March 31,		
	2024	2023	2022
Contingent Liability			
Performance/ Finance Guarantees:			
Liability in respect of Letter of Credit/ Bank Guarantee Opened	-	13.25	500.00
Guarantee given for Bank Loan to Subsidiary	2,800.00	2,800.00	-
Commitments			
Estimated value of the contracts remaining to be executed on capital account and not provided for	3,096.93	261.81	89.56

For further information on our contingent liabilities, see "*Financial Information*" on page 281.

We do not have any off-balance sheet arrangements, derivative instruments or other relationships with other entities that would have been established for the purpose of facilitating off-balance sheet arrangements.

CAPITAL EXPENDITURE

Our capital expenditure primarily comprises Purchase of PPE (including changes in CWIP). During the Fiscals 2024, 2023 and 2022, our capital expenditure was ₹3,682.11 lakhs, ₹11,061.31 lakhs and ₹1,393.62 lakhs, respectively.

FINANCIAL INDEBTEDNESS

During the Fiscals 2024, 2023 and 2022, our total borrowings (including secured and unsecured) was 10,059.32 lakhs, 14,702.76 lakhs and 10,717.88 lakhs, respectively.

RELATED PARTY TRANSACTIONS

We have engaged in the past, and may engage in the future, in transactions with related parties. For details of our related party transactions for the fiscals 2024, 2023 and 2022, see "*Financial Information*" on page 281.

AUDITOR'S OBSERVATIONS

There have been no reservations/ qualifications/ adverse remarks/ matters of emphasis highlighted by our statutory auditors in their auditor's reports on the audited consolidated financial statements as of and for the years ended March 31, 2024, 2023 and 2022 and in their report on the unaudited consolidated financial results as of and for the six months ended September 30, 2024 and September 30, 2023.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our management monitors and manages key financial risk relating to our operations by analysing exposures by degree and magnitude of risk. The risks include market risk (including interest rate risk, currency risk and other price risk such as commodity price risk, credit risk and liquidity risk. Our Board of Directors has overall responsibility for the establishment and oversight of our risk management framework. Our risk management policies are established to identify and analyse the risks faced by us, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and our activities.

Market Risk

Market risk is the risk of any loss in future earnings, in realisable 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

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

Forward foreign exchange contracts

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

Disclosure of hedged and unhedged foreign currency exposure

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

As on March 31, 2024:

(in ₹ lakhs)

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 liability exposure on the currency	
USD	2.15	2.06	0.09	66.70	66.70	0	(0.09)
In ₹	179.14	171.37	7.77	5,559.75	5,559.75	0	(7.77)

As on March 31, 2023:

(in ₹ lakhs)

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 liability exposure on the currency	
USD	0.76	0	0.76	70.77	0	70.77	70.01
In ₹	62.56	0	62.56	5,815.09	0	5,815.09	5,752.53

As on March 2022:

(in ₹ lakhs)

Currency	Liabilities			Assets			Net overall exposure on the currency - net assets /
	Gross Exposure	Exposure hedged using derivatives	Net liability exposure on the currency	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	

							(net liabilities)
USD	1.93	0	1.93	43.41	0	43.41	41.48
In ₹	147.16	0	147.16	3,266.23	0	3,266.23	3,119.07

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

The Company is exposed to interest rate risk because it borrows funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix of 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 nonderivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of 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 ₹50.32 Lakhs for the fiscal 2024, ₹20.50 Lakhs for the fiscal 2023 and ₹28.41 Lakhs for the fiscal 2022.

Commodity Price Risk

The Company is affected by the price volatility of certain commodities. Its operating activities require the purchase of raw material for the manufacture of non-ferrous metals and therefore require a continuous supply of certain raw materials such as lead acid batteries, lead scrap in various forms, copper scrap, plastic scrap and aluminium scrap. To mitigate the commodity price risk, the Company is having hedging mechanism with international broker to get best competitive prices for the commodities and to assess the market to manage the cost without any compromise on quality.

Credit Risk

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

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.

(in ₹ lakhs)

March 31, 2024	**Due in 1st year**	**Due in 2nd year to 5th year**	**Due after 5th year**	**Carrying amount**
Trade Payables	1,029.04	3.01	0	1,032.05
Borrowings (including interest accrued thereon up to the reporting date)	0	300.00	0	300.00
Total	**1,029.04**	**303.01**	**0**	**1,332.05**

(in ₹ lakhs)

March 31, 2023	Due in 1st year	Due in 2nd year to 5th year	Due after 5th year	Carrying amount
Trade Payables	924.04	5.49	0	929.53
Borrowings (including interest accrued thereon up to the reporting date)	29.41	598.02	0	627.43
Total	**953.45**	**603.51**	**0**	**1,556.96**

(in ₹ lakhs)

March 31, 2022	Due in 1st year	Due in 2nd year to 5th year	Due after 5th year	Carrying amount
Trade Payables	784.77	0	0	784.77
Borrowings (including interest accrued thereon up to the reporting date)	27.50	877.43	0	904.93
Total	**812.27**	**877.43**	**0.00**	**1689.70**

UNUSUAL OR INFREQUENT EVENTS OR TRANSACTIONS

Except as described in this Preliminary Placement Document, there have been no unusual or infrequent events or transactions that have in the past or may in the future affect our business operations or future financial performance.

SIGNIFICANT ECONOMIC CHANGES AND KNOWN TRENDS OR UNCERTAINTIES

Except as disclosed in this Preliminary Placement Document, there are no known trends or uncertainties which we expect to have a material adverse effect on our income.

FUTURE RELATIONSHIP BETWEEN COST AND REVENUE

Other than as described in "*Risk Factors*", "*Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 40, 203 and 92, respectively, there are no known factors that may adversely affect our business prospects, results of operations and financial condition.

NEW PRODUCTS OR BUSINESS SEGMENTS

Other than as disclosed in this section and in "*Business*" on page 203, there are no new products or business segments that have or are expected to have a material impact on our business prospects, results of operations or financial condition.

COMPETITIVE CONDITIONS

We operate in a competitive environment. See "*Risk Factors*", "*Industry Overview*", "*Business*" and on pages 40, 129 and 203, respectively, for further details on competitive conditions that we face across our various business segments.

SIGNIFICANT DEPENDENCE ON CUSTOMERS AND SUPPLIERS

Given the nature of our business operations, we do not believe our business is dependent on any single or a few customers.

SEGMENT REPORTING

The Company has reportable segments based on volume.

SEASONALITY OF BUSINESS

Our business is not seasonal in nature.

SIGNIFICANT DEVELOPMENTS AFTER SEPTEMBER 30, 2024 THAT MAY AFFECT OUR FUTURE RESULTS OF OPERATIONS

Except as disclosed in this Preliminary Placement Document, there have been no significant developments after September 30, 2024 that may affect our future results of operations.

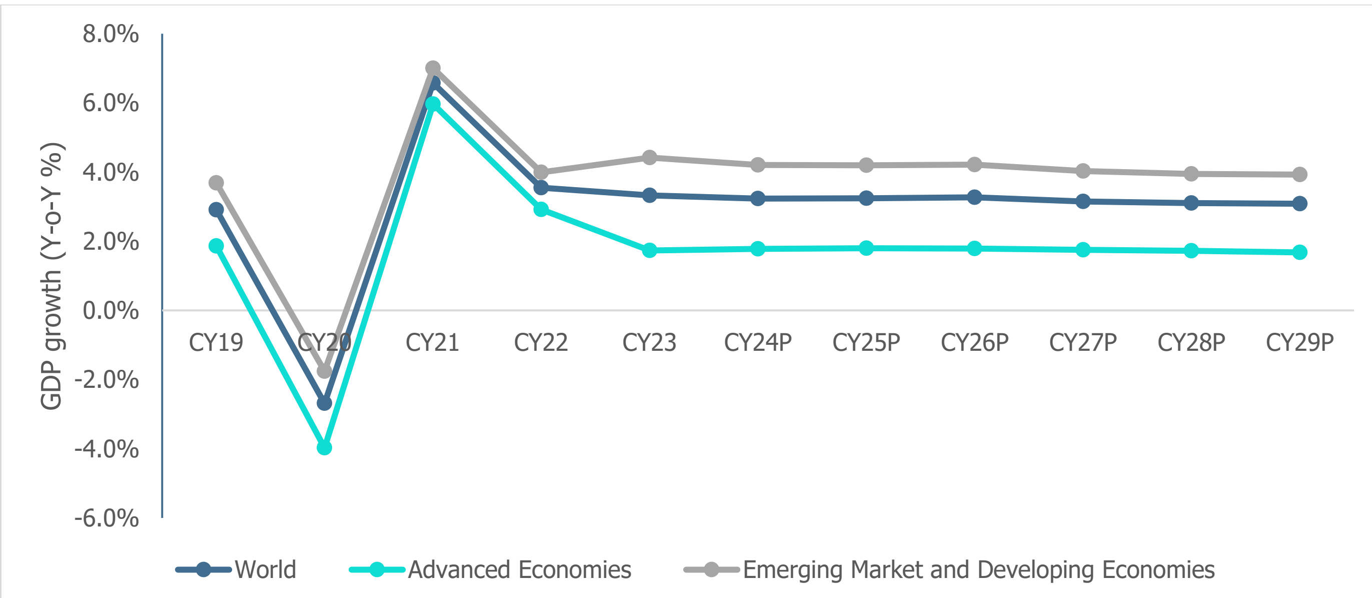
INDUSTRY OVERVIEW

1 Economic Outlook

1.1 Global Economy

Global growth, which stood at 3.3% in CY23, is anticipated to fall and remain at 3.2% in both CY24 and CY25. The global real GDP growth outlook shows signs of improvement as cyclical imbalances ease, aligning economic activity with potential output in major economies. While global disinflation progresses, risks remain, particularly from financial market volatility and geopolitical tensions that could disrupt trade and increase commodity prices. Nonetheless, stronger public investment in advanced economies aimed at infrastructure and the green transition may stimulate private sector investment and bolster global demand. Additionally, accelerating structural reforms in both advanced and emerging markets could enhance productivity and support medium-term growth.

Chart 1: Global Growth Outlook Projections (Real GDP, Y-o-Y change in %)



Notes: P-Projection; Source: IMF – World Economic Outlook, October 2024

Table 1: GDP growth trend comparison - India v/s Other Economies (Real GDP, Y-o-Y change in %)

	Real GDP (Y-o-Y change in %)									
	CY20	CY21	CY22	CY23	CY24P	CY25P	CY26P	CY27P	CY28P	CY29P
India	-5.8	9.7	7.0	8.2	7.0	6.5	6.5	6.5	6.5	6.5
China	2.2	8.4	3.0	5.3	4.8	4.5	4.1	3.6	3.4	3.3
Indonesia	-2.1	3.7	5.3	5.0	5.0	5.1	5.1	5.1	5.1	5.1
Saudi Arabia	-3.6	5.1	7.5	-0.8	1.5	4.6	4.4	3.6	3.5	3.5
Brazil	-3.3	4.8	3.0	2.9	3.0	2.2	2.3	2.4	2.5	2.5
Euro Area	-6.1	6.2	3.3	0.4	0.8	1.2	1.5	1.4	1.3	1.2
United States	-2.2	6.1	2.5	2.9	2.8	2.2	2.0	2.1	2.1	2.1

P- Projections; Source: IMF- World Economic Outlook Database (October 2024)

Advanced Economies Group

Advanced economies are expected to experience a gradual increase in growth, increasing to 1.8% in CY24 and staying same for next 2 years.

The **United States** is expected to grow to 2.8% in CY24, followed by a slight slowdown to 2.2% in CY25. Growth outlook for the United States has improved due to strong consumption and non-residential investment, driven by rising real wages and wealth effects. However, growth is expected to decelerate as fiscal policies tighten and the labour market cools, leading to a gradual closure of the output gap.

The **Euro Area's** growth is anticipated to rebound from its sluggish growth in CY23 to 0.8% in CY24 and further to 1.2% in CY25. This recovery is driven by better export performance, as well as, a stronger domestic demand. The gradual loosening of the monetary policy is expected to boost investment and the rise of real wages is anticipated to improve the consumption patterns.

Emerging Market and Developing Economies Group

Emerging market and developing economies are forecasted to maintain stable growth at 4.2% in both CY24 and CY25. The economic forecast for emerging and developing Asia reveals a modest deceleration in growth, with projections indicating a decline from 5.3% in CY24 to 5% in CY25. **China's** trajectory reflects a gradual slowdown, transitioning from 4.8% in CY24 to 4.5% in CY25 due to low consumer confidence and ongoing real estate sector challenges. However, better than expected net exports have ensured that the slowdown in growth is marginal. In contrast, **India's** growth remains robust, with anticipated rates of 7% in CY24 and 6.5% in CY25. This moderation in GDP growth is expected as the surge in pent-up demand from the pandemic wanes. The economy is transitioning towards its potential, reflecting a more sustainable pace of growth as it adjusts to post-pandemic realities.

The **Indonesian** economy is expected to register growth of 5.0% in CY24 and 5.1% in CY25, an important concern for Indonesia is the trade fragmentation. **Saudi Arabia's** growth in CY24 is predicted to see a revamp in the growth rate to 1.5% on account of the extension of oil production cuts taking place in the country. Going forward, GDP is expected to grow at 4.6% in CY25. On the other hand, **Brazil's** growth is projected to be 3% in CY24 due to robust private consumption and investment driven by a strong labour market and effective government transfers. However, due to the anticipated tightening of the labour market and ongoing restrictive monetary policy, growth is expected to slowdown in CY25 to 2.2%.

Despite the turmoil in the last 2-3 years, India bears good tidings to become a USD 5 trillion economy by CY27. According to the IMF dataset on Gross Domestic Product (GDP) at current prices, the nominal GDP has been at USD 3.6 trillion for CY23 and is projected to reach USD 5.2 trillion by CY27 and USD 6.3 trillion by CY29. India's expected GDP growth rate for coming years is almost double compared to the world economy. The Indian economy shows resilience amid global inflation, supported by a stable financial sector, strong service exports, and robust investment driven by government spending and high-income consumer consumption, positioning it for better growth than other economies.

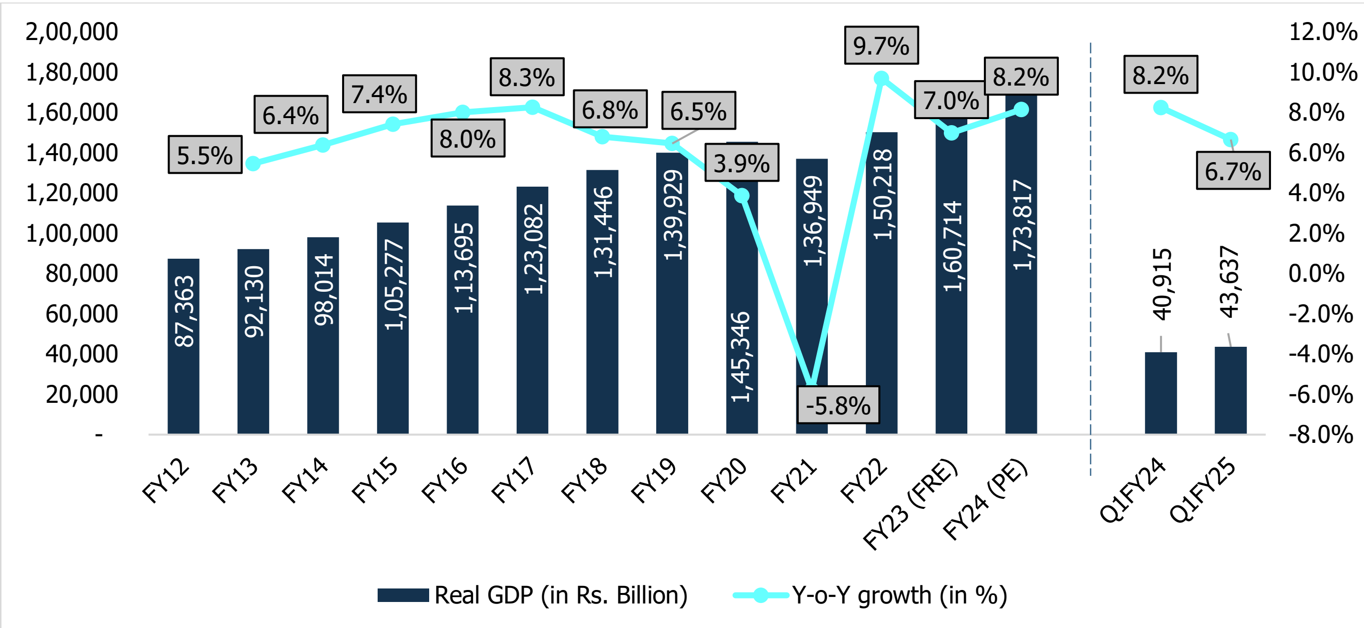
Besides, India stands out as the fastest-growing economy among the major economies. The country is expected to grow at more than 6.5% in the period of CY24-CY29, outshining China's growth rate. By CY27, the Indian economy is estimated to emerge as the third-largest economy globally, hopping over Japan and Germany. Currently, it is the third largest economy globally in terms of Purchasing Power Parity (PPP) with a ~7.9% share in the global economy, with China (~18.7%) on the top followed by the United States (~15.1%).

1.2 Indian Economic Outlook

1.2.1 GDP Growth and Outlook

Resilience to External Shocks remains Critical for Near-Term Outlook

Chart 2: Trend in Real Indian GDP growth rate



Note: FRE – First Revised Estimates, PE – Provisional Estimate; Source: MOSPI

India's real GDP grew by 7.0% in FY23 and stood at ~Rs. 161 trillion, as per the First Revised Estimate, despite the pandemic in previous years and geopolitical Russia-Ukraine spillovers. Real GDP in the year FY24 is estimated to grow at 8.2% at Rs. 173.82 trillion as per provisional estimate of the Ministry of Statistics and Programme Implementation. It is expected that domestic demand, especially investment, to be the main driver of growth in India, amid sustained levels of business and consumer confidence.

In Q1FY25, real GDP grew by 6.7% y-o-y, hitting a 15-month low, as compared to 8.2% y-o-y in the previous quarter. Private consumption, a key driver of the GDP, showed resilience increasing by 7.45% while government spending contracted by 0.24%. This growth was largely driven by elections and extreme summer conditions, which impacted economic activities across several sectors.

GDP Growth Outlook

- Driven by fixed investment and improving global environment, domestic economic activity continues to expand. The provisional estimates (PE) placed real GDP growth at 8.2% for FY24.

- Industrial activity led by manufacturing continues its momentum on the back of strengthening domestic demand, lower input costs, and a supportive policy environment. The purchasing managers' index for both manufacturing and services sector remained elevated in September 2024, indicating a robust expansion.

- Domestic economic activity continues to remain steady. On the supply side, advancing monsoon has boosted kharif sowing and improved agricultural production prospects, while higher reservoir levels and good soil moisture conditions are favorable for the upcoming rabi crop. Additionally, growth in GVA for major non-agricultural sectors like manufacturing, construction, and utilities has stayed above 5% for Q1FY25, indicating expansion. On the demand side, household consumption is bolstered by an upward trend in rural demand while urban demand continues to hold firm. Additionally, improvement in government consumption can also be observed. Moreover, on the global trade front, services exports are supporting overall growth.

- Fixed investment activity is robust, supported by the government's ongoing focus on capital expenditure, healthy balance sheets of banks and corporates, and other policy measures. Private investment is picking up, driven by an increase in non-food bank credit, higher capacity utilization, and rising investment intentions.

Persistent geopolitical tensions, volatility in international financial markets and geo-economic fragmentation do pose risk to this outlook. Based on these considerations, the RBI, in its October 2024 monetary policy, has projected real GDP growth at 7.2% y-o-y for FY25.

Table 2: RBI's GDP Growth Outlook (Y-o-Y %)

FY25P (complete year)	Q2FY25P	Q3FY25P	Q4FY25P	Q1FY26P
7.2%	7.0%	7.4%	7.4%	7.3%

Note: P-Projected; Source: Reserve Bank of India

1.2.2 Concluding Remarks

The major headwinds to global economic growth are escalating geopolitical tensions, volatile global commodity prices, high interest rates, inflation woes, volatility in international financial markets, climate change, rising public debt, and new technologies. Despite the global economic growth uncertainties, the Indian economy is relatively better placed in terms of GDP growth compared to other emerging economies. According to IMF's forecast, it is expected to be 7% in CY24 compared to the world GDP growth projection of 3.2%. The bright spots for the economy are continued healthy domestic demand, support from the government towards capital expenditure, moderating inflation, investments in technology and improving business confidence.

India's strategic positioning as a manufacturing hub, bolstered by government initiatives, a skilled workforce, and a burgeoning startup ecosystem, enhances this outlook. Ongoing reforms and a focus on innovation position the country to capitalize on emerging opportunities, strengthening its role in the global manufacturing landscape. Likewise, several high-frequency growth indicators including the purchasing managers index, E-way bills, bank credit, toll collections and GST collections have shown improvement in FY24. Moreover, normalizing the employment situation after the opening up of the economy is expected to improve and provide support to consumption expenditure.

At the same time, public investment is expected to exhibit healthy growth as the government has allocated a strong capital expenditure of about Rs. 11.11 lakh crores for FY25. The private sector's intent to invest is also showing improvement as per the data announced on new project investments and resilience shown by the import of capital goods. Additionally, improvement in rural demand owing to healthy sowing, improving reservoir levels, and progress in south-west monsoon along with government's thrust on capex and other policy support will aid the investment cycle in gaining further traction.

2 Lead Industry

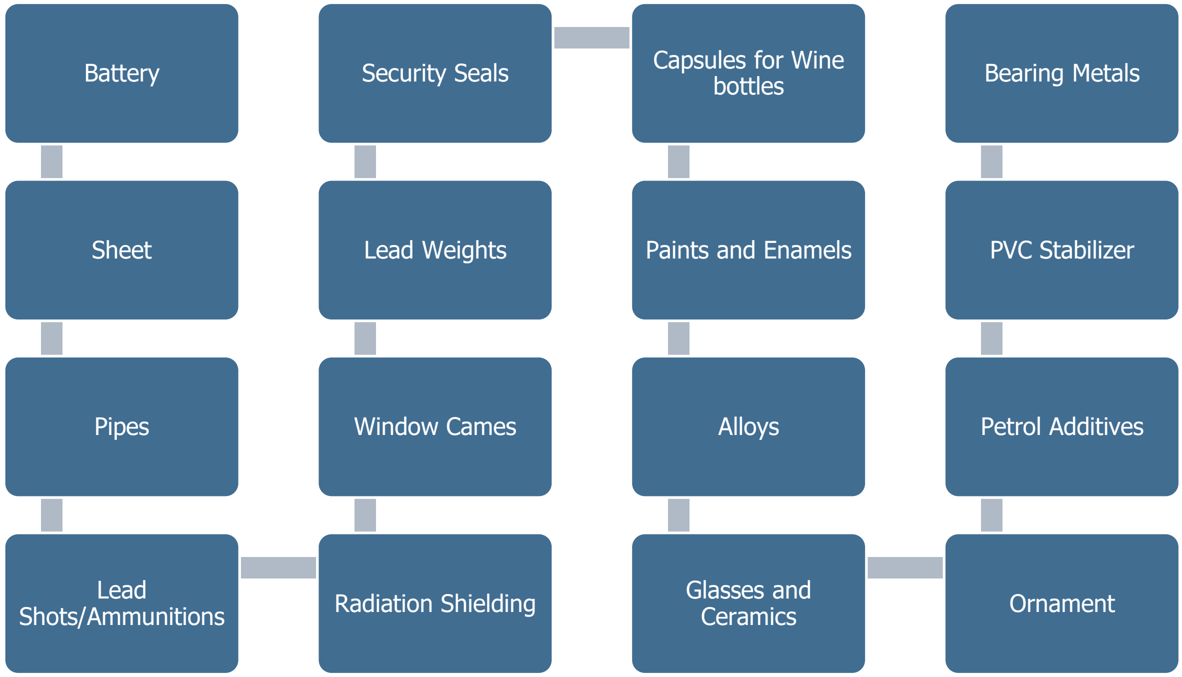
2.1 Overview of Lead Industry

Lead is a heavy metal primarily used in the manufacturing of lead-acid batteries, which are crucial for automotive and renewable energy applications. India is a significant player in the global lead market, with a growing demand for lead products.

The non-ferrous metals industry is divided into various sub-sectors, base metals (aluminium, copper, zinc, lead, nickel, and tin), precious metals (silver, gold, palladium, and other platinum group metals), minor metals, including refractory metals (tungsten, molybdenum, tantalum, niobium, and chromium), and speciality metals (cobalt, germanium, indium, tellurium, antimony, and gallium).

Further, the non-ferrous metal is used mainly across end user sectors like electrical & electronics, automobile, aerospace, telecommunications, renewable, etc. These sectors are also important from the point of view of government schemes and programmes like Make in India, Power for All, and National Solar Mission.

Lead is a highly corrosion-resistant, ductile, and malleable blue-grey metal. The manufacturing process of lead involves various steps such as mining, flotation, smelting, and refining activities. Further, it is cast into lead ingots. The application of lead can be divided into two broad categories. One as a metal or its alloys and the other as its compounds. The use of lead is shown below:



Source: Market Survey on Lead and Zinc, Indian Bureau of Mines

The second one is sector wise usage of lead where the consumption of lead is majorly driven by the consumption of batteries in segments such as automotive, residential and industrial batteries. The automotive sector is the largest consumer of lead, as lead-acid batteries are essential for starting and powering vehicles. Around 80% of lead produced is used for manufacturing lead acid batteries while the remaining is consumed in pigments & compounds, rolled & extruded products, alloys, cable sheathing, and other industries according to Ministry of Mines. The market is segmented by application into ammunition, batteries, construction, electronics, marine, plumbing, and other applications. Lead is used in roofing materials, pipes, and radiation shielding, leveraging its durability and corrosion resistance.

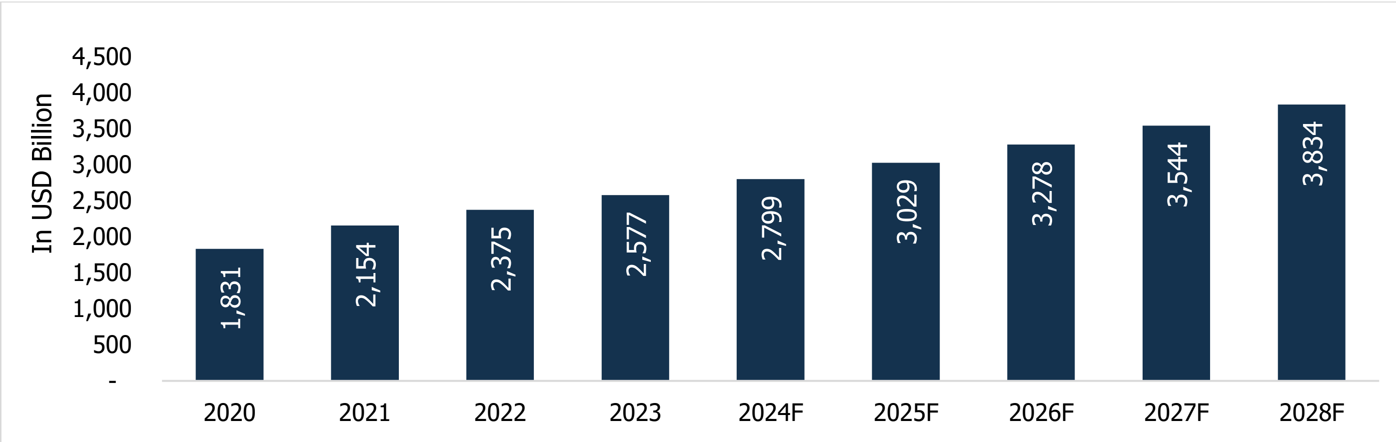
As the growing automotive industry and the rise in renewable energy projects are significant drivers of lead demand in India, the increasing adoption of electric vehicles also contributes to the need for efficient battery storage solutions. Moreover, the recycling of lead from used batteries is crucial in India, as it reduces environmental impact and meets a substantial portion of domestic lead demand.

2.2 Outlook on Automobile Industry

2.2.1 Global Automobile Industry Overview

According to EMIS, the global automotive manufacturing industry was valued at USD 2,577.09 billion in 2023, up from USD 1,830.57 billion in 2020, with a CAGR of 12.09%. It is projected to grow to USD 3,834.41 billion by 2028, at a CAGR of 8.27%. The industry is one of the largest and most important in the world. It is responsible for the production, sale, and maintenance of vehicles, employing millions of people globally. The industry is also a major contributor to the global economy, generating trillions of dollars in revenue each year. Several key trends are shaping the global automobile industry, including the transition to electric vehicles, the rise of autonomous vehicles, and the growth of the shared mobility market.

Chart 3: Trend of Global Automotive Market size



Source: EMIS

Electric vehicles are becoming increasingly popular as consumers become more aware of the environmental benefits of electric transportation. Governments around the world are also offering incentives to promote the adoption of electric vehicles. Similarly, autonomous vehicles are the future of transportation and automakers are racing to develop and deploy self-driving cars.

Further, autonomous vehicles have the potential to revolutionize the way we travel and work. In addition, the shared mobility market is growing rapidly, as consumers become more interested in using services such as car-sharing and ride-hailing. Also, the growth of the shared mobility market is having a significant impact on the automobile industry.

The global automobile industry is divided into four main regions: Asia Pacific, Europe, North America, and South America. Each region has its own unique dynamics and challenges. The Asia Pacific region is expected to be the fastest-growing market, followed by Europe and North America. Whereas the South American market is expected to grow at a slower pace. At the same time, it remains an important market for global automakers.

The Asia Pacific region is the largest automobile market in the world, accounting for over 50% of global sales in 2023. China is the largest market in the region, followed by India, Japan, and South Korea. The Asia Pacific region is expected to continue to be the fastest-growing automobile market in the world in the coming years, driven by strong demand in China and India.

Whereas Europe is the second-largest automobile market in the world, accounting for over 20% of global sales in 2023. Germany is the largest market in the region, followed by France, the United Kingdom, and Italy. The European automobile market is expected to grow at a slower pace than the Asia Pacific region in the coming years, but it remains an important market for global automakers.

North America is the third-largest automobile market in the world, accounting for over 15% of global sales in 2023. The United States is the largest market in the region, followed by Canada and Mexico. The North American automobile market is expected to grow at a similar pace to the European market in the coming years.

Further, South America is the smallest automobile market in the world, accounting for less than 5% of global sales in 2023. Brazil is the largest market in the region, followed by Argentina and Colombia. The South American automobile market is expected to grow at a slower pace than other regions in the coming years due to economic challenges in some countries.

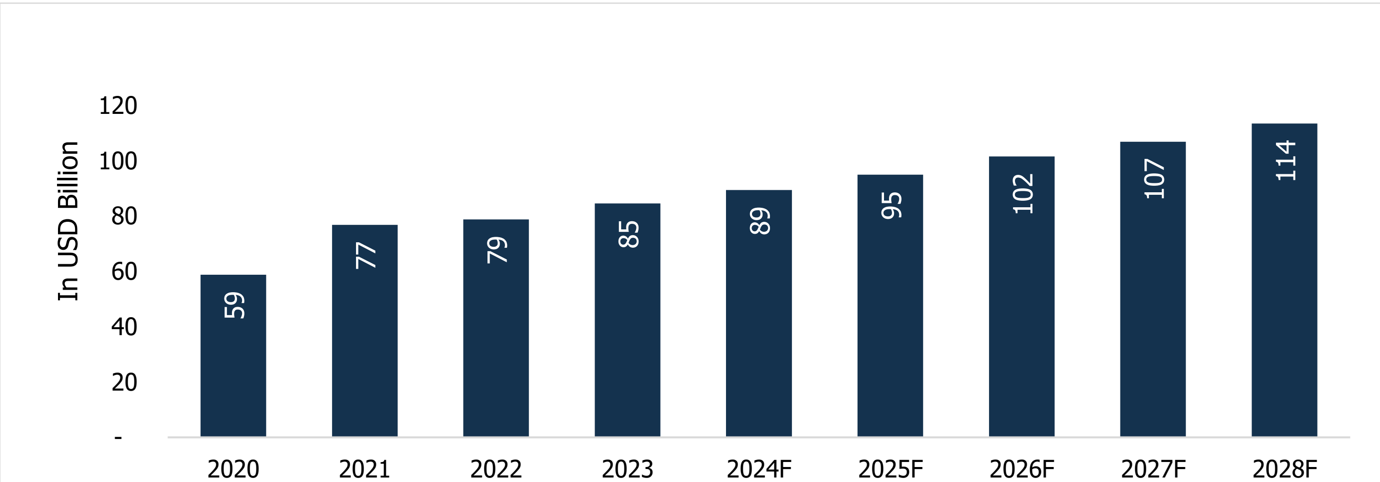
Similarly, rising incomes in emerging markets such as China, India, and Indonesia are expected to see strong growth in the middle-class segments in the coming years. This will lead to increased demand for vehicles. Also, electric vehicles are becoming increasingly popular as consumers become more aware of the environmental benefits of electric transportation. Besides, governments around the world are offering incentives to promote the adoption of electric vehicles.

The global automobile industry has been facing several challenges in recent years, including COVID-19, the global semiconductor shortage, and the rising cost of raw materials. However, it has shown resilience and recovery in the post-COVID period, driven by strong demand in emerging markets and the transition to electric vehicles. Accordingly, the transition to electric vehicles, the rise of autonomous vehicles, and the growth of the shared mobility market are all key trends that are shaping the industry. Automakers adopting these trends will be well-positioned to succeed in the future.

2.2.2 Indian Automobile Industry Overview

According to EMIS, the Indian automotive manufacturing industry was valued at USD 84.6 billion in 2023, growing from USD 58.8 billion in 2020, with a CAGR of 12.9%. It is projected to grow to USD 113.5 billion by 2028, at a CAGR of 6.1%. This industry is one of the major drivers of economic growth due to its linkages with multiple industries. Its contribution to the GDP of India stands at around 7%. The growth of this sector benefits the commodity sector as vehicle manufacturing requires steel, aluminium, plastic, etc. It also holds importance for the NBFC/Banks in the form of automobile financing. Moreover, it is a crucial source of demand for the oil & gas industry.

Chart 4: Trend of Indian Automotive Market size



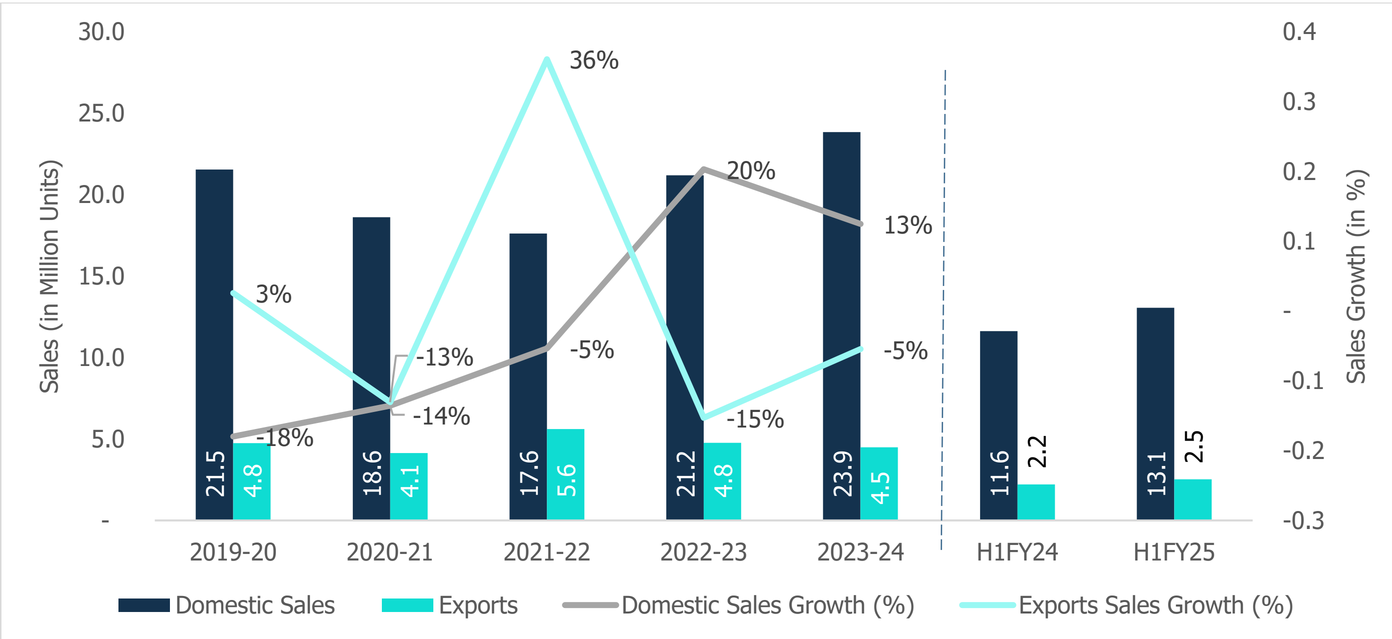
Source: EMIS

India is the largest manufacturer of two-wheelers, three-wheelers, and tractors. With a vibrant supply chain ecosystem, favourable policies, proximity to port and other factors, India's southern states continue to be the front runners in EV manufacturing and consumption. Hosur is one of the major manufacturing hotspots of Tamil Nadu, with many automobile OEMs having their factories there. It has emerged as a key industrial hub covering electronics, automobiles & auto components, light-machinery, engineering, specialty chemicals, etc. This region is being preferred by several automobile manufacturers and its strong and vibrant presence of MSMEs in Hosur also make it attractive for investors.

Domestic sales in the automobile industry grew by 11.6% in FY24. The growth in sales volume across segments was supported by healthy demand in the urban areas, increasing replacement demand, growing demand for utility vehicles in the passenger vehicle segment, vehicle scrappage policy, and higher infrastructure spending. Domestic automobile sales grew by 12.47% in H1FY25, with two-wheelers up 16.3%. Passenger vehicles saw modest growth of 0.5%, while commercial vehicles declined by 4.2%. Weaker monsoon demand and reduced government spending impacted these segments, but a recovery is expected in upcoming quarters.

The automobile exports grew at a modest CAGR of 2% between FY18 and FY24. However, in H1FY25, exports rebounded sharply, increasing by 14.3% compared to the same period last year, following significant declines of 5.5% in FY24 and 15% in FY23, driven by the global monetary crisis. In H1FY25, passenger vehicle exports rose by 11.9%, two-wheelers by 16.2%, and commercial vehicles by 12.1%, while three-wheeler exports declined by 1%.

Chart 5: Domestic Sales and Export of Automobiles in India



Source: Society of India Automobile Manufacturers (SIAM)

Despite inflationary pressures throughout the year, preponing purchases ahead of the implementation of new fuel emission norms (BS-VI Phase -II), easing of semiconductor chip supply, and pent-up demand supported the sales growth. Only two-wheelers saw a double-digit growth at 13%, whereas passenger vehicles at 8%, commercial vehicles at 1%, tractors at -8%, and 3-wheelers at 42% y-o-y growth in domestic sales.

On the other hand, exports declined by 5% y-o-y in FY24 due to ongoing global headwinds. Barring the passenger vehicles segment, which grew by mere 1% with the increasing demand in the sports utility vehicle segments, the exports for two-wheelers, commercial vehicles, tractors, and three-wheelers declined by 5%, 16%, 21%, and 18% respectively. Accordingly, exports are expected to remain subdued in FY25 given the recessionary pressures across key export markets.

India is expected to be the third largest in terms of volume by FY26. Across segments of the industry, India is positioned amongst the leading markets, globally. India is the largest manufacturer of two-wheelers, three-wheelers, and tractors. It is also among the top 5 manufacturers of passenger and commercial vehicles. The major growth drivers for the automobile industry in India are growing household income, favourable demographics with a large proportion of the young population, expanding R&D hub, and government support.

Besides growth prospects, India's favourable Foreign Direct Investment (FDI) policy with 100% FDI through automatic route, relatively low cost of manufacturing, and adequate manpower pool has attracted several foreign OEMs of the industry to invest in India and set up a manufacturing footprint.

Outlook on Automobile Industry

The automobile industry is experiencing a major shift driven by the adoption of Internet of Things (IoT) technologies, which are enhancing vehicles with connectivity features and advanced smart functionalities such as remote diagnostics and personalized user interfaces. Consumer priorities have evolved from traditional engine performance to a growing emphasis on convenience and intelligent features. Innovations like ADAS (Advanced Driver Assistance Systems), sunroofs, and integrated connectivity are becoming increasingly significant, reflecting the changing expectations of modern buyers and redefining the competitive landscape of the sector.

Following Brazil's success in adopting flex fuels and biofuels in transportation, MoRTH has urged SIAM members to explore similar initiatives in India. This move aims to reduce pollution, decrease dependence on fossil fuel imports, and provide support to local farmers. Moreover, safety and sustainability are emerging as major trends shaping the industry. Automakers will need to adapt to these evolving demands in order to stay competitive in the coming years.

Historically, the third quarter of the fiscal year has been a crucial period for auto companies, as consumers often consider it an auspicious time to purchase vehicles due to festivals like Ganesh Chaturthi and Diwali. Also, there are new model launches and festive discounts around this time. Additionally, favorable monsoon in Q2 is expected to boost rural demand, further driving sales. Together, these factors suggest that the auto sector is well-positioned for growth in the second half of this fiscal.

Domestic automobile sales volume is projected to grow by 12-15% in FY25, following strong double-digit growth in FY24 and FY23. Looking ahead, the industry is expected to expand at a CAGR of 5%-7% between 2024 and 2028. The above-average monsoon this year is anticipated to further boost the sector by positively influencing rural demand, which plays a critical role in driving overall sales, especially for two-wheelers and entry-level passenger vehicles. This growth trajectory underscores the sustained recovery and expansion of the Indian automobile market post pandemic.

Following a lackluster Q1FY25, passenger vehicle sales volume growth is projected to be moderate at 4-6% for FY25, driven by rising demand in the premium and SUV segments, improved semiconductor chip availability, the upcoming festive and wedding season, and accessible financing options. Over the 2024-2028 period, domestic sales in the passenger vehicle market are expected to grow at a CAGR of 7-9%, fueled by strong demand in the premium and SUV categories, along with a wave of new model launches and a continued easing of semiconductor shortages. These factors are set to shape the market's recovery and sustained growth trajectory.

Two-wheeler domestic sales volume is anticipated to grow by 14-17% in FY25, driven by several factors including above-normal monsoon, rising disposable incomes, new model launches, easy access to auto financing, and the upcoming festive season. The growth is expected to be fueled by improving demand from both rural and urban areas, along with increasing interest in electric two-wheelers. These factors combined create a favorable environment for two-wheeler sales, positioning the sector for robust expansion in the coming year.

On the other hand, the commercial vehicle segment is expected to decline by 2%-5% in FY25 due to lower investments by the government ahead of general elections during the Q1FY25 and a correction following the structural upcycle in the previous fiscals after steep growth in FY22 & FY23. This decline is also attributed to disruptions stemming from lower order volumes, as the Model Code of Conduct will be in effect during the 2024 elections. However, order volumes are expected to recover post-monsoon, as the El Niño effect subsides and La Niña conditions emerge. Despite this temporary dip, domestic commercial vehicle sales are anticipated to grow at a CAGR of 4%-6% over the 2024-2028 period.

The domestic tractor industry growth is expected to moderate to 3%-5% in FY25, on the back of the high base of last year and increasing commercial demand for tractors with the government's infrastructure push and higher construction activity. The demand from the agriculture segment is expected to increase due to expected above-normal and erratic monsoons across the country thereby increasing disposable rural income. Additionally, the sector continues to benefit from government support through various schemes like Pradhan Mantri Fasal Bima Yojana, Pradhan Mantri Krishi Sinchayee Yojana, and the launch of 'Made in India' farm machinery products. Besides, the Ministry of Agriculture & Farmers Welfare is promoting farm mechanization through various schemes and programmes to increase farm efficiency.

2.3 Growth of Lead Acid Batteries (Global and India)

Global Overview on Lead-Acid Batteries

The Asia-Pacific (APAC) region, especially China and India, is experiencing rapid growth driven by increasing energy demands and industrialization. Government policies aimed at attracting investments, along with population growth, rapid industrialisation, and the booming automotive sector, are expected to fuel the demand for lead-acid batteries in the APAC region going forward. As the largest manufacturer of lead-acid batteries, China holds a dominant position in the market, and it has significant access to international markets through growing collaborations.

Innovations in lead-acid technology, such as absorbed glass mat (AGM) and gel batteries, have enhanced performance, lifespan, and safety. Efforts to improve recycling processes have made lead-acid batteries more sustainable, addressing environmental concerns.

Many countries are implementing stricter regulations on battery disposal and recycling, promoting the adoption of lead-acid batteries due to their high recyclability. The higher recyclability rate of lead-acid batteries underscore sits value as environmental- friendly energy storage options in a market where environmental consciousness is becoming more imperative. Sustainable lead-acid battery recycling has become a pressing need as demand for this industry grows, along with the need for better solutions to handle the increasing volume of waste batteries. Companies that provide sustainable lead acid battery recycling solutions have seen a significant increase in demand as more organisations embrace eco-friendly practices and time bound regulatory compliances. Furthermore, the increasing number of solar power projects presents an opportunity for the lead-acid market to expand further.

Indian Overview on Lead-Acid Batteries

The Indian lead-acid battery market has been expanding over the past few years, with the automotive sector—particularly two-wheelers and commercial vehicles—being a significant contributor to demand. India's rapid digitalisation and the expansion of telecom networks are driving the need for reliable, cost-effective backup power solutions. Lead-acid batteries are widely used in uninterrupted power supply (UPS) systems for data centres, telecom towers, and critical IT infrastructure. The growth of 5G technology is expected to further drive demand as telecom towers need robust backup systems to maintain uptime, especially in rural and semi-urban areas. Various government policies promoting electric mobility and renewable energy are encouraging the use of lead-acid batteries as a transitional technology until the widespread adoption of lithium-ion batteries. With increasing vehicle ownership and the demand for affordable, durable batteries, lead-acid batteries remain a staple in India's automotive sector. The replacement battery market, driven by high vehicle turnover, is also a significant contributor.

The Indian government's push towards renewable energy is creating demand for energy storage solutions to stabilise the grid supply. Solar and wind energy projects require battery systems to store and release energy based on fluctuating generation and demand. Lead-acid batteries play an essential role in off-grid and hybrid renewable installations, particularly in rural electrification projects where cost-sensitive energy storage is crucial.

The Indian market is adopting newer lead-acid battery technologies, such as Valve-Regulated Lead-Acid (VRLA), Absorbent Glass Mat (AGM), and Gel batteries. These types provide longer life, higher efficiency, and lower maintenance compared to conventional flooded lead-acid batteries.

Lead-acid battery recycling in India has significant potential for growth. The country's extensive lead-acid battery recycling programme is driven by factors such as a growing automotive market, export opportunities, and increased demand for lead as a raw material. While the scope for lead-acid battery recycling in India is emerging, it is crucial to address challenges such as the informal sector's involvement, lack of awareness, and technological gaps. Investment in collection infrastructure, adherence to environmental standards, and strict regulation of imports and exports are critical steps to maximise the potential of lead-acid battery recycling in India.

The Indian lead-acid battery market is expected to maintain steady growth, driven by established automotive, industrial, and telecom applications. As India's infrastructure continues to expand and the demand for reliable backup power grows, lead-acid batteries are expected to remain a critical component of the country's energy storage ecosystem.

2.4 Production of Lead Industry (India and Global)

At Global Level

Lead is one of the most widely used metals globally, playing a primary role in the production of lead-acid batteries essential for automotive, industrial, and backup power applications. The growth in the lead market is due to an increase in automotive and construction projects in rapidly developing countries like China and India owing to rising population and infrastructure. The chemical properties of lead make it suitable for power storage and delivery applications. The increasing demand for consumer electronics is expected to propel the growth of the lead market going forward. Lead-based solder, commonly used in the assembly of electronic components, offers a low melting point, shielding properties, and high ductility and malleability, making it suitable for a wide range of applications in electronics.

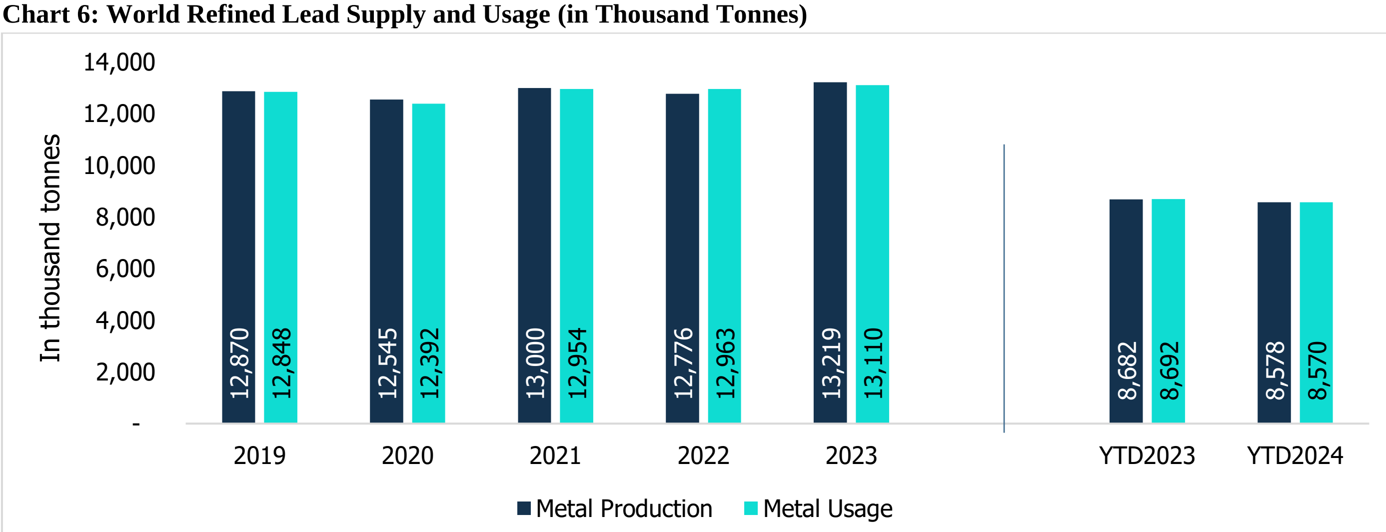
The production of lead can be categorized into primary (mining) and secondary (recycling) processes. At primary level production process, the world's largest lead ore reserves are mainly found in countries like Australia, China, Russia, Peru, and Mexico. Refined Lead Metal Production is a highly concentrated industry with those producing countries with an output above 100,000 tonnes in 2022 contributing 89% of world production as per World Lead Factbook 2023. Major lead-producing countries includes China, which is the world's largest producer of lead, contributing about 42% of global output in 2022 and its lead mining and refining industries are heavily integrated with its large battery manufacturing sector. The extensive mining operations with presence of natural resources in the countries and advanced technology contribute to its dominant position in the industry. The country's high production levels ensure a significant share of the global supply, meeting the high demand for lead in various applications.

Australia has significant lead reserves and is one of the leading producer mines in regions like Broken Hill and Mount Isa are well-known for lead production in the country. United States produces lead from mines in Alaska and Missouri, with Missouri's lead belt being one of the largest lead ore deposit areas in the world. Also, countries like Peru and Mexico, have significant lead mining operations, contributing to global supply through exports.

On the other hand, at secondary lead production process involves recycling of lead, being a crucial component of global lead supply where high recycling rate of lead-acid batteries ensures a consistent supply, making the lead industry one of the most sustainable in terms of raw material use. The largest secondary lead producers include the United States, Europe (Germany, Italy), and China. These regions have advanced recycling facilities that process used lead-acid batteries and other lead-containing scrap materials.

As per International Lead and Zinc Study Group (ILZSG), the global lead metal production has reached about 13,219 thousand tonnes during 2023. This significant output is driven by key producers who supply lead for various industrial applications, including batteries and radiation shielding. The substantial production figures reflect the ongoing demand for lead in numerous sectors and highlight the importance of mining operations in meeting global needs.

Chart 6: World Refined Lead Supply and Usage (in Thousand Tonnes)



Source: International Lead and Zinc Study Group
Note: YTD refers to the period between January to August

However, world refined lead supply (production) to remain stable to 13,200 thousand tonnes in 2024, and is anticipated to rise by 2.3% to 13,510 thousand tonnes in 2025. During 2024, refined lead production is projected to remain stable in China, Poland, Sweden, and Canada, due to scheduled maintenance at Teck Resources' Trail operations, which impacted output during the second quarter.

The reductions will, however, be partially offset by rises in Australia, Bulgaria, India, Italy, Japan, Kazakhstan, and the Republic of Korea. The projected increase in global supply by 2025 will primarily be fuelled by production growth in China, Ireland, and the Russian Federation, where the newly operational Ozernoye mine is contributing significantly. Additionally, Bosnia and Herzegovina are expected to see higher output, driven by increased production at the Vares mine. These rises will, however, be partially balanced by a decline in Australian output.

Globally on lead usage front, the demand for refined lead metal is forecasted to remain stable to 13,130 thousand tonnes in 2024 and further marginal increase by 1.9% to 13,390 thousand tonnes in 2025.

At Domestic Level

The increasing adoption of electric vehicles (EVs) and renewable energy storage systems is driving lead production and encouraging battery recycling initiatives. India's focus on sustainability, supported by government regulations and environmental standards, is reshaping the lead industry. To reduce dependence on imported lead, India is strengthening its recycling capabilities and embracing a circular economy approach, which emphasizes recycling used lead instead of mining new ore, creating a sustainable supply chain.

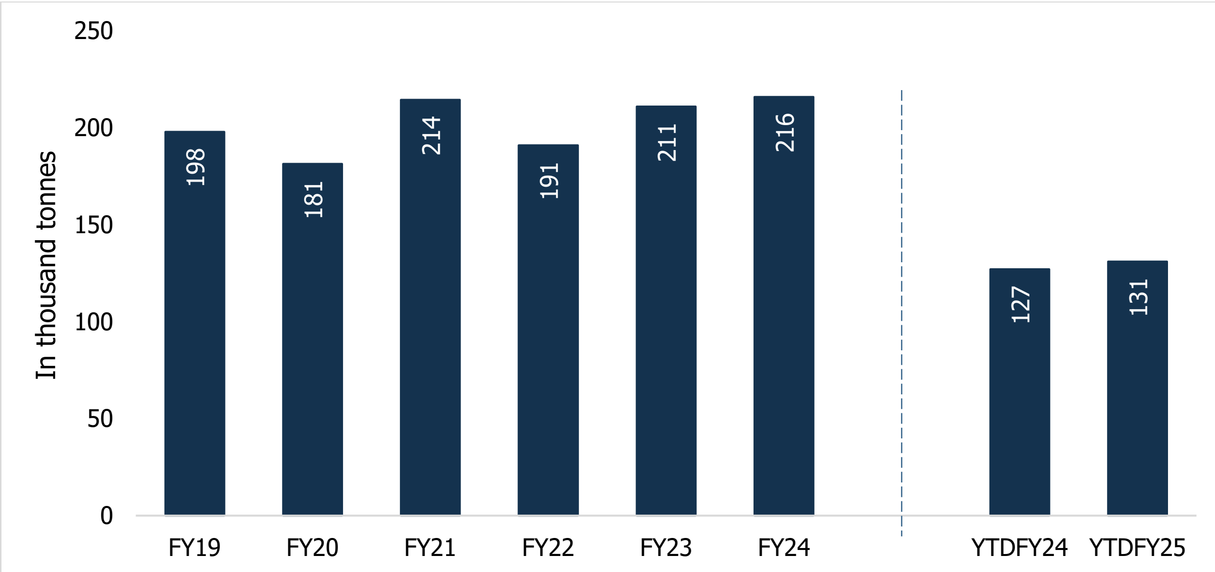
Innovations in extraction and processing technologies are expected to enhance operational efficiency and minimize environmental impacts. These advancements will support to position Indian producers more competitively within the global market.

Infrastructure development projects, such as road and building construction, are also boosting lead demand, presenting growth opportunities for the industry. Lead mining and recycling activities in India have been on the rise to meet the growing domestic demand, particularly from the automotive and energy storage sectors. As a key global player in lead production and consumption, India is scaling up its mining and recycling activities to meet the rising needs of the automotive and energy storage sectors. The replacement battery market, fuelled by millions of vehicles, along with renewable energy advancements, has had a positive impact on lead demand. The push for renewable energy solutions has increased the need for energy storage systems, where lead-acid batteries are widely utilized. This trend has positively impacted lead production and recycling efforts. The Indian government's infrastructure development projects require lead-based construction materials and cables, contributing to sustained demand. Overall, India's lead recycling sector aligns with economic and environmental goals, offering significant potential for future growth and investment.

Emerging opportunities, such as energy storage for solar photovoltaic (PV) systems, are expected to drive lead demand, particularly as India aims to significantly expand its solar PV capacity by 2030. Although the rise of electric vehicles (EVs) may impact overall demand for certain battery types, lead-acid batteries remain essential for powering EV electrical systems, including lights, windows, navigation, air-conditioning, and safety features such as airbags.

Domestic battery manufacturers continue to scale up lead-acid battery production to meet steady demand. Beyond automotive applications, the industrial battery segment is also growing, driven by increasing digitalisation in sectors like data centres, finance, and telecom. On the supply side, lead production is closely tied to the mining of zinc, silver, and copper, as lead is often a by-product. Consequently, fluctuations in demand and disruptions in mining these metals can have a significant impact on the lead industry.

Chart 7: Production of Lead in India



Source: CMIE

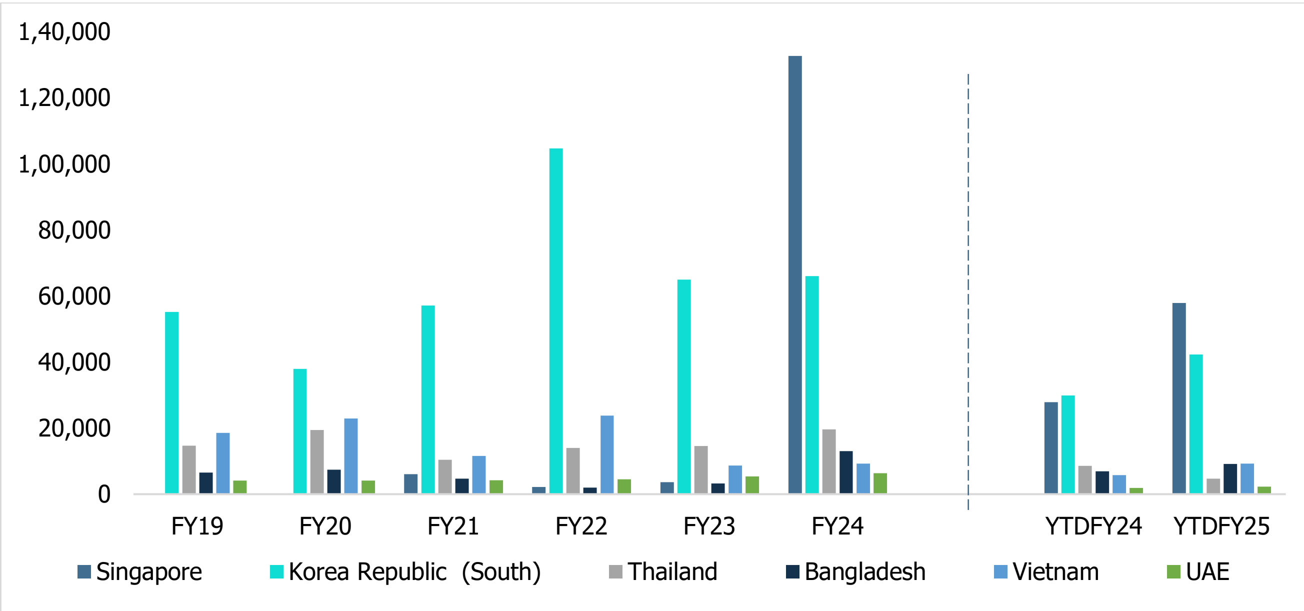
Note: YTD represents period between April to October

During FY24, the production of lead grew by 2.4% to 216 thousand tonnes as compared to 211 thousand tonnes in FY23 and further grown by 10.5% in FY23 as compared to 191 thousand tonnes in FY22. The growth can be attributed to the strong economic activity across various industrial sectors in the country coupled with healthy demand from automobile sector and inverter battery market. New applications of lead in various industries such as electronics, construction, aerospace, and defence are boosting the usage. Additionally, for the period between April 2024 to October 2024, production of lead grew by 3.1% y-o-y.

2.5 Trend in Exports and Imports of Lead in India

Over more than 2000 thousand tonnes of refined lead metal are traded annually. Out of the total country-wise exports from India of refined lead to the world, India exported about 49.2% share of export to Singapore during FY24, a significant increase from 3% in FY23 to FY24. The industrial sector in Singapore has seen a rise in demand for lead, particularly for use in batteries, electronics as well as other applications. The top three countries including Singapore, Korea Republic (South) and Thailand represented about 81% of India's lead exports during FY24, an increase from 64% during FY23.

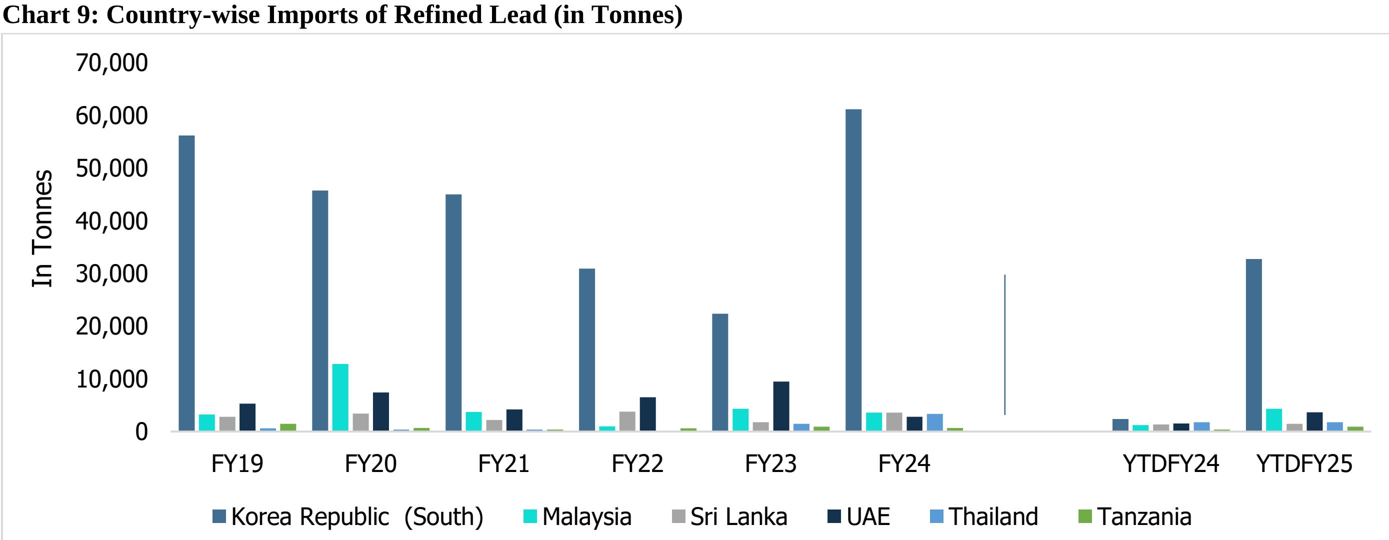
Chart 8: Country-wise Exports of Refined Lead (in Tonnes)



Source: CMIE
Note: YTD represents period between April to September

Similarly, exports of refined lead to Singapore increased by 108% during YTDFY25 (April-September) to 57,895 tonnes as against the corresponding period of FY24, followed by Vietnam with y-o-y increase of 60% and Korea Republic (South) with y-o-y increase of 42% and decline of 45% in exports to Thailand was offset by this increase.

Chart 9: Country-wise Imports of Refined Lead (in Tonnes)



Source: CMIE

Note: YTDFY25 (April-August)

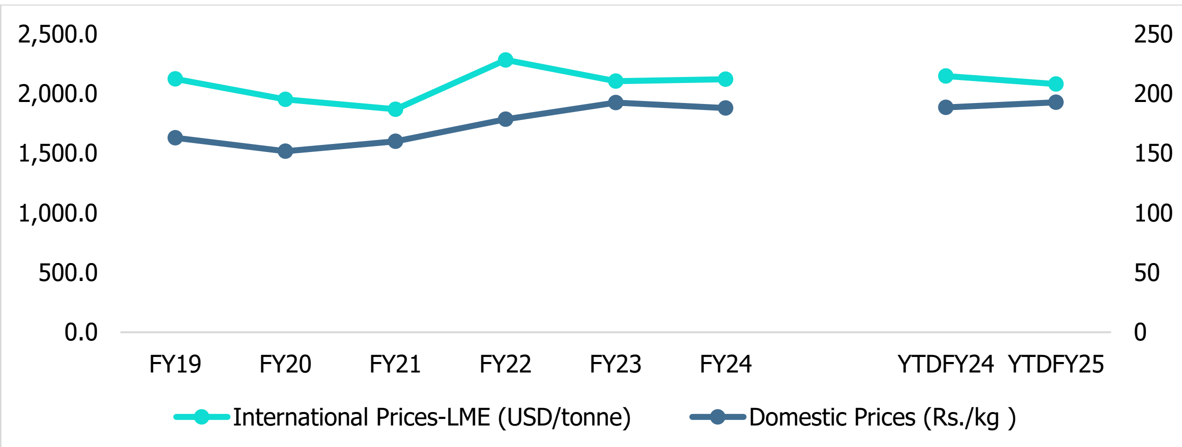
On imports front, 72% of total import was from Korean Republic (South) during FY24, a significant increase from 35% in FY23. The top three countries including Korea Republic (South), Malaysia and Sri Lanka dominated India's lead imports with 81% share in total import of FY24.

2.6 Price Trend (Global and India)

Prices exhibited a declining trend during the COVID-19 period, primarily due to low global demand driven by economic slowdown concerns. However, the prices started rising from December 2020 which averaged at USD 2,016 per tonne and further averaged at USD 2,397 per tonne in April 2022 along with fluctuations, due to reviving global demand post-COVID-19. Despite this, lead prices dropped to a low of USD 1,875 per tonne in September 2022, a 16.1% year-on-year decline, as rising COVID-19 cases and lockdowns in China, a major lead consumer, impacted demand.

Prices then began an upward trend in October 2022, reaching USD 2,213 per tonne by December 2022 as inventories in LME-registered warehouses hit multi-year lows. Additionally, global production fell as smelters, particularly in Europe, reduced output due to a sharp increase in energy costs stemming from geopolitical tensions between Russia and Ukraine.

Chart 10: International and Domestic Price Movement in Lead Trends-Annually



Source: CMIE

Note: YTD represents period between April to November

As of March 2024, the lead prices have stood at USD 2,057 per tonne, a decrease of 2.7% y-o-y. Lead prices have begun to rise post March 2024, recorded highest during May 2024 at USD 2,221 (6.4% growth on y-o-y basis) and started to decline thereafter. Changes in mining operations, particularly for metals like zinc and silver from which lead is often a by-product, have also impacted the supply. Macroeconomic factors, including uncertainties in major economies like China, have influence lead prices in 2024. These uncertainties can affect industrial demand for lead, especially in sectors like automotive and electronics. On the other hand, domestic prices also register a similar trend.

3 Global Lead Recycling Market

3.1 Overview of the Industry

Lead recycling is an essential process that focuses on recovering lead from used products and materials to reduce waste and minimize environmental impact. Key sources for recycling include lead-acid batteries, old construction materials like pipes and roofing, and electronic components. The recycling process typically involves several steps: collecting lead-containing items, sorting them to separate lead from other materials, and then smelting the lead at high temperatures to extract it. This reclaimed lead is refined to meet industry standards for reuse in new products, such as car batteries, bullets, and architectural components.

One of the main techniques used in lead recycling is secondary smelting, which allows manufacturers to reuse lead without the need for new extraction, thereby lowering costs and reducing the environmental impact of mining. Another method, known as tertiary recycling, involves shredding and separating lead into component parts for more specialized applications.

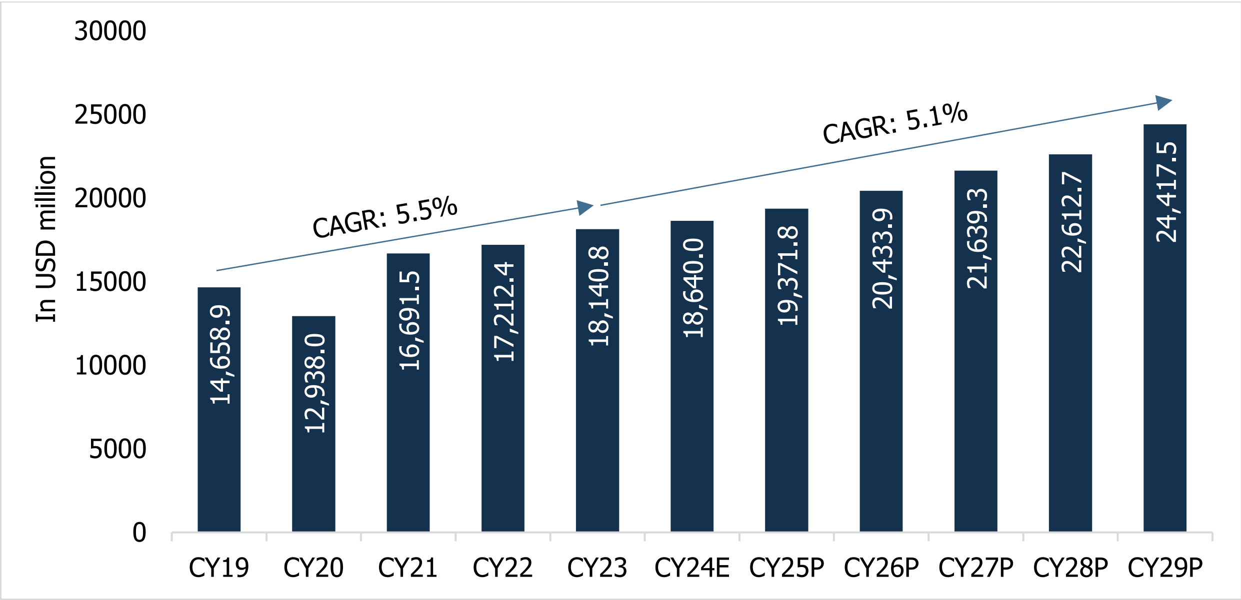
Given lead's toxicity and durability, it can remain in the environment for thousands of years, posing significant risks to human health and ecosystems. Recycling helps mitigate these risks by reducing toxic waste and preventing hazardous lead from contaminating waterways, which can harm wildlife and communities. While lead recycling offers substantial benefits—such as environmental protection, resource conservation, and job creation—it is heavily regulated due to the hazardous nature of lead. Challenges like contamination and market price fluctuations can affect recycling operations. Nevertheless, advancements in technology and heightened awareness of environmental issues are likely to improve recycling practices and regulations, making lead recycling a crucial component of sustainable resource management.

3.2 Global Market Size by Value (CY19-CY29)

The global lead recycling market has been growing in an upward trend, barring CY20 where it experienced a slight dip, since CY19. It has grown at a CAGR of 5.5% from CY19 to CY23. This growth can be attributed to the increasing reliance on recycled lead due to its cost-effectiveness and ease of production. Additionally, the rising regulatory challenges surrounding lead mining and the essential role of lead in energy storage, particularly in batteries, have further fuelled demand for recycled lead across various high-tech sectors.

The market is further projected to grow at a CAGR of 5.1% from CY23 to CY29. This is expected to be driven by the increasing demand for lead across diverse applications, including energy storage, transportation, and construction. The shift toward rechargeable batteries, particularly in electric vehicles, will further boost the market, as these batteries are more cost-effective and durable. Additionally, the regulatory pressures on lead mining and the inherent advantages of recycled lead, such as high recovery rates and ease of recycling, will continue to support industry expansion.

Chart 11: Global Market Size (By Value)



Source: MAIA, CareEdge Research; Note: E- Estimates, P- Projections, CY- Calendar Year

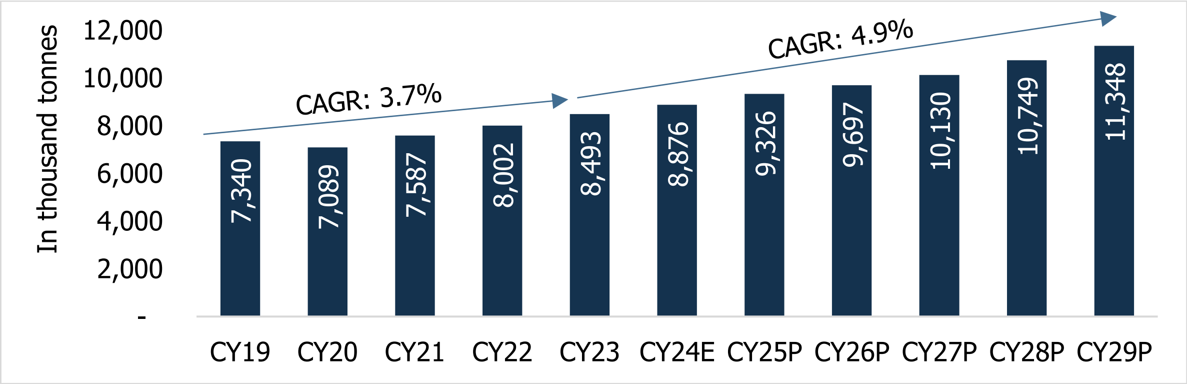
3.3 Demand and Supply of Recycled Lead

Demand of Recycled Lead

The demand for recycled lead has been growing in an upward trend, barring CY20 where it experienced a slight dip, since CY19, growing at a CAGR of 3.7%. As of CY23, demand for recycled lead stands at 8,493 thousand tonnes. The growing demand for electric vehicle batteries, which rely on lead-acid technology, is driving the market for recycled lead. As lead-acid batteries are highly recyclable, with up to 99% lead recovery, the shift towards EVs boosts demand for recycled lead, supporting sustainable resource management and reducing environmental impact.

The demand is projected to increase at a CAGR of 4.9% from CY23 to CY29, projected to reach 11,348 thousand tonnes by CY29. This demand is expected to be driven by the rising use of lead-acid batteries in electric vehicles (EVs), energy storage, and other industries. As EV adoption grows, so does the need for lead, with recycling offering a sustainable, cost-effective solution. Increasing regulation on lead extraction and the need for eco-friendly alternatives will further propel the recycled lead market.

Chart 12: Demand of Recycled Lead



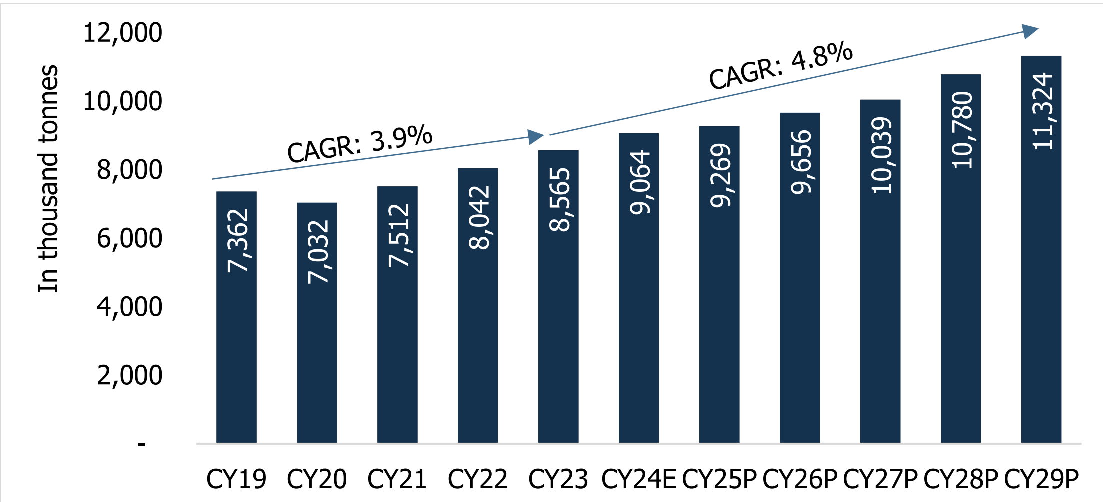
Source: MAIA, CareEdge Research; Note: E- Estimates, P- Projections, CY- Calendar Year

Supply of Recycled Lead

The supply for recycled lead has been growing in an upward trend, barring CY20 where it experienced a slight dip, since CY19, growing at a CAGR of 3.9%. As of CY23, demand for recycled lead stands at 8,565 thousand tonnes. The supply of recycled lead has been driven by the widespread use of lead-acid batteries, especially in the automotive industry. High recycling rates, with up to 99% lead recovery, and established recycling infrastructure have ensured a steady supply of lead from used batteries for industrial use.

The supply is projected to increase at a CAGR of 4.8% from CY23 to CY29, projected to reach 11,324 thousand tonnes by CY29. This will be driven by the growing demand for lead-acid batteries in electric vehicles (EVs) and advancements in battery recycling. Stricter mining regulations and a push for sustainable materials will make recycled lead increasingly valuable, supported by improved recycling technologies and expanding global infrastructure.

Chart 13: Supply of Recycled Lead



Source: MAIA, CareEdge Research; Note: E- Estimates, P- Projections, CY- Calendar Year

3.4 Region Wise Demand of Recycled Lead

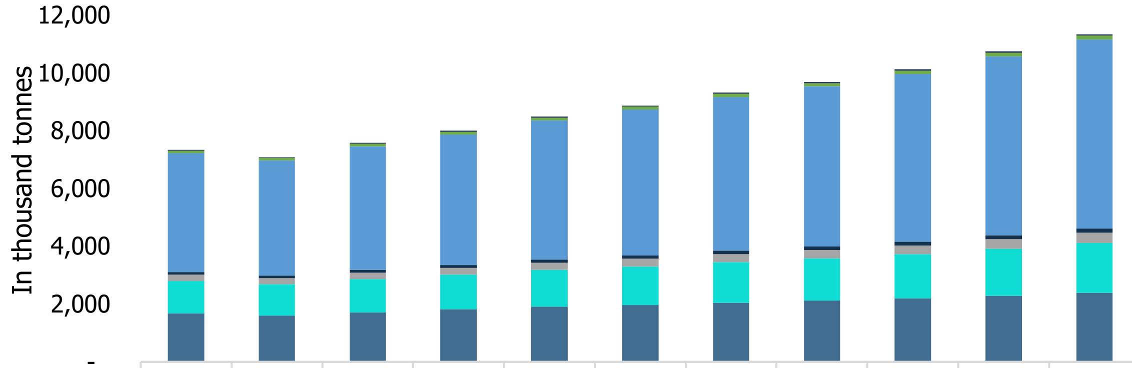
As of CY23, Asia-Pacific (APAC) holds the highest share by demand of 56.8%. This is followed by North America and Europe with shares of 22.6% and 14.9% respectively. The demand for recycled lead in Asia-Pacific is driven by rapid industrialization, urbanization, and strong environmental regulations. As industries like automotive, construction, and electronics expand, the region's growing population generates significant amounts of lead-containing waste. Stringent environmental laws and increased sustainability awareness further push the region's focus on recycling, making it a key driver for the recycled lead market.

In North America, the demand for recycled lead is propelled by the automotive industry's growing shift towards electric vehicles and the continued reliance on lead-acid batteries. The region's focus on sustainability, coupled with advancements in recycling technologies, is increasing the recovery rate of lead from used batteries and other scrap materials. As regulatory pressures around environmental impact rise, the demand for recycled lead is expected to continue expanding.

Europe is a leader in recycling, with over 95% of lead recycled, largely driven by a mature market for lead-acid batteries. Strong regulatory frameworks and environmental policies encourage the recycling of lead across various sectors, including automotive and construction. Increasing consumer demand for sustainable materials and technological advancements in recycling processes are expected to further boost the region's recycled lead market in the coming years.

The demand for recycled lead is set to continue rising globally, with key drivers including industrial growth, regulatory support, and technological advancements. Each region, particularly Asia-Pacific, Europe, and North America, is aligning its growth strategies with sustainability and resource efficiency, ensuring a robust future for the recycled lead market.

Chart 14: Global Lead Recycling Demand by Region



	CY19	CY20	CY21	CY22	CY23	CY24E	CY25P	CY26P	CY27P	CY28P	CY29P
Others	31	30	33	35	38	40	43	45	48	51	55
Africa	79	78	86	89	92	99	106	109	111	121	131
APAC	4,125	3,996	4,285	4,531	4,824	5,056	5,323	5,549	5,815	6,189	6,547
Middle East	87	87	94	97	104	111	119	120	127	138	148
South America	217	215	225	234	253	272	280	286	305	333	344
Europe	1,117	1,076	1,146	1,198	1,265	1,333	1,407	1,468	1,526	1,632	1,732
North America	1,684	1,608	1,718	1,819	1,917	1,966	2,047	2,119	2,199	2,286	2,391

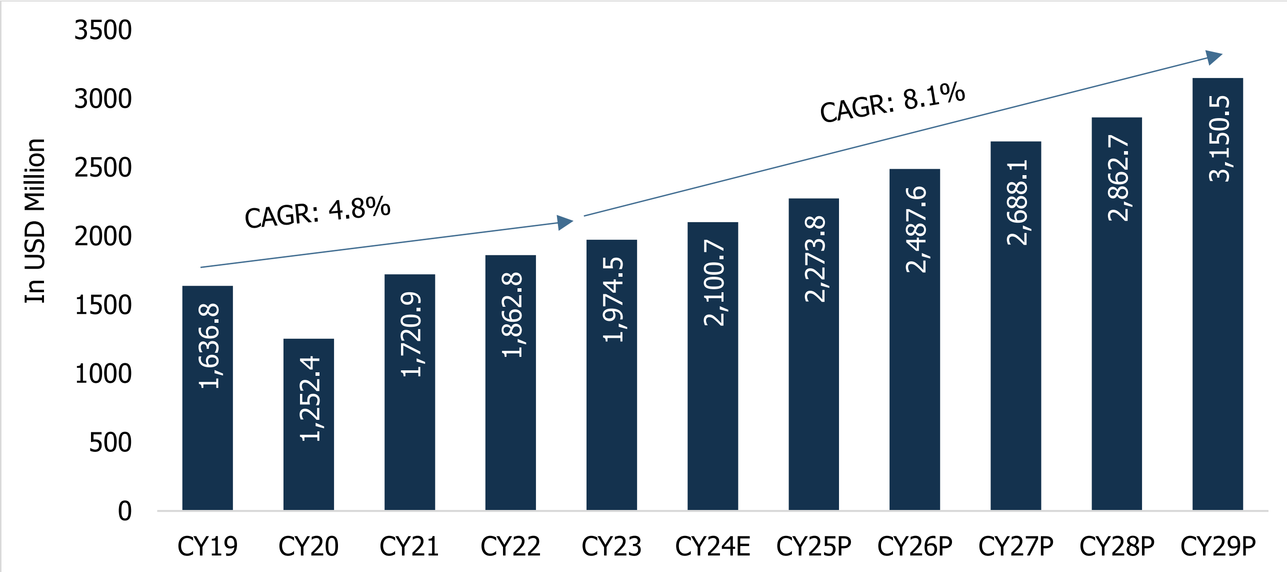
Source: MAIA, CareEdge Research; Note: E- Estimates, P- Projections, CY- Calendar Year

3.5 Size of the Market in India and Outlook – CY19 to CY29P (Volume and Value Terms)

By value, India's lead recycling market has grown by a CAGR of 4.8% during CY19 to CY23, reaching market value of USD 1,974.5 million in CY23. The market is projected to reach value of USD 3,150.5 million by CY29 growing at a CAGR of 8.1% from CY23 to CY29. In volume terms, the market grew by a CAGR of 2.9% from CY19 to CY23, standing at 1,059 thousand tonnes in CY23. The market is projected to reach volume of 1,676 thousand tonnes by CY29 growing at a CAGR of 8% from CY23 to CY29.

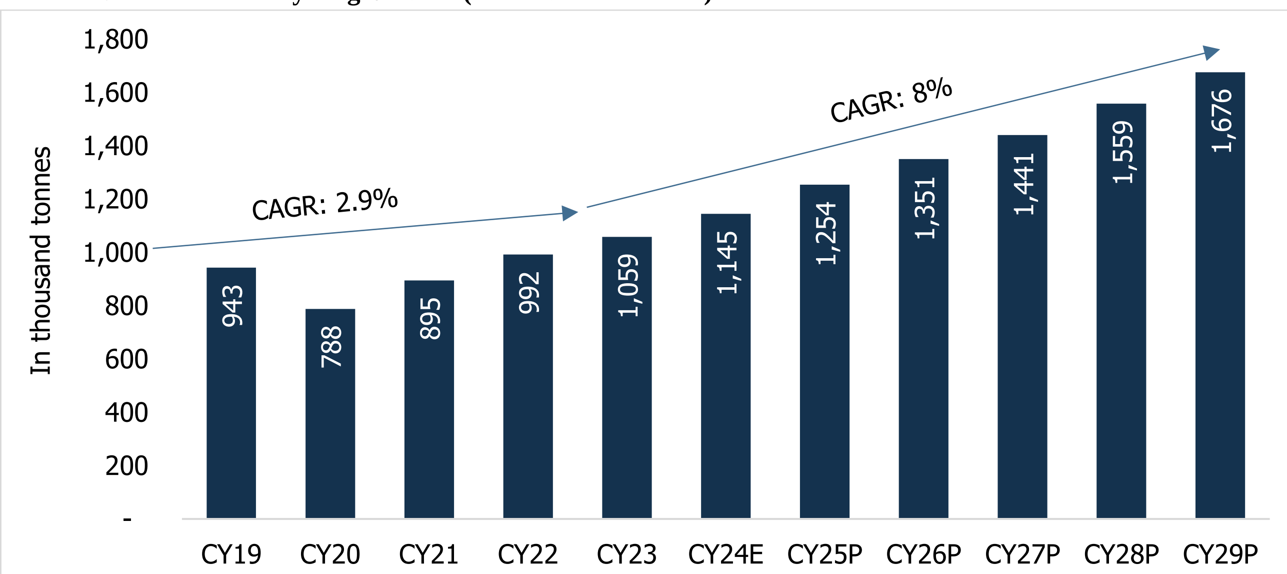
The lead recycling market in India has seen steady growth, driven by increasing industrial demand and rising awareness of environmental sustainability. Historically, India has been a major player in recycling lead, particularly from lead-acid batteries used in the automotive and energy sectors. In recent years, advancements in recycling technologies and stricter regulations on lead disposal have enhanced the efficiency of lead recovery, further boosting market growth. The market size, both in value and volume, has expanded as India focuses on sustainable practices and resource conservation. Looking forward, the demand for recycled lead is expected to grow, supported by the transition to electric vehicles and the increasing need for sustainable materials in various industries.

Chart 15: India Lead Recycling Value (in USD Million)



Source: MAIA, CareEdge Research; Note: E- Estimates, P- Projections, CY- Calendar Year

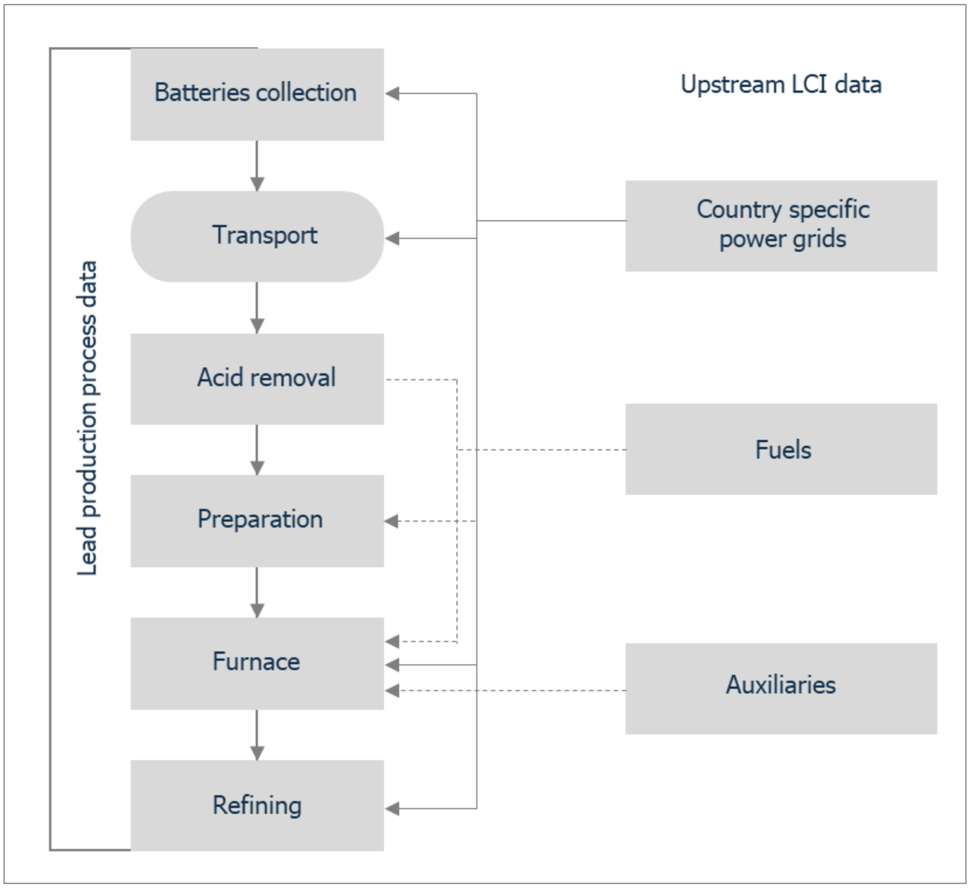
Chart 16: India Lead Recycling Volume (in Thousand Tonnes)



Source: MAIA, CareEdge Research; Note: E- Estimates, P- Projections, CY- Calendar Year

3.6 Life Cycle Analysis of Lead

Figure 1: Life Cycle Analysis of Lead



Source: MAIA, CareEdge Research

3.7 Overview of End User Market

The growing emphasis on sustainability and resource conservation has positioned recycled lead as a key material across various industries. In the automotive sector, recycled lead is crucial for manufacturing lead-acid batteries used in traditional vehicles and electric vehicles (EVs). The telecom industry relies on recycled lead for backup power systems in data centers and communication networks. In transportation, lead is used in battery-powered vehicles and for energy storage in renewable energy applications. Recycled lead also finds applications in residential and industrial sectors, particularly in the production of batteries, roofing materials, and radiation shielding. The renewable energy sector uses recycled lead in energy storage systems, supporting the transition to cleaner, more efficient energy solutions.

Based on end-user industry, the recycled lead market is segmented into automotive, telecom, transportation, residential and industrial, renewable machinery, and others. As of CY23, Automotive Industry holds the highest share, by market value, of 45.3%. The automotive industry consumed recycled lead worth USD 8,214.5 million in CY23. This is expected to increase at a CAGR of 4.9%, from CY23 to CY29, to USD 10,967 million by CY29. Recycled lead is essential in the automotive industry, particularly for the production of lead-acid batteries used in both traditional and electric vehicles (EVs). These batteries provide reliable power for vehicle operations and start-up systems, with recycled lead offering a cost-effective and environmentally friendly solution. As the EV market expands, the demand for recycled lead in automotive applications continues to grow.

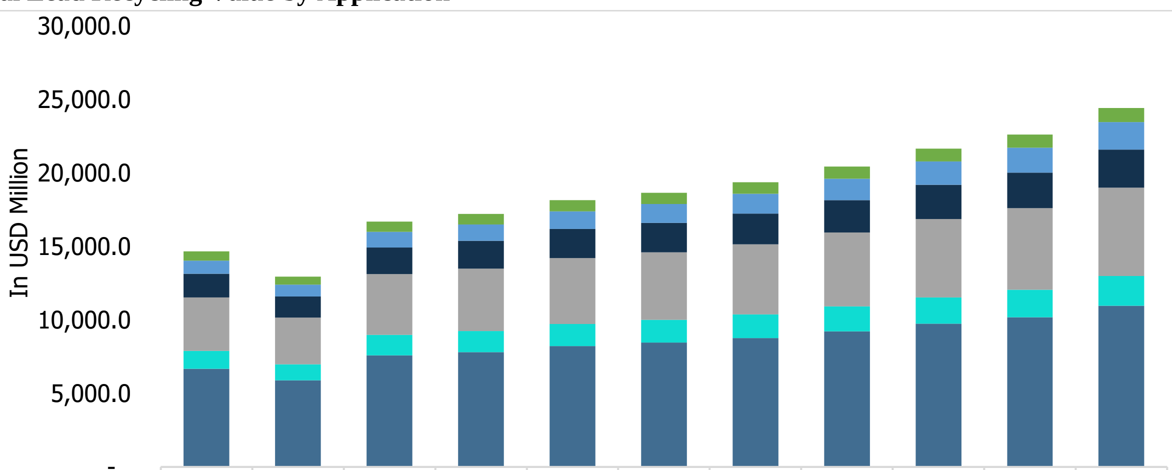
In the telecom industry, recycled lead is used in backup power systems, particularly in lead-acid batteries that support telecom towers and data centers. These batteries ensure a continuous power supply during outages, which is crucial for maintaining communication networks and data transmission. The use of recycled lead helps reduce environmental impact while meeting the growing demand for telecom services. The telecom industry consumed recycled lead worth USD 1,505.9 million in CY23. Demand for recycled lead in the telecom industry is projected to increase at a CAGR of 4.9%, from CY23 to CY29, reaching market value of USD 2,010 million by CY29.

The transportation sector relies on recycled lead for the production of lead-acid batteries used in a variety of applications, including electric vehicles (EVs), buses, and trucks. These batteries are critical for providing reliable energy storage, supporting the shift toward cleaner transportation solutions. With the rise of EVs, the role of recycled lead in transportation continues to expand, contributing to sustainability goals. The transportation industry consumed recycled lead worth USD 4,490.1 million in CY23. Demand for recycled lead in the transportation industry is projected to increase at a CAGR of 5%, from CY23 to CY29, reaching market value of USD 6,016.9 million by CY29.

Recycled lead is used in both residential and industrial sectors, particularly in lead-acid batteries for backup power and lighting systems. In the industrial sector, it is also utilized in the production of radiation shielding materials and safety equipment. Recycled lead offers a cost-effective and environmentally responsible alternative to primary lead, supporting energy storage and safety applications in various industries. The residential and industrial sectors consumed recycled lead worth USD 1,968.5 million in CY23. Demand for recycled lead in the residential and industrial sectors is projected to increase at a CAGR of 4.6%, from CY23 to CY29, reaching market value of USD 2,584.1 million by CY29.

In the renewable energy industry, recycled lead is used in energy storage systems, especially lead-acid batteries, which store electricity generated by solar and wind energy. These batteries play a crucial role in stabilizing energy supply and improving the efficiency of renewable energy sources. The use of recycled lead reduces the environmental impact of battery production, aligning with sustainability goals in the energy sector. The renewable energy industry consumed recycled lead worth USD 1,208.7 million in CY23. Demand for recycled lead in the transportation industry is projected to increase at a CAGR of 7.6%, from CY23 to CY29, reaching market value of USD 1,871.7 million by CY29.

Chart 17: Global Lead Recycling Value by Application



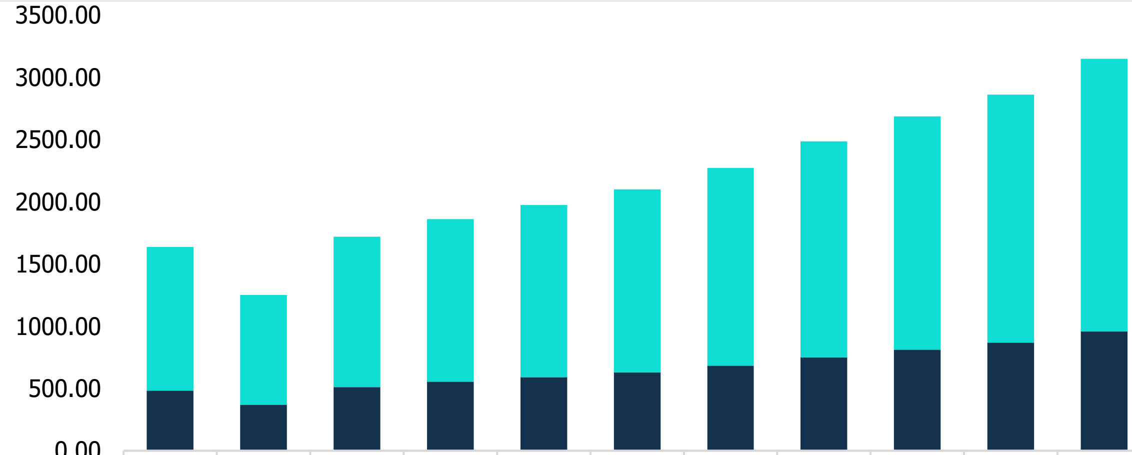
	CY19	CY20	CY21	CY22	CY23	CY24E	CY25P	CY26P	CY27P	CY28P	CY29P
Others	627.4	548.9	703.2	719.7	753.1	767.0	791.7	828.8	871.3	902.5	967.9
Renewable Energy	888.5	802.6	1,058.8	1,120.9	1,208.7	1,271.1	1,350.8	1,462.8	1,585.0	1,695.1	1,871.7
Residential and Industrial	1,614.4	1,419.5	1,819.6	1,881.5	1,968.5	2,015.0	2,080.7	2,200.9	2,313.6	2,408.5	2,584.1
Transportation	3,634.1	3,192.0	4,126.4	4,244.8	4,490.1	4,591.3	4,781.2	5,031.1	5,347.4	5,560.8	6,016.9
Telecom	1,222.9	1,072.7	1,387.6	1,437.5	1,505.9	1,537.9	1,602.5	1,698.1	1,787.5	1,856.5	2,010.0
Automotive	6,671.6	5,902.4	7,596.0	7,808.0	8,214.5	8,457.8	8,764.9	9,212.2	9,734.5	10,189.	10,967.

Source: MAIA, CareEdge Research; Note: E- Estimates, P- Projections, CY- Calendar Year

3.8 Organised vs Unorganised Market of Lead Recycling in India

In India, the lead recycling industry is split between the organised and unorganised sectors, with the latter dominating the market. The organised sector is compliant with stringent environmental regulations and safety standards, ensuring higher efficiency, better recovery rates, and minimal emissions during the recycling process. Batteries in the organised market are collected through defined channels, including registered producers, battery aggregators, and manufacturers who follow legal guidelines for disposal and recycling. However, despite its advantages, the organised sector remains relatively small in India, accounting for a smaller share of the total lead recycling market. The unorganised sector, on the other hand, is more prevalent, driven by informal scrap dealers and smelters who collect batteries through itinerant collectors (Kabadiwalas). This sector benefits from lower operational costs and higher collection volumes, as it avoids compliance expenses and regulatory restrictions. While the organised market is growing due to increasing regulatory pressures, the unorganised sector continues to hold a significant market share, highlighting the challenges of scaling up formal recycling operations in India. As of CY23, the organized market holds market share of 29.9% while the unorganized market holds market share of 70.1%. It is projected that the share of organized market will increase at a CAGR of 8.4% from CY23 to CY29, while for unorganized market, it will increase at a CAGR of 8% over the same time period.

Chart 18: Organised vs Unorganised Market of Lead Recycling (In value terms)



	CY19	CY20	CY21	CY22	CY23	CY24E	CY25P	CY26P	CY27P	CY28P	CY29P
Unorganised Market	1153.06	881.45	1209.78	1308.19	1384.30	1471.09	1590.75	1737.53	1875.93	1994.72	2192.72
Organised Market	483.79	370.99	511.13	554.57	590.20	629.60	683.09	750.03	812.12	868.02	957.80

Source: MAIA, CareEdge Research; Note: E- Estimates, P- Projections, CY- Calendar Year

3.9 IC Engine vs EV Engine in India

In India, the automotive industry is witnessing a shift from traditional internal combustion (IC) engines to electric vehicle (EV) engines, driven by technological advancements and growing environmental concerns. IC engines, which operate by burning petrol or diesel to produce power, have been the standard for over a century. However, these engines are relatively inefficient, with a significant portion of energy lost as heat, and they generate harmful emissions, contributing to air pollution and climate change.

In contrast, EV engines run on electricity, which can be sourced from renewable energy, making them a cleaner alternative. EVs are more energy-efficient, with most of the energy converted into motion, and they produce fewer emissions. They also have fewer moving parts, resulting in lower maintenance costs compared to IC engines.

The adoption of EVs in India has been supported by government incentives and policy measures aimed at reducing emissions and promoting sustainable transportation. Although EVs still account for a small percentage of total vehicle sales in the country, the growing interest in EV engine conversion kits, which allow existing IC engine vehicles to be converted to electric power, reflects the increasing market potential. As EV technology continues to improve, the role of electric vehicles in India's automotive sector is expected to grow.

3.10 Key Demand Drivers in the Industry

1. **Increasing Adoption of Electric Vehicles (EVs):** The rise in electric vehicle adoption, particularly in emerging markets, has significantly boosted the demand for lead-acid batteries. As lead plays a crucial role in EV battery production, the growing shift to electric vehicles directly drives the need for recycled lead, enabling sustainable battery production.

2. **Environmental Regulations and Sustainability Goals:** Stricter environmental regulations and global sustainability targets are encouraging the adoption of recycled lead across industries. The recycling process reduces environmental damage associated with lead mining, and compliance with green regulations boosts the demand for recycled lead as a more sustainable resource.

3. **Rising Demand for Lead-Acid Batteries:** Lead-acid batteries are widely used in automotive, telecommunications, and energy storage sectors. The increasing demand for these batteries—especially in renewable energy applications and off-grid energy storage solutions—has created a substantial need for recycled lead, which helps meet production needs more sustainably.

4. **Economic Benefits of Recycling:** Recycling lead is more energy-efficient and cost-effective compared to primary lead production from ores. The reduced energy consumption and lower costs associated with recycled lead provide a competitive edge for industries, making it an attractive material for manufacturers across various sectors.

5. **Circular Economy and Resource Efficiency:** The growing emphasis on the circular economy, which focuses on reusing materials and minimizing waste, has accelerated the adoption of lead recycling. Recycling helps reduce dependence on finite natural resources, promotes resource efficiency, and contributes to a sustainable supply chain for industries reliant on lead.

6. **Technological Advancements in Recycling:** Advancements in recycling technologies, such as improved separation processes and automated systems, have made lead recycling more efficient and cost-effective. These innovations allow for higher recovery rates and better quality of recycled lead, driving the industry's growth and increasing its market share.

3.11 Challenges faced by the Industry

1. **Lack of Infrastructure:** The absence of adequate infrastructure for collecting, sorting, and processing lead-containing products hampers the lead recycling industry. Limited recycling facilities and inefficient processing technologies result in lower recovery rates and increased costs. Without specialized equipment for safely extracting lead, recycling processes become slow and ineffective, reducing the overall supply of recycled lead. Additionally, the lack of proper environmental control systems raises concerns over contamination and hinders investments in new recycling plants, stifling the industry's growth potential.

2. **Health and Environmental Risks:** Lead recycling poses significant environmental and health risks, both for workers and surrounding communities. The exposure to toxic lead particles during handling, processing, and disposal can lead to severe health issues, including lead poisoning. Poorly managed recycling facilities without adequate pollution control can lead to soil, air, and water contamination. These risks, combined with insufficient safety regulations and enforcement, create major barriers to the growth of the recycled lead market and contribute to public reluctance to support the industry.

3. **Regulatory and Compliance Issues:** The lead recycling industry is often burdened by complex and stringent regulations, particularly around safety, environmental impact, and waste disposal. In regions with inadequate regulatory frameworks or enforcement, informal and unsafe recycling practices may proliferate. This not only reduces the quality and efficiency of recycled lead but also impedes legitimate industry players who must navigate burdensome compliance requirements.

Inconsistent policies across regions can also lead to market fragmentation, making it harder to achieve economies of scale and invest in technology.

4. **Fluctuating Lead Prices and Market Demand:** The recycled lead market is highly susceptible to fluctuations in lead prices, which are influenced by global supply and demand dynamics. When primary lead prices are low, the economic incentive to recycle lead diminishes, making it less attractive for recyclers to invest in processing operations. This volatility in lead prices can also impact the profitability of recycling operations and reduce the overall supply of recycled lead available in the market. Consequently, fluctuations in demand for lead-based products, such as batteries and electronics, also directly affect recycling activity.

5. **Limited Consumer Awareness and Participation:** A lack of awareness about the benefits of lead recycling among consumers and industries limits the amount of lead waste that enters the recycling stream. Without sufficient consumer participation in recycling programs, a significant volume of lead-containing products may end up in landfills instead of being processed for reuse. Increasing education and outreach efforts to raise awareness about the environmental and economic advantages of recycling lead is crucial to ensuring a steady supply of recyclable material and driving industry growth.

3.12 Government Policies and Regulations/Initiatives

1. **Battery Waste Management Rules, 2022 (Amendment 2024):** The Battery Waste Management Rules, 2022, implemented by the Ministry of Environment, Forest and Climate Change (MoEFCC), regulate the collection, recycling, and disposal of used batteries, including lead-acid batteries. The amendment introduced in June 2024 emphasizes **Extended Producer Responsibility (EPR)**, requiring battery producers to ensure the collection and recycling of waste batteries. It also sets phased targets for using recycled materials in new batteries, driving the adoption of sustainable practices.

2. **Standard Operating Procedure (SOP) for Lead Recycling:** The Central Pollution Control Board (CPCB), under the MoEFCC, has set guidelines for the safe recycling of used lead-acid batteries. The SOP includes detailed protocols for transportation, packaging, and the operation of recycling facilities, requiring compliance with environmental and safety standards. It also mandates the use of advanced pollution control systems, such as air and water filtration, to minimize environmental risks associated with lead recycling.

3. **Polluter Pays Principle:** Under the Polluter Pays Principle, introduced in India’s waste management regulations, entities involved in the improper handling of lead waste are held financially responsible for any environmental harm. This principle encourages recycling companies to adopt best practices and invest in pollution control measures to avoid liabilities, ensuring a cleaner and safer recycling process.

4. **Environmental Clearance for Recycling Plants:** Lead recycling plants in India are required to obtain environmental clearance from the State Pollution Control Boards (SPCBs). This clearance ensures that recycling operations adhere to stringent environmental regulations, including limits on emissions, water discharge, and waste management. It guarantees that lead recycling facilities operate in compliance with national environmental standards, promoting sustainable and safe recycling practices.

4 Copper Industry

4.1 Overview of the Industry

Copper is primarily used in sectors such as building and construction, infrastructure, consumer durables, electricals, and telecommunications. Its use is also expanding into other sectors, including e-mobility (mainly electric vehicles and metros), renewable energy, and engineering goods. The copper manufacturing process includes several stages, such as mining, grinding and crushing, concentration, smelting, and refining.

Additionally, copper is cast into various forms, including rods, bars, and wires. Gold is a by-product obtained from the mining and production of copper. In 2022, global per capita copper consumption was approximately 3.3 kg, while India's per capita consumption was around 0.6 kg. This is expected to increase to 1 kg in the coming years, indicating India's large potential to increase its copper consumption.

4.1.1 Production and Consumption of Refined Copper

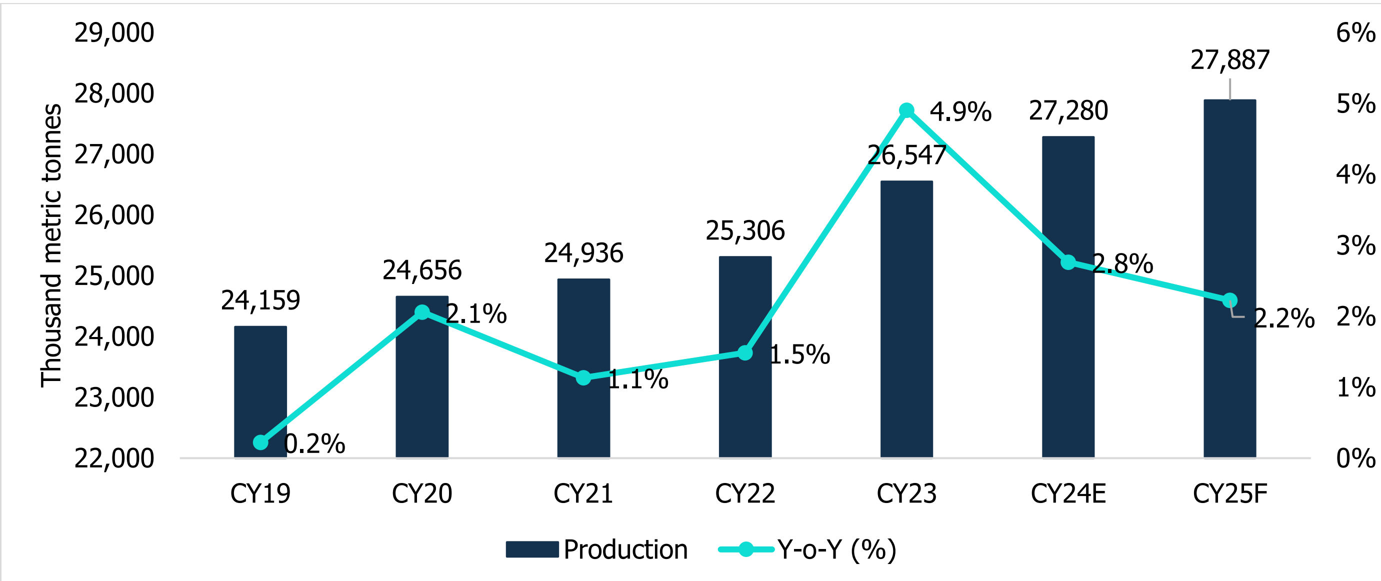
4.1.2 Global Refined Copper

Production

The global refined copper production grew at a CAGR of about 2.4% during the period CY19 to CY23 on account of rising industrial demand, especially from renewable energy and electric vehicles. The production was affected by Covid-19 pandemic and shutdown of plants in CY20. During CY21, the industrial activities started to begin in slow pace and the recovery continued till CY22 where the production stood at 25,306 thousand metric tonnes. Despite the supply chain disruptions and maintenance and temporary shutdown of mines and refineries across countries, the global copper industry witnessed a growth rate of nearly 5% in CY23 due to ongoing demand from end-user industries.
Moreover, the world copper refinery capacity utilization rate has been above 80% during all the years CY19-CY23.

Further, the production is expected to recover from a series of maintenance outages, accidents and operational issues that occurred in 2023 in several major producing countries including Chile, Japan, India, Indonesia and United States and is estimated to grow by 2.8% y-o-y in CY24. Additionally, primary electrolytic refined output is expected to contribute to the overall production and is projected to increase by 2.9% and electrowinning production by 0.5% in CY24. During CY25, the production will further grow by 2.2% y-o-y on account of continued expansion of electrolytic capacity and the ramp-up of new smelters/refineries in Indonesia and India.

Chart 19: Global Refined Copper Production

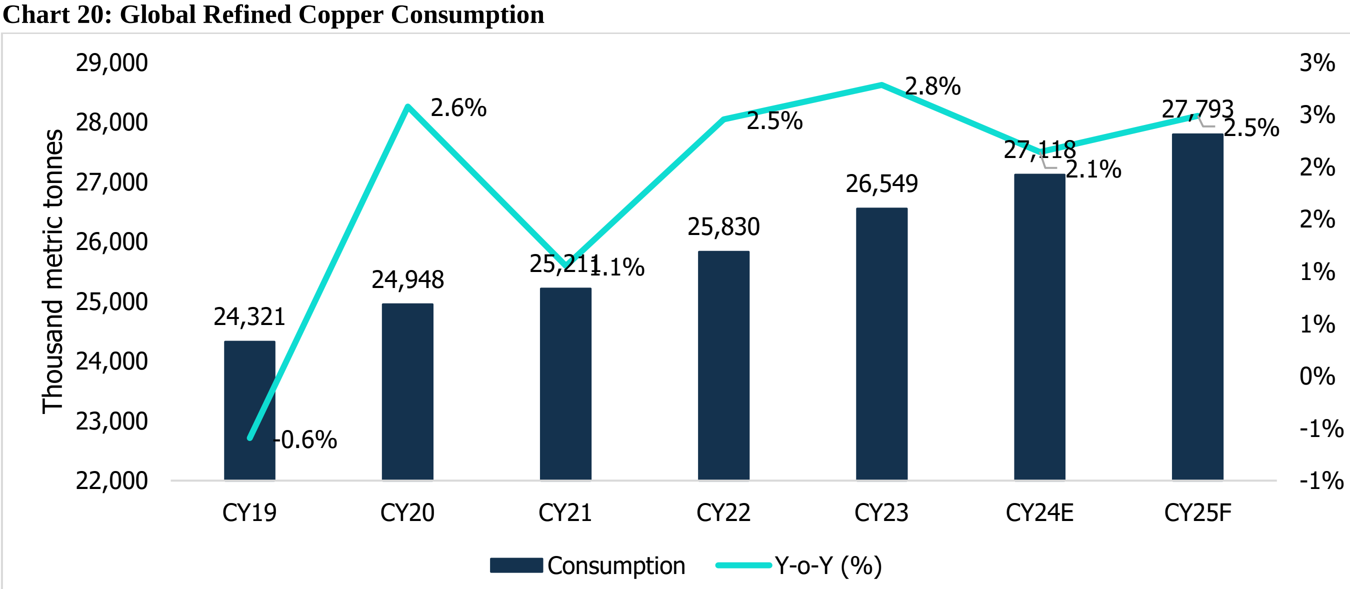


Source: International Copper Study Group (ICSG); 'E' denotes Estimates; 'F' denotes Forecast

Consumption

Global refined copper usage grew at a CAGR of approximately 2.2% during the period CY19, with steady demand from the building construction, transportation, and electrical sectors over recent years. Usage is expected to increase by 2.1% in CY24 and 2.5% in CY25, driven primarily by infrastructure development in developing countries and the transition toward cleaner energy and electric vehicles.

Chart 20: Global Refined Copper Consumption



Source: International Copper Study Group (ICSG); 'E' denotes Estimates; 'F' denotes Forecast

4.1.3 Indian Refined Copper

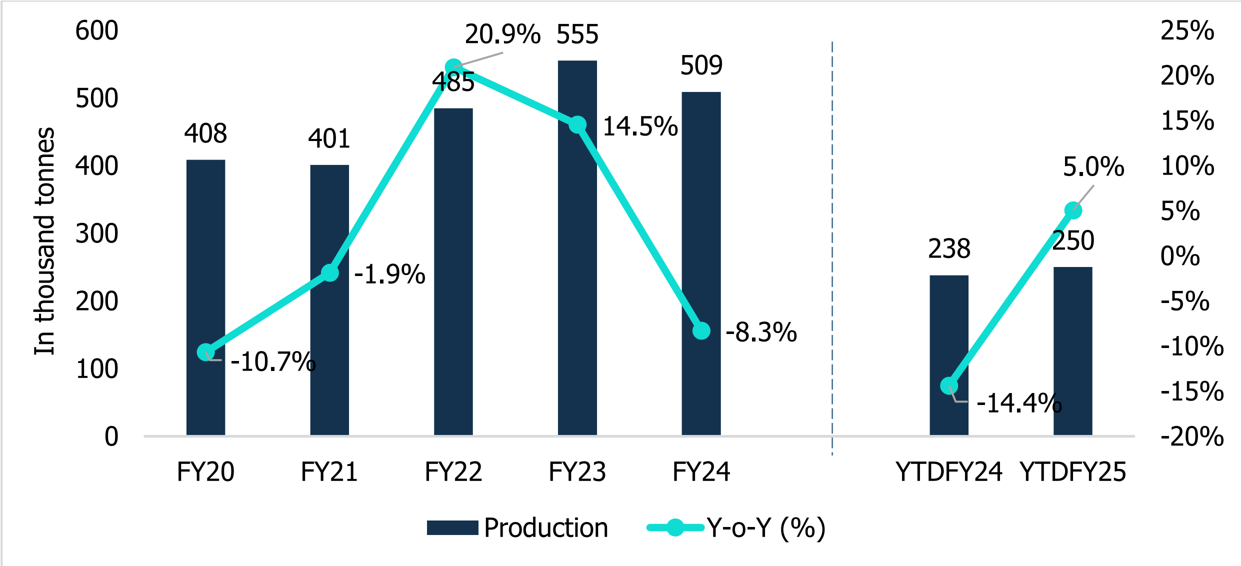
Production

The copper supply in the market was significantly impacted by the closure of Sterlite Copper's smelter in Thoothukudi due to environmental concerns, with production levels falling from 766 thousand tonnes in FY18 to 457 thousand tonnes in FY19.

Copper supply experienced a slight decline due to low domestic production from FY20 to FY21, primarily due to COVID-19. The outbreak had a significant impact on the market, causing many manufacturing plants to stall operations for several weeks, which reduced copper production. As lockdown restrictions eased, production gradually recovered, paving the way for a revival in copper output. Subsequent years saw a gradual increase, with supply growing at a CAGR of 17.7% from FY21 to FY23.

In FY24, refined copper production declined by around 8% on a year-on-year (y-o-y) basis to 509 thousand tonnes from 555 thousand tonnes the previous year, due to output drops at Hindalco Industries and Sterlite Industries, resulting from maintenance shutdowns and a shortage of blister copper in the global market, respectively. Additionally, as of YTDFY25, refined copper production grew by 5% y-o-y.

Chart 21: Production of Refined Copper in India



Source: CMIE
Note: YTD refers to the period between April to September

Consumption

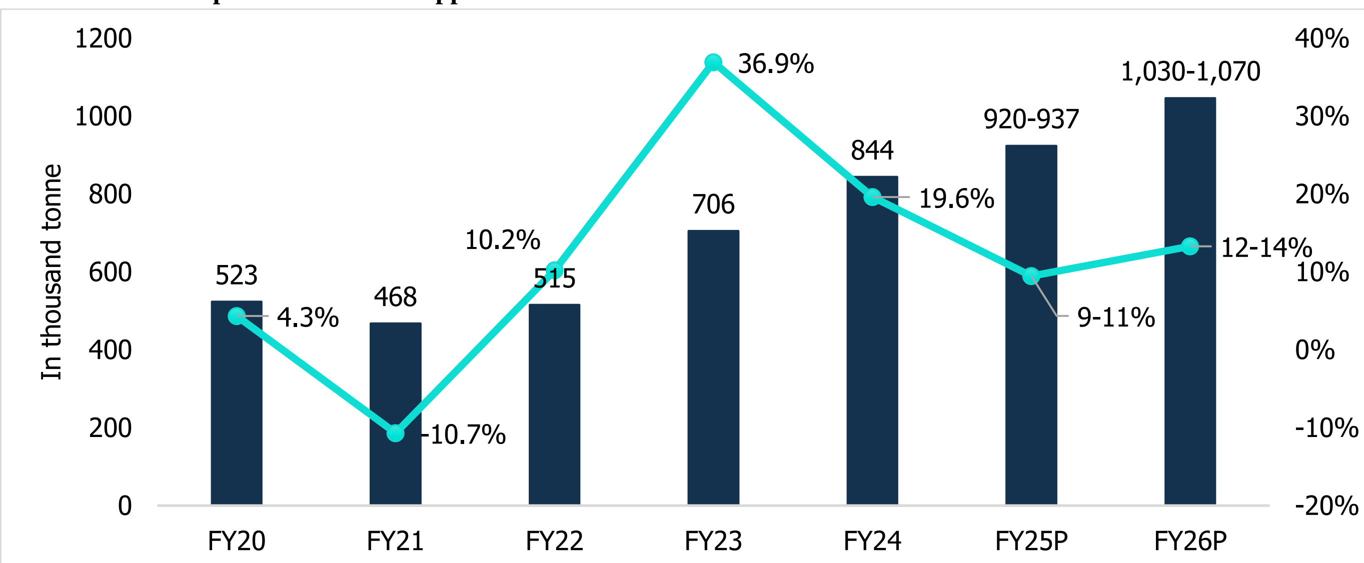
Refined copper accounts for a significant portion of domestic copper consumption, meeting a substantial portion of the demand. This refined form is derived through the processes of refining and smelting, which transform copper concentrate into its purified state.

The demand for copper has grown by a CAGR of about 12.7% during the period FY20 to FY24 on account of robust demand in the end-user segments such as power, consumer durables and automobile sectors.

The industry has witnessed a decline of 10.7% y-o-y from 523 thousand tonnes in FY20 to 468 thousand tonnes in FY21 due to the Covid-19 pandemic which led to lockdown and restrictions in the country. As a result, the industrial activities got stalled. However, the demand picked up in FY22 by 10.2% y-o-y on account of revival in automobile production. During FY23, the copper consumption grew to 706 thousand tonnes, a growth rate of about 36.9% on a y-o-y due to strong demand from infrastructure and auto sectors. In addition to that, the capacity additions in power sector, driven by renewable energy also led to rise in growth.

Moreover, during FY24, it further grew by 19.6% to 844 thousand tonnes as compared to previous year. This is mainly due to development in infrastructural activities and the rising demand from the real estate, consumer durables and automobile (Especially Electric vehicles (EVs)) sectors.

Chart 22: Consumption of Refined Copper in India



Source: CMIE;
Note: 'P' denotes Projected

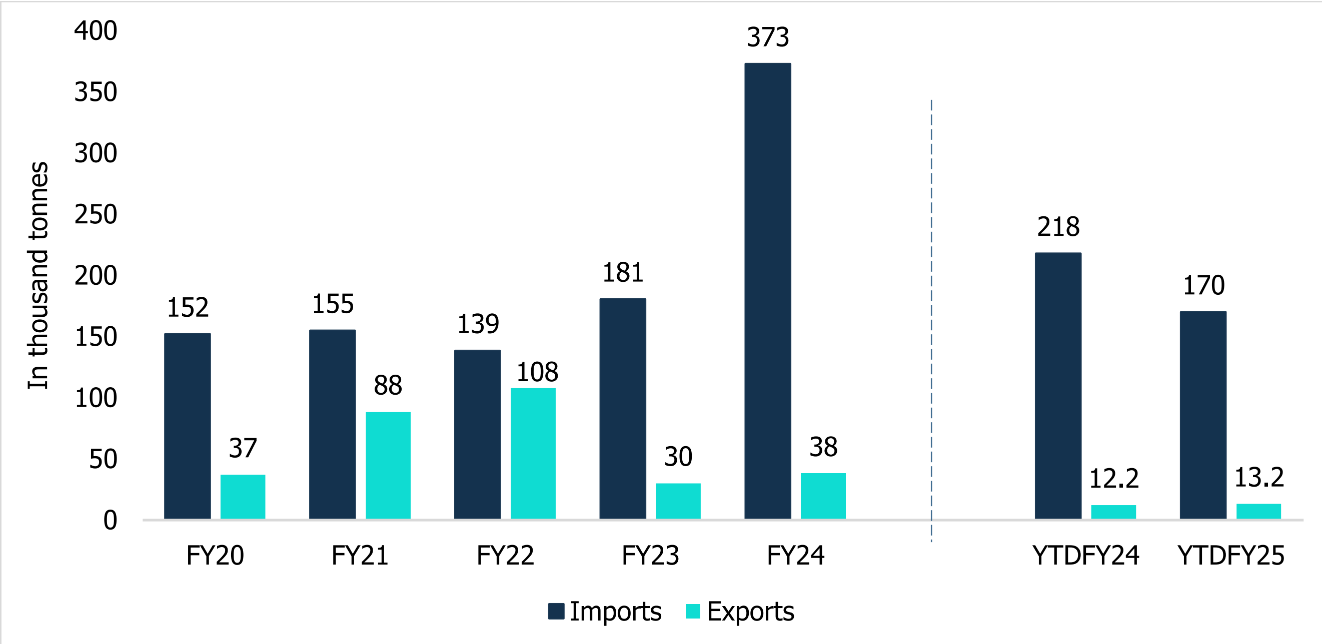
4.2 Trends in Exports and Imports of Refined Copper in India

India was previously a net exporter of copper. However, the shutdown of the plant located at Tuticorin in Tamil Nadu by Sterlite Industries in 2018 has resulted in India becoming a net importer of copper since FY19. The refined copper exports recovered in FY21 and grew by 139%, followed by a 22% increase in FY22. This surge is attributed to shipments to China, comprising a significant share (of around 89% in FY22) in copper exports from India, which further increased by 146% in FY21 and 10% in FY22 on a y-o-y basis. The Chinese export growth was driven by reviving demands post-COVID-19 and reduced production in China to lower carbon emissions.

The shipments fell by 72% y-o-y in FY23 after witnessing an increase in the last two consecutive years. Also, the exports declined due to the surging COVID-19 in China and the subsequent restrictions & lockdowns which led to a slowdown in the country's demand for copper. During FY24, exports of refined copper have increased by 26% y-o-y. However, the demand in China remains subdued. Additionally, during YTDFY25 (April 2024-September 2024), exports of refined copper have grown at 8.2%.

On the other hand, the refined copper imports have grown significantly by 106% in FY24 as compared to previous year. The rise in inbound shipments is merely to cater to the rising domestic demand in the country. The industry will continue to remain a net-importer due to country's low production and increasing demand for the metal. However, during YTDFY25 (April 2024-September 2024), imports of refined copper have declined by 22% y-o-y.

Chart 23: Imports and Exports of Copper



Source: CMIE
Note: YTD refers to the period between April to September

India also exports copper scrap which is used in wide range of applications due to its outstanding properties and recyclability. It is used in electronic devices, electric wiring, cables, plumbing, heat exchangers, piping, coils, medical equipment and other applications. Copper scrap is essential for producing secondary copper, leading India to heavily import copper scrap.

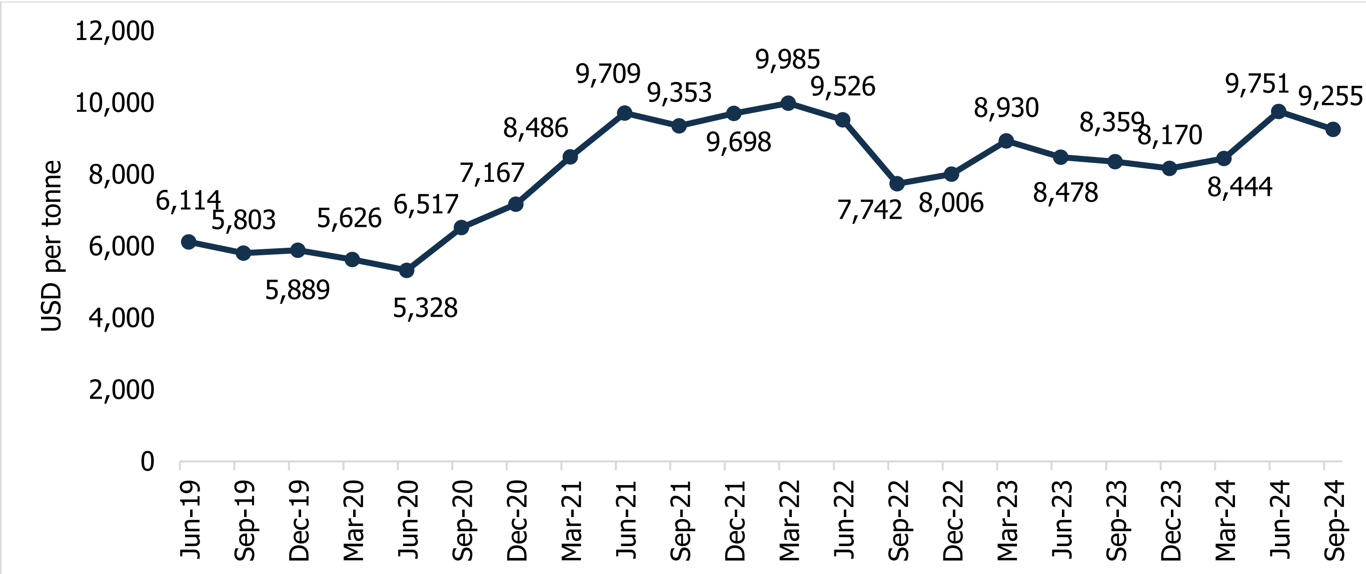
4.3 Price Trend in Refined Copper

The average price of copper increased by 40.9% y-o-y in FY22 rising to USD 9,686 per tonne from the average of USD 6,875 per tonne in FY21. Whereas copper prices peaked in March 2022 at USD 9,985 per tonne, an increase of 17.7% over the previous year. This surge in prices was mainly due to tight supplies from major producers like Chile and Peru, low global inventories amid reviving economic activities after the easing of restrictions, and a shift toward electric vehicle usage.

During FY23, the prices witnessed a downward trend from July 2022 and reached USD 7,742 per tonne in September 2022. However, they began to rise in the later months of the fiscal and reached an average of USD 8,930 per tonne by the end of March 2023. The copper prices averaged USD 8,551 per tonne in FY23, a decline of 11.7% over the previous year. This decline was mainly on account of weak global demand from countries such as China, the US, and European nations. Moreover, copper prices have further declined in June 2023 and stood at USD 8,478 per tonne and remained range-bound till March 2024.

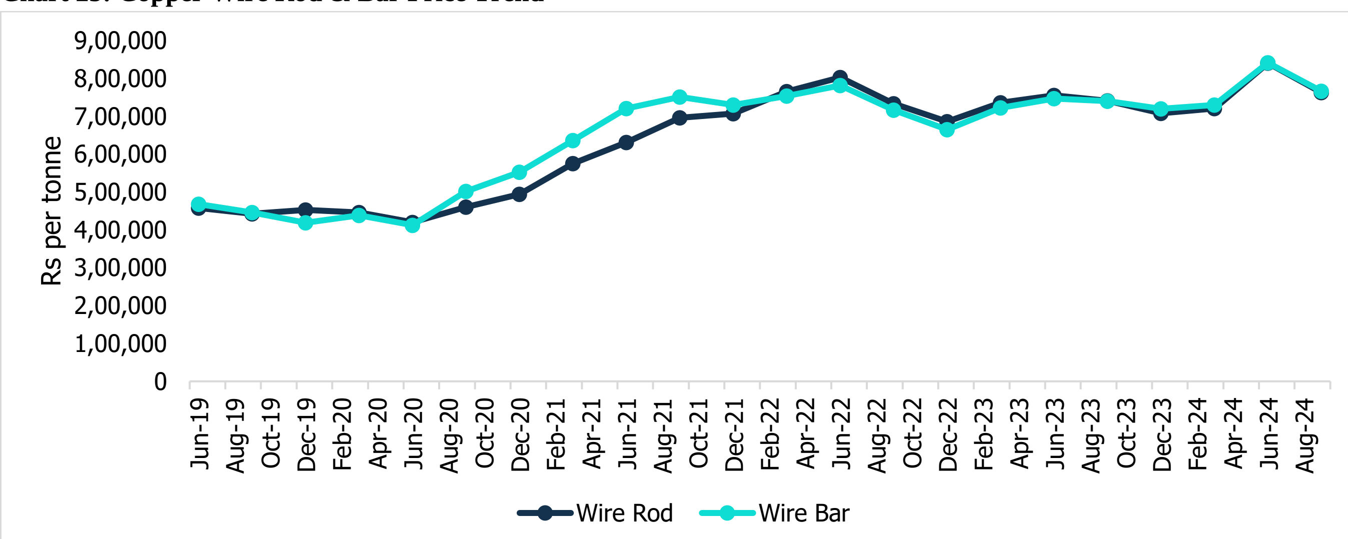
As of March 2024, the price of copper rose observed a de-growth of 5.4% on a y-o-y. Overall, the averaged prices of copper during FY24 were recorded at USD 8,363 per tonne and observed a decline of 2.2% as compared to FY23 prices. Further, the industry witnessed a surge in copper prices due to global supply disruptions in copper mines mainly in Chile and Panama. Additionally, the increasing demand for copper in renewables, power, and electric vehicles led to a price hike, which peaked at USD 9,751 per tonne in June 2024, an increase of 15% y-o-y. The rise in prices was also influenced by the ban on Russian metals, including copper, by the UK and US. As of September 2024, copper prices declined to USD 9,255 per tonne compared to June 2024, primarily due to a slowdown in industrial activity in major copper-consuming economies, such as China.

Chart 24: Copper Cathode Price Trend



Source: CMIE

Chart 25: Copper Wire Rod & Bar Price Trend



Source: CMIE

5 Global Copper Recycling Market

5.1 Overview of the Industry

Copper is highly valued for its exceptional electrical and thermal conductivity, malleability, and resistance to corrosion. These attributes make it a crucial material in various industries, including electronics, construction, automotive, and power generation. Notably, copper is fully recyclable without any loss of its inherent properties, making it a sustainable material for a wide range of industrial uses.

Recycling copper is a vital component of the global metals recycling sector, contributing significantly to sustainable resource management. As copper can be endlessly recycled without any degradation in quality, it reduces the demand for newly mined copper, helping to conserve natural resources and minimize environmental harm.

Copper stands out as one of the few materials that can be recycled indefinitely without compromising its performance. Recycled copper (secondary production) maintains the same quality as mined copper (primary production), making them fully interchangeable in applications.

The process of recycling copper is not only energy-efficient but also plays a critical role in lowering CO2 emissions compared to primary copper production. Utilizing recycled copper reduces the need for mining, thereby decreasing the metal's environmental impact. Additionally, recycling complex copper waste, such as electronic scrap, leads to the recovery of valuable metals like gold, silver, nickel, tin, lead, and zinc.

Over the past century, it is estimated that two-thirds of the 690 million tonnes of copper produced are still in productive use according to International Copper Association. For copper recycling to remain effective, continuous innovation is essential. Approximately 70% of global copper production is dedicated to electrical and conductivity applications, with copper's excellent electrical conductivity and second only to silver, making it the preferred choice for power generation and transmission alone accounting for 44% of copper usage, ensuring the safe and efficient delivery of electricity to homes and businesses. Additionally, electrical equipment, which includes wiring, circuitry, and contacts for consumer electronics and appliances, represents 14% of copper consumption.

The transportation sector consumes about 12% of global copper production. In vehicles such as cars, trucks, and trains, high-purity copper wiring systems distribute current from the battery to various components, including lights, central locking systems, onboard computers, and navigation systems. Copper also plays a significant role in construction, making up 20% of total copper use for plumbing, cooling systems, roofing, and cladding. Its durability, aesthetic appeal, and recyclability make it preferred choice for building materials. The remaining 10% of copper is used in products like coins, jewellery, sculptures, musical instruments, and cookware.

Recycling copper consumes 85% less energy compared to primary production, significantly reducing energy consumption and CO2 emissions. Annually, according to International Copper Association, approximately 8.7 million tonnes of copper are recycled, sourced from both "old" scrap (end-of-life products) and "new" scrap (produced during manufacturing processes).

Copper recycling plays a key role in advancing the transition to a more circular economy. The circular economy promotes the reuse, recycling, and reduction of waste. However, the loop cannot be entirely closed for two primary reasons. Firstly, the demand for copper is expected to rise due to factors such as population growth, technological innovation, and economic development. Second, in many applications, copper remains in use for decades before it is available for recycling. As a result, meeting the increasing demand for copper will require a mix of primary copper from mines and secondary copper from recycled materials.

Regulatory factors are vital to the recycled copper industry. Many nations have implemented standards to maintain the quality and safety of recycled copper, particularly in critical applications like electrical systems, where safety and reliability are essential. Manufacturers and processors are required to comply with these standards to deliver safe and dependable products to consumers. Additionally, recycling activities are governed by environmental regulations designed to reduce the ecological footprint of copper processing. These regulations ensure that recycling operations are conducted in an environmentally responsible way.

5.2 Types of Copper and its Products

Copper being widely used industrial metal globally, prized for its mechanical and structural qualities and has exceptional thermal and electrical conductivity and resists corrosion. Its malleability and ductility make it easily workable and adaptable to various fabrication methods. It is available in multiple grades, defined by purity levels. Impurities can affect its electrical and thermal properties and influence its ease of fabrication. Copper can be refined to achieve specific purity levels, enhancing its properties for various applications. Below are some commonly available grades of copper.

Pure Coppers, or commercially pure copper, contain up to 0.7% impurities, resulting in a material that is exceptionally soft and ductile. Due to these properties, pure copper is frequently used in applications requiring high conductivity and easy workability. In some cases, small quantities of other elements may be added to improve the copper’s stiffness without significantly compromising its purity. Pure copper is commonly used in electrical wiring, where its conductivity is essential, as well as in architectural applications, HVAC systems, and heat exchangers, where its corrosion resistance and workability are highly valued.

Oxygen-Free High Conductivity Coppers (OFHC) represent the purest form of copper, containing at least 99.99% copper with minimal volatile impurities. These impurities are generally kept below 0.001%, preserving the material's excellent conductivity and resistance to hydrogen embrittlement. This type of copper is produced in oxygen-free conditions through a controlled process where high-quality cathode copper is melted in a granulated graphite bath, which minimizes exposure to oxygen and other contaminants. Oxygen-free copper is essential in applications requiring high-performance and minimal contamination risk, such as high-vacuum electronics, glass-to-metal seals, and transmitter tubes. In semiconductor manufacturing, OFHC copper is used for its high electrical efficiency, while high-fidelity audio and video cables benefit from its ability to minimize signal loss.

Electrolytic Copper, often referred to as electrolytic tough pitch (ETP) copper, is another widely used form, known for its high conductivity and ductility. ETP copper is produced through electrolysis, a refining process where copper compounds are dissolved in a solution and purified by passing an electric current through it, resulting in copper with less than 50 ppm of metallic impurities and a purity level above 99.9%. ETP copper achieves an electrical conductivity rating of up to 101% IACS (International Annealed Copper Standard), making it ideal for applications that demand superior conductivity, such as electrical wiring, motor windings, busbars, and cables. Additionally, ETP copper can be processed through both hot and cold working, enhancing its versatility.

Free-Machining Coppers are copper grades that include sulphur or tellurium (approximately 0.5%) to enhance machinability, allowing for easier cutting, drilling, and shaping without significant loss of strength or conductivity. These types of copper are ideal for precision machining operations and are often used in the production of gas welding nozzles, machined electrical components, and the tips of soldering irons and torches. Although free-machining copper has slightly lower conductivity compared to pure copper, its machinability makes it indispensable for applications requiring high precision and workability.

Copper Alloys are formed by combining copper with other metals to achieve specific attributes, such as increased strength, enhanced corrosion resistance, or improved hardness. Common copper alloys include brass, bronze, cupronickel, and beryllium copper, each offering unique properties for specialized applications. Brass, an alloy of copper and zinc, is known for its corrosion resistance, attractive golden colour, and ease of machining, making it suitable for plumbing fixtures, musical instruments, and decorative items. Bronze, a copper-tin alloy, is renowned for its strength and saltwater corrosion resistance, ideal for marine hardware, bearings, and sculptures. Cupronickel, a copper-nickel alloy, offers exceptional seawater corrosion resistance and is used in marine equipment, automotive heat exchangers, and coinage. Beryllium copper, a copper-beryllium alloy, is notable for its hardness, wear resistance, and non-sparking quality, which makes it essential in the production of precision springs, connectors, and non-sparking tools for hazardous environments.

Recycled Copper plays a vital role in modern industries, providing nearly identical properties to primary copper while supporting sustainability goals. Recycled copper is highly valued for its high conductivity, corrosion resistance, and versatility, allowing it to be used in a wide range of applications, including building and construction, automotive manufacturing, and consumer goods. In construction, recycled copper is commonly used in electrical wiring, plumbing, and roofing, helping reduce the environmental impact of new projects. The automotive industry uses recycled copper for components such as radiators and wiring harnesses, contributing to cost-effective and eco-friendly vehicle production. Recycled copper is also increasingly found in consumer goods, such as cookware, electronic items, and decorative products, as manufacturers respond to the rising demand for sustainable materials.

Therefore, each type of copper, from pure and oxygen-free copper to specialized alloys and recycled forms, serves distinct industrial needs. Pure copper and OFHC variants are ideal for high-conductivity applications, while ETP copper offers excellent versatility in electrical applications. Free-machining copper caters to precision machining requirements, and copper alloys provide strength and corrosion resistance for diverse sectors. The variety of copper types ensures that manufacturers and consumers can select the right grade for their specific applications, balancing performance, durability, and environmental responsibility.

Copper Product Types

1. **Electrical Wiring and Cables:** Copper's excellent conductivity, durability, and flexibility make it the standard material for electrical wiring and cables. Copper wires are used in a wide range of applications, including residential, commercial, and industrial

wiring systems, power distribution cables, and telecommunications. Copper is particularly favoured in electrical applications because it maintains low resistance, reducing energy loss and ensuring efficient power transmission. High-purity copper (like Electrolytic Tough Pitch, or ETP copper) is commonly used in wiring, meeting stringent requirements for electrical conductivity and reliability.

Applications:

Residential and Commercial Buildings: Used for general wiring in homes, offices, and commercial buildings.

Power Distribution: Thick copper cables are utilized for transmitting high-voltage electricity in power grids.

Telecommunications and Data Transmission: Copper cables are used in Ethernet, coaxial cables, and other communication lines due to their ability to carry data efficiently.

2. **Plumbing and Water Systems:** Copper pipes and fittings are widely used in plumbing due to their durability, resistance to corrosion, and antibacterial properties. Unlike many other metals, copper resists rust and biofouling, which makes it ideal for delivering clean, safe drinking water. Deoxidized high-phosphorus (DHP) copper, which has added phosphorus for enhanced corrosion resistance, is commonly used in plumbing.

Applications:

Residential Plumbing: Copper pipes are used in homes for both hot and cold-water lines.

Heating Systems: Copper pipes are ideal for hot water heating systems due to their ability to handle high temperatures without degradation.

HVAC Systems: Used in air conditioning and refrigeration systems for efficient heat transfer and durability.

3. **Roofing, Gutters, and Architectural Elements:** Copper's natural beauty, corrosion resistance, and malleability make it a popular choice for architectural applications. Copper roofing, gutters, downspouts, and other architectural features develop a unique patina over time, transitioning from a bright reddish orange to a greenish blue colour. This patina layer serves as a protective coating, enhancing copper's longevity and resistance to corrosion.

Applications:

Roofing: Copper roofing is common in high-end and historic buildings for its aesthetic and long-lasting qualities.

Gutters and Downspouts: Copper gutters resist corrosion and can endure extreme weather, requiring minimal maintenance.

Architectural Details: Decorative elements like domes, spires, and wall cladding benefit from copper's flexibility, allowing it to be shaped into complex designs.

4. **Heat Exchangers and Radiators**

Copper's thermal conductivity is second only to silver, making it ideal for heat exchangers and radiators. In applications where efficient heat transfer is essential, such as in HVAC systems, automotive radiators, and industrial cooling systems, copper provides excellent performance. The metal's high thermal conductivity allows it to transfer heat quickly and effectively, which is crucial in systems where temperature regulation is important.

Applications:

HVAC Systems: Copper tubes and fins are used in air conditioners and refrigeration units to facilitate rapid heat transfer.

Automotive Radiators: Copper radiators help cool engine systems efficiently, extending engine life.

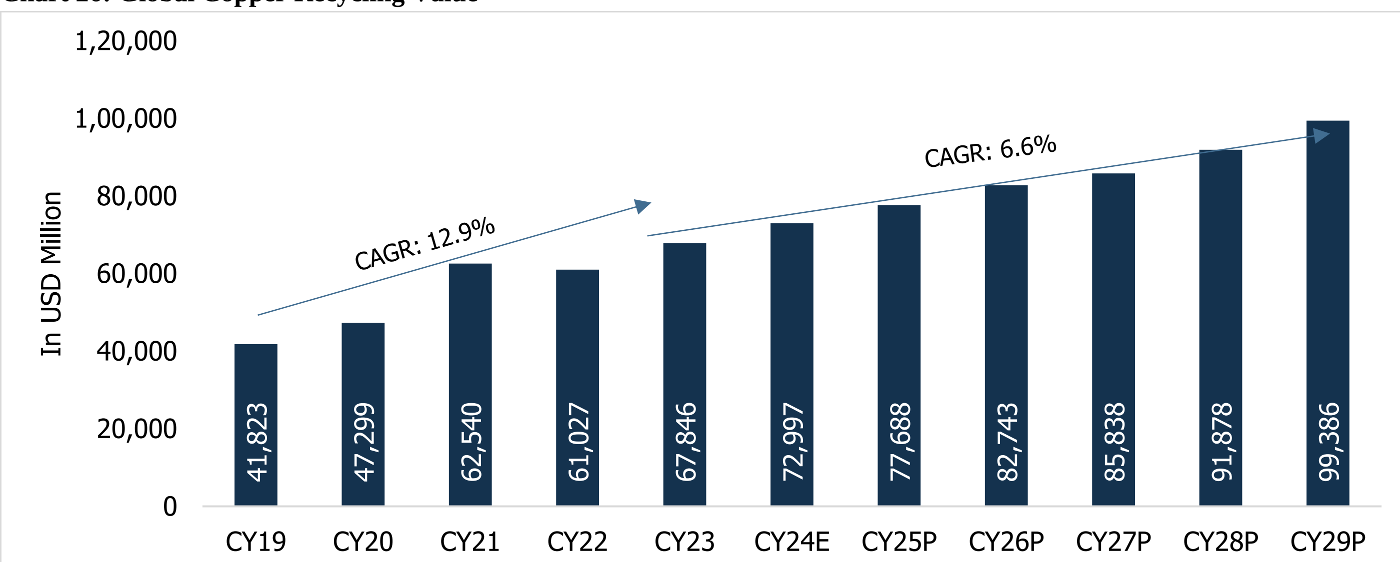
Industrial Heat Exchangers: Used in manufacturing and power plants where large amounts of heat must be transferred safely and effectively.

5.3 Global Market Size – CY19 to CY29P

The global copper recycling market has been growing in an upward trend, barring CY22 where it experienced a dip of 2%. The global copper recycling market was valued at USD 67,846 Million in CY23 and has grown at a CAGR of 12.9% from CY19 to CY23. This growth can be attributed mainly fuelled by the rise in environmental consciousness and the growing need for sustainable materials. This indicates a rising shift toward the recycling and reutilization of copper resources, aiming to minimize the environmental impact caused by mining and smelting processes. The demand for electrical infrastructure and cabling has increased due to speedy industrialization. This is predicted to increase demand for recycled copper as it can be recycled effectively without losing its mechanical qualities. Furthermore, the market growth is to be supported by rising technical innovation and an increased focus on metal recycling because of rigorous legislation. Moreover, recycled copper provides high thermal and electrical resistance, which has surged its need in the power generation and transmission industry.

The market is on a positive trajectory and further projected to grow at a CAGR of 6.6% from CY23 to CY29P. This is expected to be driven by the increasing demand for copper across diverse applications. Asia Pacific region is expected to hold a major share of the market and is expected to grow at the highest CAGR during the projected years. China is a major producer of electronic products globally and increasing demand for recycled copper in electronic production is expected to prosper the market growth during the forecasted years. Furthermore, the surging building and construction in developing economies like India would further support market growth going forward.

Chart 26: Global Copper Recycling Value



Source: CareEdge Research, MAIA

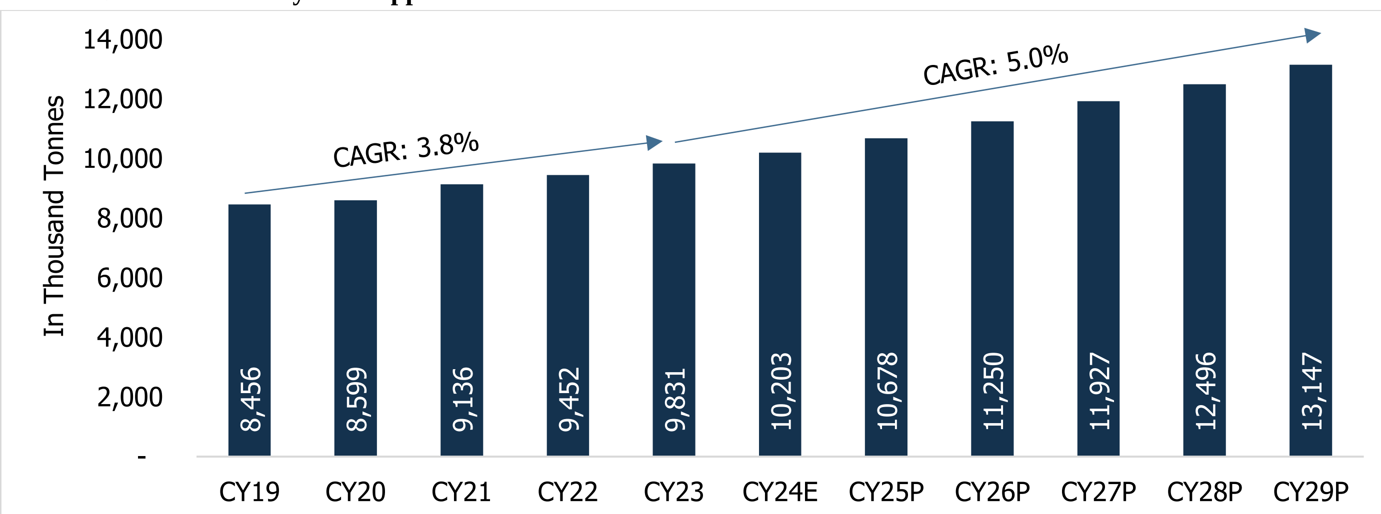
5.4 Demand and Supply of Recycled Copper

Demand of Recycled Copper

The demand for recycled copper has been growing in an upward trend, at a CAGR of 3.8% from CY19 to CY23. The demand for recycled copper stood at 9,831 thousand tonnes in CY23 and is projected to grow at a CAGR of 5% from CY23 to CY29P. Going forward, the demand for recycled copper is expected to rise steadily in near future as industries like construction, automotive and electronics continue to expand.

The market is shaped by several key trends driving growth. One major trend is the increasing adoption of electric vehicles (EVs) and renewable energy technologies, both of which rely heavily on copper. Furthermore, urbanization and infrastructure development in emerging economies are also fuelling the demand for copper in the construction industry. Over the past decade, rapid growth in emerging economies, along with a rising demand for copper in innovative and clean energy technologies, has significantly boosted copper consumption. Therefore, recovery and recycling of copper play a crucial role in meeting this demand while supporting a sustainable future for both people and the planet.

Chart 27: Demand of Recycled Copper



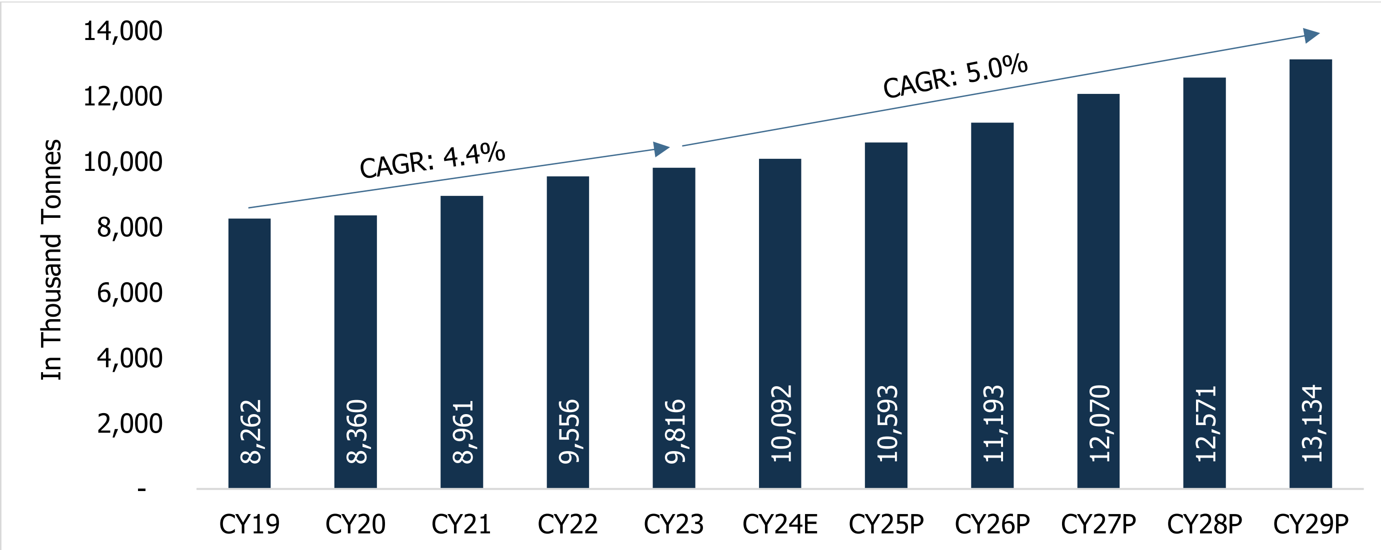
Source: CareEdge Research, MAIA

Supply of Recycled Copper

The global recycled copper market was valued at 9,816 thousand tonnes in CY23 and has grown by a growth rate of 4.4% from CY19 to CY23 which is expected to grow at a CAGR of 5% from CY23 to CY29P with a projected supply surplus further.

The outlook for the recycled copper market in the coming years looks promising, with a projected steady rise in demand. However, there are challenges to address, such as fluctuating copper prices and the increasing need for more efficient recycling methods. Additionally, the market is affected by the availability of scrap copper and regulatory shifts. It is essential for industry stakeholders to remain adaptable to market changes and prioritize sustainable growth to thrive in this dynamic environment.

Chart 28: Supply of Recycled Copper



Source: CareEdge Research, MAIA

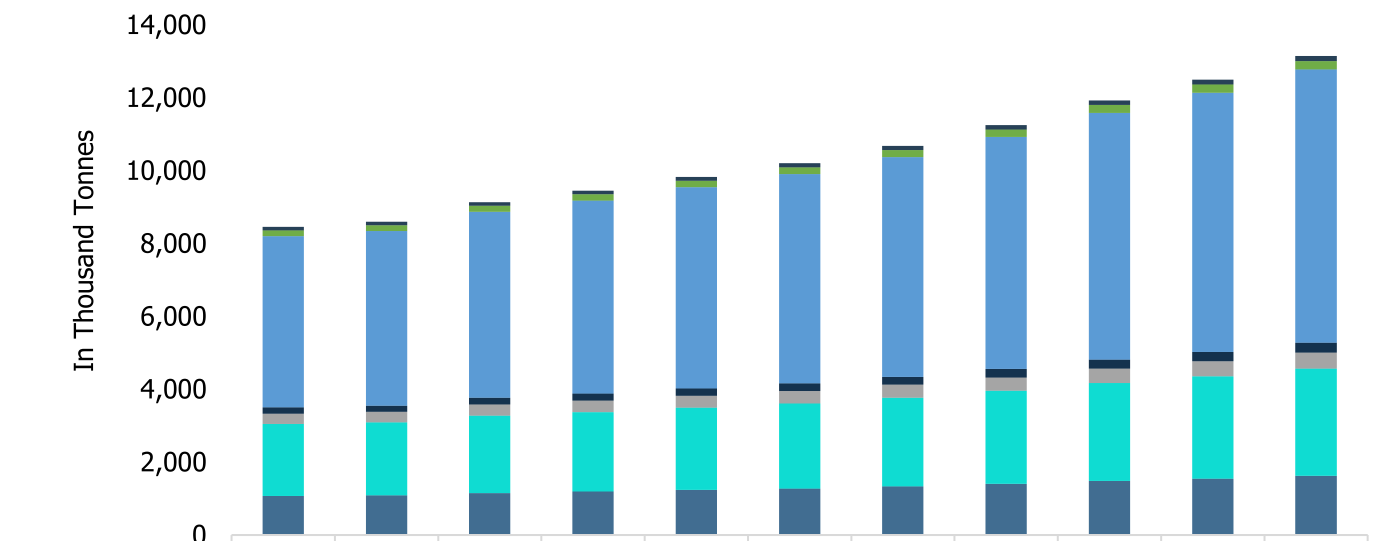
5.5 Region-wise Demand of Copper Recycling

The demand in APAC (Asia Pacific) region accounted for dominant share of about 56% in CY23, followed by Europe with 23% and North America with 13%. The market of APAC is witnessing the most accelerated expansion in the market and is projected to achieve the highest CAGR of 5.2% during the period CY23 to CY29P. This growth is largely driven by the region's thriving construction and electronics sectors, particularly in major economies like China and India. The surge in urbanization, rapid infrastructure development, and a growing middle-class population are fuelling the demand for copper across multiple applications.

Additionally, the region is leading the way in the adoption of electric vehicles and renewable energy solutions, further boosting the demand for recycled copper. With a strong focus on sustainability and a continually growing industrial sector, Asia Pacific is poised to become a key hub for market growth going forward.

Europe has laid emphasis on sustainability and circular economy principles, resulting in a significant focus on copper recycling. The region's stringent environmental regulations and policies encourage the use of recycled materials, including copper, in various industries such as automotive, construction, and electronics. European countries have established efficient recycling systems to recover copper from end-of-life products.

Chart 29: Global Copper Recycling Demand by Region



	CY19	CY20	CY21	CY22	CY23	CY24E	CY25P	CY26P	CY27P	CY28P	CY29P
Others	93	93	98	102	107	109	113	119	128	131	137
Africa	160	161	168	176	182	187	192	205	216	224	232
APAC	4,699	4,793	5,105	5,294	5,521	5,748	6,030	6,369	6,770	7,115	7,504
Middle East	170	171	185	193	200	205	218	232	245	254	271
South America	284	292	306	311	328	344	355	367	394	417	433
Europe	1,977	2,002	2,120	2,183	2,258	2,334	2,434	2,553	2,692	2,808	2,944
North America	1,072	1,086	1,154	1,193	1,236	1,277	1,336	1,405	1,484	1,547	1,627

Source: CareEdge Research, MAIA

In North America, particularly the United States, the demand for copper scrap market is anticipated to grow due to increasing clean energy efforts, electrification trends, and the gradual streamlining of the recycling value chain. The increasing adoption of electric vehicles and renewable energy technologies has amplified the need for copper, prompting manufacturers to enhance recycling efforts. With the rising demand for copper scrap and its applications across various sectors, numerous market players are implementing strategic measures to maintain a competitive edge.

The U.S. copper scrap market is expected to expand due to the push for clean energy, electrification, and improvements in the recycling value chain. The growing demand for recycled copper, fuelled by the adoption of electric vehicles and renewable energy technologies, is leading market players to adopt strategic measures to stay competitive and boost recycling initiatives.

Hence, demand for copper scrap in the regions is further driven by the inclination to develop a green economy and sustainable nature of copper scraps is crucial for minimizing the carbon footprint, making it a substitute for primary metal production.

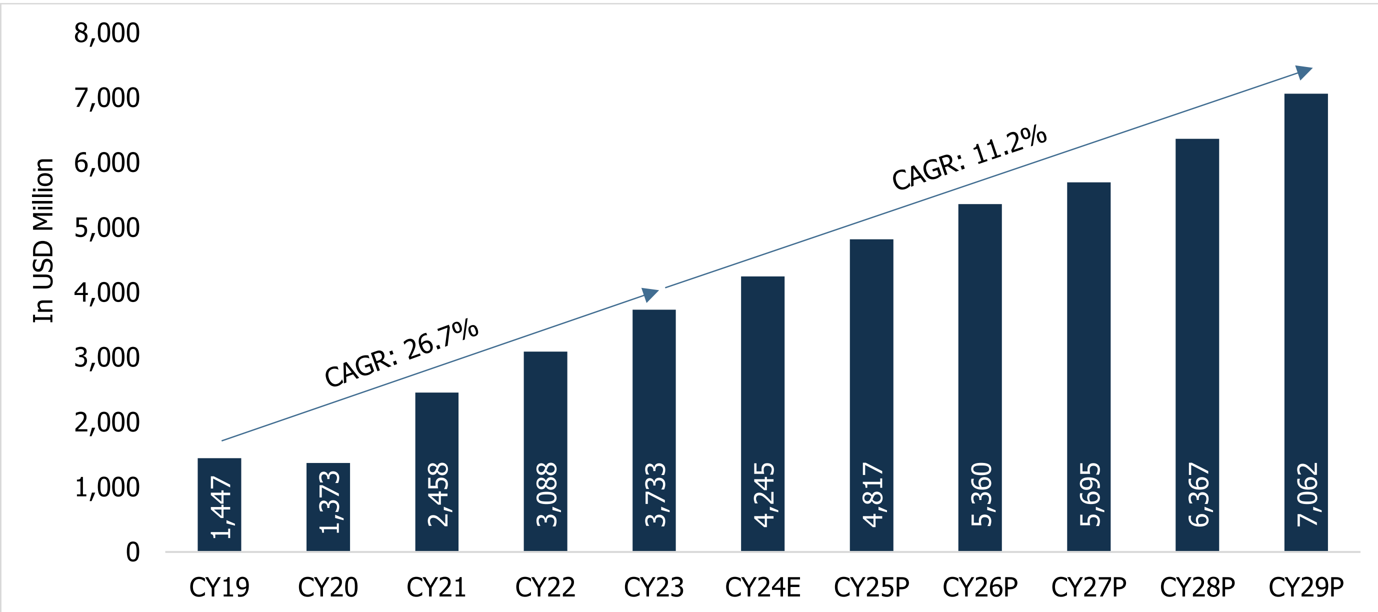
5.6 Size of the Market in India and Outlook – CY19 to CY29P (Volume and Value Terms)

India's copper recycling market has shown robust growth during CY19 to CY23 which has grown by a CAGR of 26.7% driven by increased demand across various industries and a focus on sustainable practices and is poised for continued expansion through CY29P. The combination of industrial demand, favourable economic factors, and supportive regulatory frameworks positions the market for sustained development in both volume and value terms.

The market was valued at USD 3,733 million in CY23 which has grown by a CAGR of about 26.7%, with a volume of 641 thousand tonnes and the market is projected to reach USD 7,062 million in CY29P, growing at a CAGR of 11.2% from CY23 to CY29P. Rapid urbanization and industrialization have increased the need for copper in various sectors like building and construction, electrical, and electronics, automotive, manufacturing etc, creating a significant volume of metal waste that can be recycled in the country. Growing awareness of environmental sustainability and resource conservation encourages the adoption of metal recycling practices.

The market stood at 641 thousand tonnes in CY23 which has grown by a CAGR of about 16.5% and is projected to reach 1,103 thousand tonnes in CY29P.

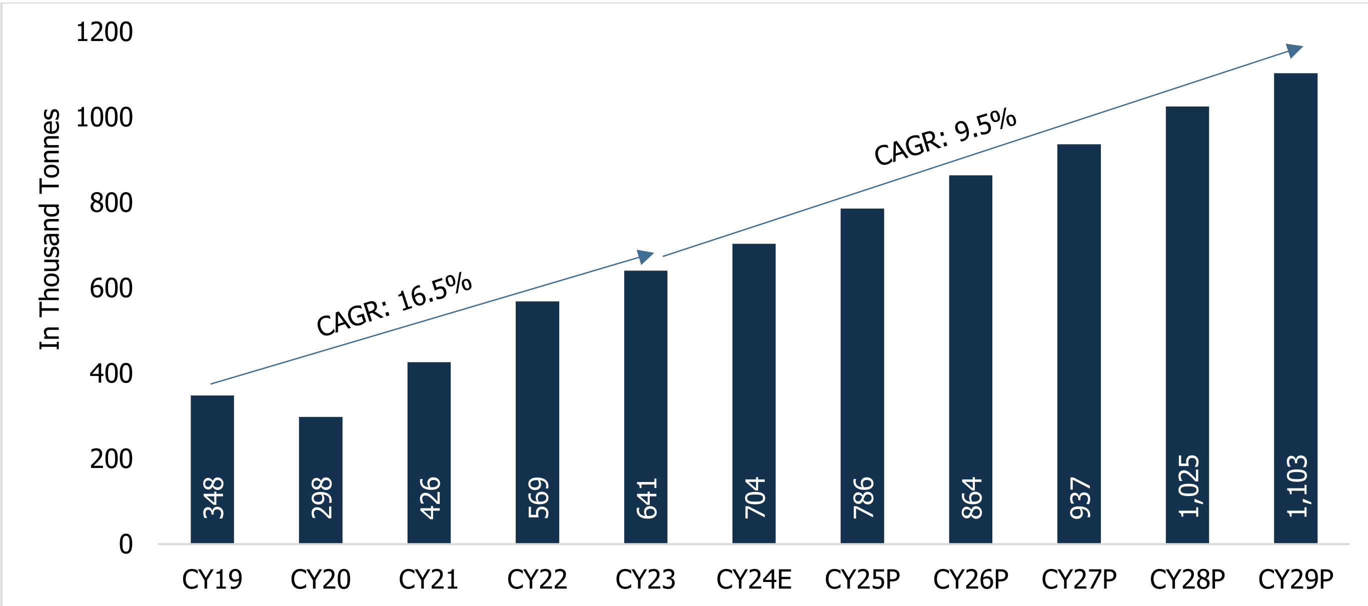
Chart 30: India Copper Recycling Value



Source: CareEdge Research, MAIA

Policies promoting recycling and restrictions on imported scrap have stimulated domestic recycling efforts, contributing to market expansion. Improvements in recycling technologies, such as sensor-based sorting systems and advanced refining processes, have enhanced the efficiency and quality of recycled copper, making it more comparable to primary copper. Major companies are investing in expanding their recycling capacities in the country. In the country, the global shift towards a circular economy prioritises material reuse and recycling, aiming to reduce waste and enhance sustainability. Copper recycling aligns with these goals, as it supports the supply chain while decreasing reliance on newly mined copper.

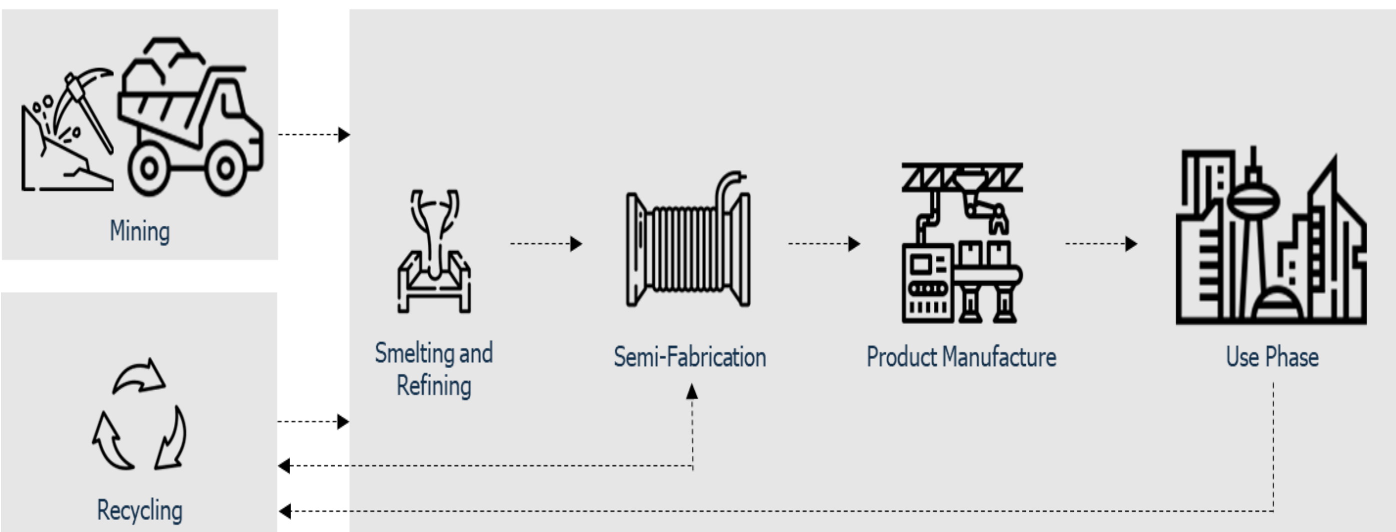
Chart 31: India Copper Recycling Volume



Source: CareEdge Research, MAIA

5.7 Life Cycle Analysis of Copper

Figure 2: Life Cycle Analysis of Copper



Source: MAIA, CareEdge Research

5.8 Overview of End User Market

The growing focus on sustainability and reducing carbon footprints has made recycled copper an appealing alternative to primary copper, supporting the transition to a circular economy across industries. From construction and automotive to electronics and consumer goods, recycled copper helps meet the increasing demand while aligning with global sustainability goals and reducing reliance on primary copper resources. Therefore, global copper recycling industry serves a diverse range of end-user markets, each leveraging recycled copper for its economic and environmental benefits.

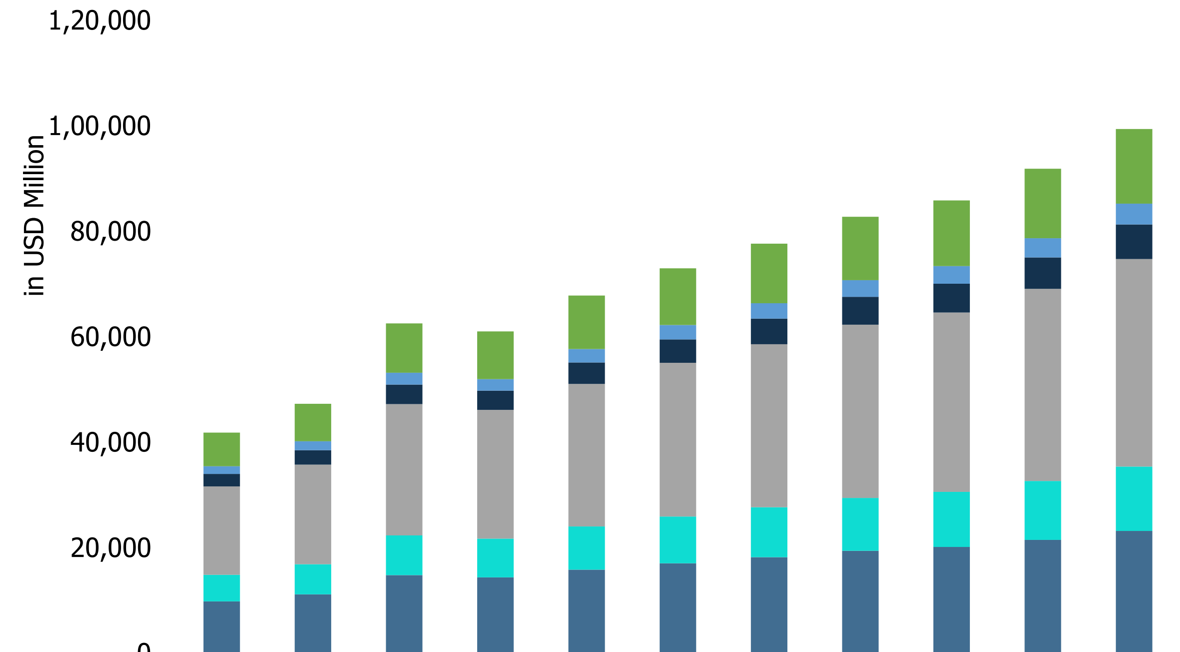
Based on end-user industry, the recycled copper market is segmented into building and construction, electronics, transportation, renewable machinery, industrial machinery, and others. The electronics and building and construction segment accounted for majority share of 63% in CY23 in the market. Its dominance is attributed to the steady growth in construction activities and electronics with the increasing use of copper in electrical wiring, plumbing, and HVAC systems etc. The electrical and electronics sector consumed copper worth USD 27,038 million in CY23, highest amongst other sectors. The sector relies heavily on recycled copper for components such as circuit boards, connectors, and wiring systems. Copper's excellent electrical conductivity and reliability make it essential for a wide range of electronic applications. Given the surge in electronic waste, manufacturers are increasingly using recycled copper as a sustainable alternative to primary copper. Moreover, strict environmental regulations encourage the use of recycled materials to minimize e-waste and reduce resource consumption. Recycled copper helps meet these sustainability targets while maintaining high-quality standards necessary for electronic components. Therefore, going forward, electronics and electrical segment is projected to grow by a CAGR of 6.5% from CY23 to CY29P.

Additionally, consumer goods sector also incorporates recycled copper in a variety of products. This includes home appliances like refrigerators and air conditioners, as well as cookware and decorative items. Copper's durability, conductivity, and aesthetic appeal make it a popular material for household goods. Manufacturers of consumer goods are responding to this trend of products made with recycled materials by using recycled copper to attract environmentally conscious buyers, reduce production costs, and enhance the appeal of their products.

The building and construction sector consumed copper worth USD 15,877 million in CY23 which registered a CAGR of about 12.8% from CY19 to CY23. Copper is highly valued for its conductivity, durability, and corrosion resistance, making it an ideal material for a range of construction applications. Recycled copper is used extensively for electrical wiring, plumbing, and roofing, as well as in structural materials. Builders and developers prefer recycled copper to minimize environmental impact, reduce costs, and comply with green building standards. Hence, going forward, this segment is projected to grow by a CAGR of 6.5% from CY23 to CY29P.

The transportation sector is another significant market for recycled copper, with a growing emphasis on electric vehicles (EVs). Copper is essential in the production of wiring harnesses, radiators, electric motor components, and battery systems within vehicles. EVs require more copper than traditional gasoline vehicles, as copper is crucial for efficient energy transfer and thermal management. The automotive industry's shift towards electrification has led to a rising demand for copper, making recycled copper an attractive choice for automakers aiming to reduce costs and environmental impact while meeting higher copper requirements. The sector has grown by a CAGR of about 12.8% from CY19 to CY23 and was valued at USD 8,176 million. Hence, going forward, this segment is projected to grow by a CAGR of 6.9% from CY23 to CY29P.

Chart 32: Global Copper Recycling Value by Application



	CY19	CY20	CY21	CY22	CY23	CY24E	CY25P	CY26P	CY27P	CY28P	CY29P
Others	6,361	7,087	9,345	9,016	10,165	10,763	11,298	12,007	12,409	13,200	14,151
Semiconductor	1,480	1,703	2,271	2,240	2,511	2,731	2,957	3,175	3,331	3,594	3,930
Renewable Energy	2,350	2,716	3,666	3,620	4,079	4,439	4,828	5,249	5,510	5,979	6,542
Electronics & Electricals	16,779	18,920	24,936	24,387	27,038	29,148	30,930	32,835	33,970	36,442	39,382
Transportation	5,044	5,724	7,513	7,390	8,176	8,877	9,479	10,022	10,481	11,164	12,187
Building and Construction	9,808	11,149	14,810	14,373	15,877	17,037	18,196	19,455	20,138	21,498	23,194

Source: CareEdge Research, MAIA

The renewable energy sector is a fast-growing consumer of recycled copper, especially with the expansion of wind and solar power infrastructure, was valued at USD 4,079 million in CY23.The sector has grown at a CAGR of 14.8% from CY19 to CY23. Copper is vital in solar panels, wind turbines, and energy storage systems due to its excellent electrical conductivity and resistance to corrosion. Recycled copper helps reduce the carbon footprint of renewable energy installations, aligning with the sector's commitment to sustainability. As the world shifts towards green energy, recycled copper becomes essential in scaling renewable technologies sustainably and affordably. Therefore, this sector is projected to grow at a CAGR of 8.2% from CY23 to CY29P.

The semiconductor industry relies on copper to produce high-performance microchips, where copper's excellent conductivity enhances data transfer speed and energy efficiency. Recycled copper is increasingly used to meet demand, especially as companies aim to reduce their environmental impact and resource usage. The high purity of recycled copper makes it suitable for advanced semiconductor manufacturing processes, helping the industry meet demand without relying solely on newly mined copper. The sector has grown at a CAGR of 14.1% from CY19 to CY23 and going forward, it is projected to grow at a CAGR of 7.7% from CY23 to CY29P.

5.9 Key Demand Drivers in the Industry

1. **Advancements in Recycling Technology:**

Technological advancements in copper recycling have become one of the significant drivers for the recycled copper market. Improved processes in sorting, shredding, and refining have made recycled copper comparable in quality to primary copper. These technological innovations have reduced production costs and increased the efficiency of copper recovery from diverse scrap sources, including complex electronics and mixed-metal wastes. For instance, AI-powered, sensor-equipped sorting systems can accurately distinguish copper from other materials, effectively minimizing contamination and boosting the production of high-quality recycled copper. Additionally, advancements in hydrometallurgical and pyrometallurgical processes have enhanced copper extraction from low-grade ores and electronic waste, broadening the supply of recycled copper. These technological strides not only make recycling more cost-effective but also align with global efforts toward a circular economy by maximizing material reuse. As technology continues to progress, it is expected to further improve the efficiency and capacity of copper recycling, thereby driving significant market growth.

2. **Increased Urbanization and Infrastructure Development:**

Rapid urbanization and infrastructure growth, particularly in developing regions, have increased the demand for copper in construction and related sectors, further driving the need for recycled copper as a cost-effective and sustainable option.

3. **Economic and Environmental Benefits:**

The growth of the recycled copper market is primarily driven by significant economic and environmental benefits. Economically, recycling copper is far more cost-effective than mining and refining primary copper, as it requires substantially less energy, leading to lower production costs while maintaining material quality. Environmentally, recycling helps reduce the need for mining, which is linked to habitat destruction, soil erosion, and water pollution, and it produces significantly fewer greenhouse gas emissions. This aligns with global efforts to reduce carbon emissions and supports corporate social responsibility and sustainability goals. Governments and environmental groups further promote the use of recycled copper as part of broader climate change and resource conservation initiatives. The combination of these economic and environmental advantages contributes to the sustained growth of the recycled copper market.

4. **Cost Efficiency:**

Recycling copper requires significantly less energy compared to the extraction and processing of primary copper from ore. This leads to lower production costs, providing an economic advantage for industries where cost-effectiveness is essential.

5. **Growth in Demand for Sustainable Materials:**

Global awareness of environmental sustainability has significantly influenced consumer behaviour and industrial practices. In response, industries striving to reduce their ecological impact have driven a surge in demand for sustainable materials. Recycled copper has become essential to this trend due to its ability to lessen the environmental impact of production processes. Unlike primary copper, which involves energy-intensive mining and processing, recycled copper is sourced from scrap materials, resulting in lower energy consumption and greenhouse gas emissions. Key consumers of recycled copper include the construction, electrical, electronics, and automotive sectors, spurred by sustainability regulations and corporate social responsibility initiatives. For example, the construction industry uses recycled copper in electrical wiring, plumbing, and roofing due to its durability and conductivity. Likewise, the electronics sector increasingly relies on recycled copper for circuit boards and connectors to address the growing issue of electronic waste. The rising demand across these industries highlights the role of recycled copper in fostering a more sustainable future.

6. **Government Policies and Regulations:**

Many governments are implementing strict environmental policies and promoting recycling initiatives to meet sustainability and climate change mitigation goals. These regulations encourage the use of recycled materials, including copper, across various sectors.

7. **Circular Economy Initiatives:**

The global move towards a circular economy emphasizes reusing and recycling materials to reduce waste and promote sustainability. Copper recycling aligns perfectly with these initiatives, as it helps maintain the supply chain and reduces the need for virgin copper mining.

5.10 Challenges faced by the Industry

1. **Limited Recycling Infrastructure** In many developing regions, the recycling infrastructure is inadequate or outdated, which results in inefficient processes and low recovery rates. The establishment of modern, effective recycling facilities requires substantial capital investment, creating a barrier for regions with limited financial resources. This infrastructure gap may sometimes hinder the potential for optimal copper recovery and sustainable practices.

2. **Volatility in Prices restricting market growth:**
The profitability of the copper recycling industry is heavily influenced by economic conditions. One major challenge is the volatility of copper prices on the global market. When prices drop, the financial incentive for recycling diminishes, making primary copper production more attractive. Additionally, global supply chain disruptions, trade restrictions, or geopolitical tensions can interrupt the flow of scrap copper and essential recycling inputs, impacting the industry's stability.

3. **Complexity of Recycling Processes:**
The copper recycling industry faces significant challenges due to the complex nature of recycling processes. One primary issue is mixed-metal contamination, which complicates the extraction of pure copper from scrap that includes various composite and electronic materials. This complexity demands advanced sorting and processing technologies to achieve efficient recovery. Additionally, maintaining high-quality control is critical, as recycled copper must meet stringent standards to be used in industries that require top-grade material.

4. **Scarcity of High-Quality Scrap:**
The availability of high-quality scrap is another critical challenge in the copper recycling industry. Sourcing enough high-grade scrap copper is difficult due to competition and inadequate collection systems. In many regions, the informal recycling sector plays a significant role in scrap collection, often without the necessary quality control measures. This results in lower-grade recycled copper and reduces overall efficiency.

5. **Environmental and Health Concerns:**
Recycling processes, especially those involving electronic scrap, can pose environmental and health risks if not properly managed. Toxic byproducts may be released during the recycling process, leading to potential health hazards and environmental pollution. Meeting stringent environmental regulations necessitates adherence to safe recycling practices and waste management protocols, which can increase operational costs and present further challenges.

6. **Technological Barriers:**
Access to advanced technology is a significant hurdle for many regions. While cutting-edge technologies like AI-powered sorting systems and sophisticated refining methods exist, not all recyclers can afford or access them. This disparity limits the efficiency and output of recycling processes globally. Moreover, continuous advancements in technology require periodic updates and specialized training, which can be particularly challenging for small and medium-sized recyclers.

5.11 Government Policies and Regulations/Initiatives

1. **National Non-Ferrous Metal Scrap Recycling Framework, 2020:** This framework outlines a comprehensive approach to recycling non-ferrous metals, including copper. It emphasizes the development of a sustainable scrap recycling ecosystem through optimal processes, standards, and environmentally friendly measures. The framework also delineates the roles and responsibilities of stakeholders and provides an action plan with indicative timelines.

2. **Reduction of Import Duty on Copper Scrap:** In the Union Budget 2021-22, the government reduced the import duty on copper scrap from 5% to 2.5%. This move aims to boost domestic recycling of copper within the country by making raw

materials more affordable, thereby reducing reliance on primary copper imports and offering social, environmental, and economic benefits, including potential employment generation.

Additionally, exempting the import duties on critical minerals, like lithium, cobalt and other minerals reduces battery manufacturing costs and makes electric vehicles more affordable in the country. The government has fully exempted the customs duties on 25 critical minerals in Union Budget 2024-25 and have reduced BCD (basic customs duty) on ferro nickel and blister copper.

3. **Draft Extended Producer Responsibility (EPR) Rules for Aluminium, Copper, and Zinc:** The draft amendment notification, issued on August 14, 2024, requires producers of non-ferrous metals to register with the Central Pollution Control Board (CPCB) and meet their Extended Producer Responsibility (EPR) obligations through the collection, recycling, or refurbishing of their products.

   The government has set targets for recycled content in new products made from non-ferrous metals. By 2028, products must contain at least 5% recycled content, increasing to 10% by 2029. By 2031, the targets are 10% for aluminium products, 20% for copper, and 25% for zinc. These measures aim to reduce dependence on primary resources and mitigate environmental impacts associated with mining.

6 Global Plastic Recycling Market

6.1 Overview of the Industry

Plastic recycling plays a crucial role in addressing the growing global issue of plastic waste. The process involves collecting, sorting, and reprocessing used plastics into new products, helping to reduce environmental pollution and conserve resources. With the increasing awareness about the harmful effects of virgin plastics on ecosystems and human health, plastic recycling has become a priority for governments and industries alike. Numerous regulations and initiatives have been introduced worldwide to promote the efficient recycling of plastics, with the aim of reducing the environmental impact of plastic waste.

A significant driver of the plastic recycling market is the rising demand for recycled plastic, especially in the packaging industry. Consumers and businesses are increasingly focused on sustainability, and as a result, there is a growing preference for recycled plastic in packaging materials, such as bottles, containers, and wraps. This trend is driven by the need for safe, durable, and eco-friendly packaging solutions. As materials like polyethylene terephthalate (PET), high-density polyethylene (HDPE), and low-density polyethylene (LDPE) gain popularity in recycled forms, the market for recycled plastics in packaging continues to expand.

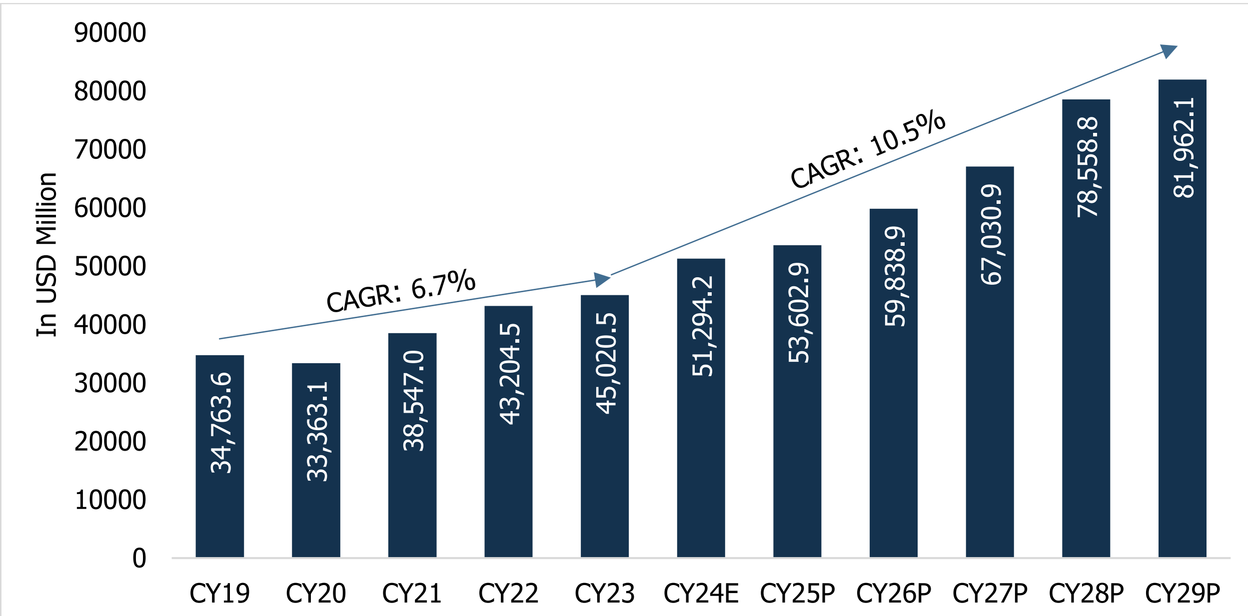
Governments are playing an essential role in encouraging plastic recycling through stricter regulations aimed at increasing recycling rates and reducing the dependency on virgin plastics. These policies, combined with the growing demand for sustainable packaging solutions, are expected to propel the growth of the plastic recycling market in the coming years. However, challenges such as contamination and inefficient sorting processes remain, but technological advancements and heightened awareness are likely to improve recycling rates and drive further market development.

6.2 Global Market Size by Value (CY19-CY29)

The global plastic recycling market has been growing in an upward trend, barring CY20 where it experienced a slight dip, since CY19. It has grown at a CAGR of 6.7% from CY19 to CY23 reaching market value of USD 45,020.5 million. Historically, the global plastic recycling market was significantly impacted by the COVID-19 pandemic, with disruptions to supply chains and temporary shutdowns of recycling facilities. The slowdown in operations made it difficult for companies to maintain a steady pace in recycling and sorting, and waste plastic collection became increasingly challenging. Despite these setbacks, growing environmental concerns and the rising demand for recycled plastics across various industries, particularly in packaging, helped the market recover and continue its gradual growth.

The market is further projected to grow at a CAGR of 10.5% from CY23 to CY29, expected to reach a market value of USD 81,962.1 million by CY29. The industry is expected to benefit from stricter environmental regulations and increased consumer demand for sustainable solutions. Governments worldwide are pushing for higher recycling rates, especially in packaging, as more industries seek eco-friendly materials. The food and beverage sector, in particular, is increasingly turning to recycled plastics for safe and durable packaging. Additionally, advancements in recycling technologies and expanding infrastructure will help overcome past challenges and fuel further growth in the coming years.

Chart 33: Global Market Size (By Value)



Source: MAIA, CareEdge Research; Note: E- Estimates, P- Projections, CY- Calendar Year

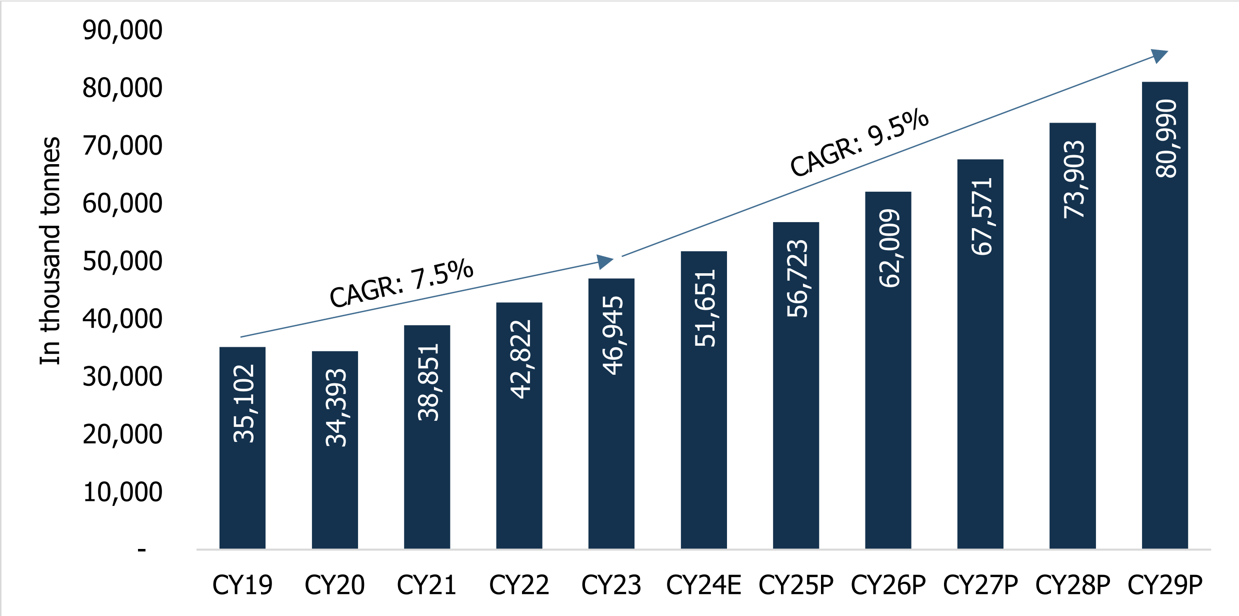
6.3 Demand and Supply of Recycled Plastic

Demand of Recycled Plastic

The demand for recycled plastic has been growing in an upward trend, barring CY20 where it experienced a slight dip, since CY19, growing at a CAGR of 7.5%. As of CY23, demand for recycled lead stands at 46,945 thousand tonnes. The demand for recycled plastic faced disruptions during the COVID-19 pandemic, as factory shutdowns, supply chain issues, and movement restrictions hindered plastic recycling efforts. However, despite these challenges, growing environmental concerns and rising awareness about the need to reduce plastic pollution continued to drive demand for recycled plastics, particularly in industries like packaging, which sought more sustainable materials.

The demand is projected to increase at a CAGR of 9.5% from CY23 to CY29, projected to reach 80,990 thousand tonnes by CY29. The demand is expected to be fuelled by stricter government regulations and a global shift toward sustainability. As more countries implement policies to curb plastic waste and promote recycling, industries like packaging, automotive, and construction are increasingly adopting recycled materials. Advancements in recycling technology and the growing focus on a circular economy will further support the market's expansion.

Chart 34: Demand of Recycled Plastic



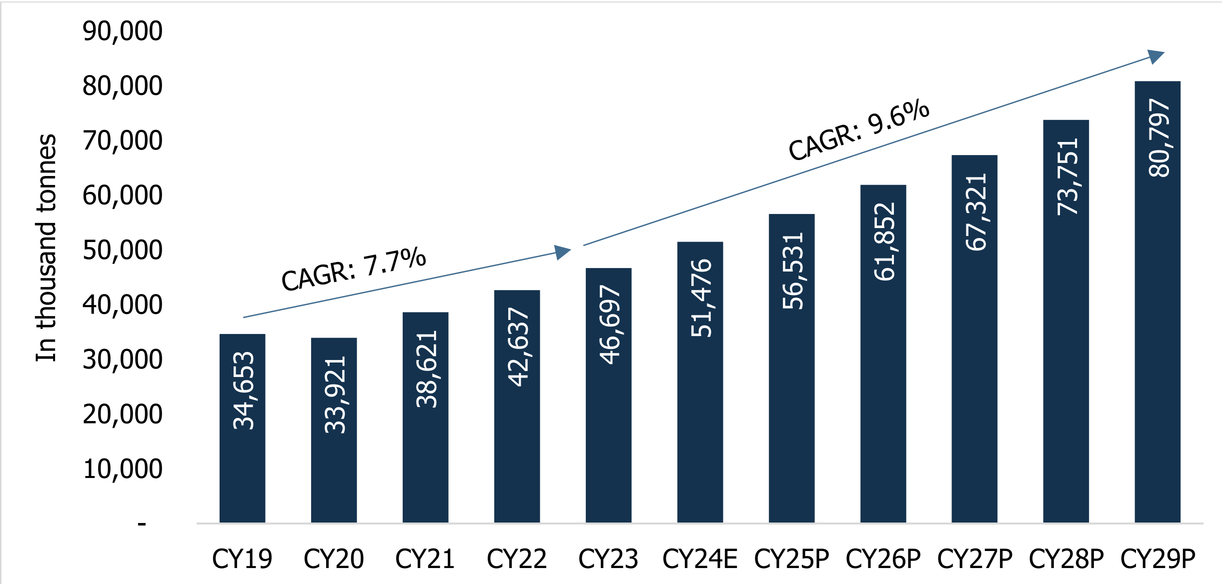
Source: MAIA, CareEdge Research; Note: E- Estimates, P- Projections, CY- Calendar Year

Supply of Recycled Plastic

The supply for recycled plastic has been growing in an upward trend, barring CY20 where it experienced a slight dip, since CY19, growing at a CAGR of 7.7%. As of CY23, demand for recycled lead stands at 46,697 thousand tonnes. The supply of recycled plastic faced significant disruptions during the COVID-19 pandemic, with factory closures, supply chain interruptions, and restrictions on waste collection hindering recycling efforts. The slowdown in sorting and processing centers, along with factory idling, led to a temporary dip in recycled plastic supply. However, the growing need for recycled plastics in various industries, especially packaging, fuelled a recovery as operations gradually adjusted.

The supply is projected to increase at a CAGR of 9.6% from CY23 to CY29, projected to reach 80,797 thousand tonnes by CY29. This growth is expected to be driven by advancements in recycling technology and increasing investments in infrastructure. As governments enforce stricter recycling regulations and industries shift towards more sustainable practices, the demand for recycled plastic will boost supply. The push for a circular economy, along with innovations in sorting and processing systems, will enable more efficient recycling, ensuring a steady flow of recycled materials to meet growing market demands.

Chart 35: Supply of Recycled Plastic



Source: MAIA, CareEdge Research; Note: E- Estimates, P- Projections, CY- Calendar Year

6.4 Region Wise Demand of Recycled Plastic

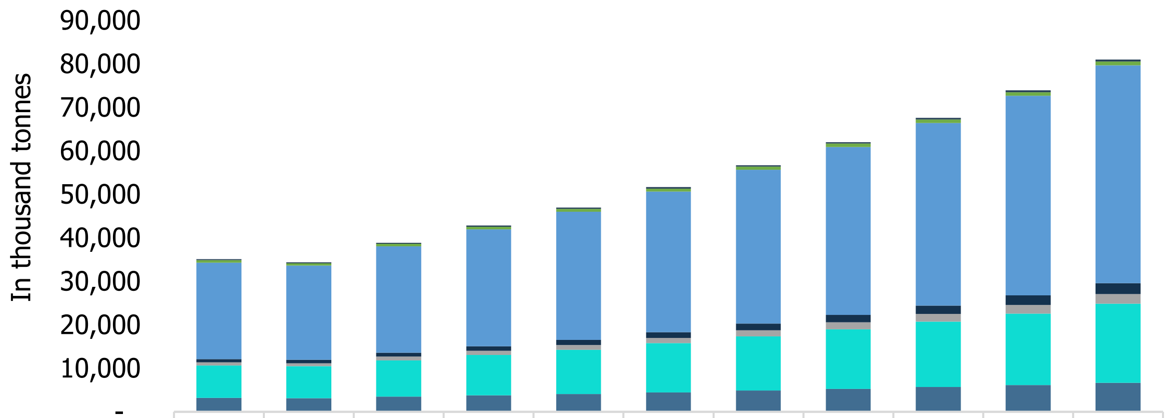
As of CY23, Asia-Pacific (APAC) holds the highest share by demand of 62.8%. This is followed by Europe and North America with shares of 21.7% and 8.7% respectively. In Asia-Pacific, the demand for recycled plastic is largely driven by increasing government initiatives and stringent regulations aimed at addressing plastic waste and pollution. Countries like China, India, and Japan are ramping up recycling infrastructure, with policies encouraging domestic plastic waste management. The region's rapid urbanization, growing packaging industry, and the shift toward sustainable practices further fuel the demand for recycled plastics, particularly in packaging and electronics.

In Europe, the rising demand for recycled plastic is propelled by strong regulatory frameworks such as the European Union’s Green Deal and Extended Producer Responsibility programs. The focus on achieving circular economy goals and reducing plastic waste is driving investment in recycling technologies. The automotive, packaging, and consumer goods industries, under pressure to adopt sustainable practices, are key contributors to the growing need for recycled plastics, ensuring continued demand over the forecast period.

North America’s demand for recycled plastics is primarily driven by increasing corporate sustainability efforts and consumer preferences for eco-friendly products. Regulations mandating the use of recycled content in plastic products, especially in packaging and automotive industries, are stimulating market growth. Additionally, the surge in food packaging demand is expected to offer lucrative opportunities for the recycled plastics market, as companies aim to meet environmental goals and cater to the growing demand for sustainable materials.

The demand for recycled plastics is poised for significant growth, driven by increasing regulatory support, sustainability initiatives, and technological advancements across key regions. Asia-Pacific, Europe, and North America are adopting strategies focused on circular economies, waste reduction, and eco-friendly practices, ensuring a strong and sustainable future for the recycled plastics market globally.

Chart 36: Global Plastic Recycling Demand by Region



	CY19	CY20	CY21	CY22	CY23	CY24E	CY25P	CY26P	CY27P	CY28P	CY29P
Others	235	217	233	261	272	305	315	328	363	377	421
Africa	555	523	575	612	648	687	726	773	813	858	907
APAC	22,167	21,674	24,433	26,875	29,477	32,338	35,412	38,604	41,953	45,877	50,103
Middle East	790	798	932	1,058	1,202	1,364	1,544	1,746	1,958	2,220	2,509
South America	684	712	835	951	1,056	1,183	1,379	1,566	1,762	1,953	2,178
Europe	7,494	7,367	8,372	9,279	10,197	11,306	12,457	13,701	15,013	16,458	18,177
North America	3,177	3,102	3,469	3,785	4,094	4,468	4,890	5,293	5,709	6,160	6,696

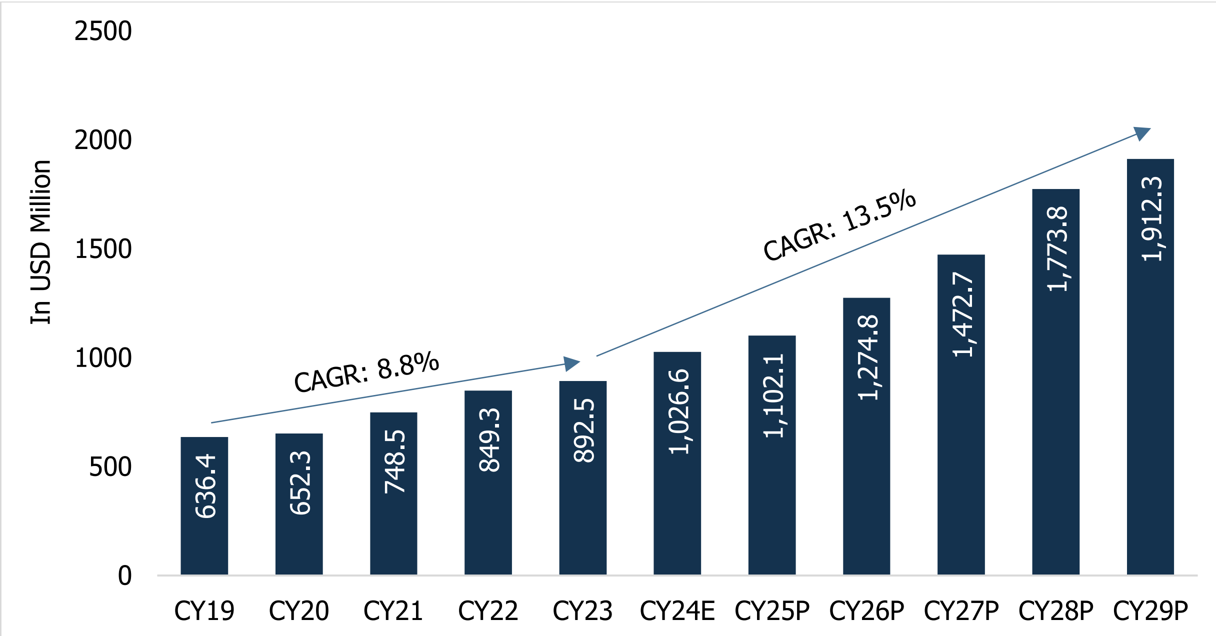
Source: MAIA, CareEdge Research; Note: E- Estimates, P- Projections, CY- Calendar Year

6.5 Size of the Market in India and Outlook – CY19 to CY29P (Volume and Value Terms)

By value, India's plastic recycling market has grown by a CAGR of 8.8% during CY19 to CY23, reaching market value of USD 892.5 million in CY23. The market is projected to reach value of USD 1,912.3 million by CY29 growing at a CAGR of 13.5% from CY23 to CY29. In volume terms, the market grew by a CAGR of 9.7% from CY19 to CY23, standing at 1,098 thousand tonnes in CY23. The market is projected to reach volume of 2,233 thousand tonnes by CY29 growing at a CAGR of 12.6% from CY23 to CY29.

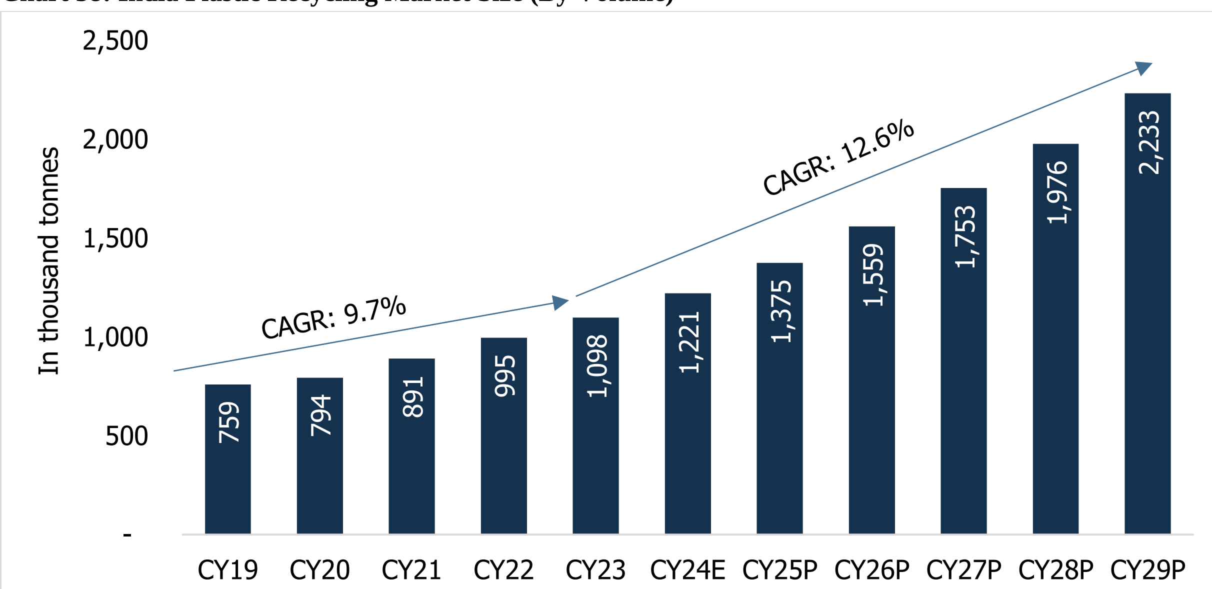
The recycled plastic market in India has experienced steady growth, primarily driven by the increasing consumption of plastic due to population growth, urbanization, and industrialization. Despite generating a large amount of plastic waste, India's recycling infrastructure has struggled to keep pace, with much of the waste managed by the informal sector. However, the government's initiatives, including the Plastics Pact, have played a key role in promoting recycling and setting ambitious targets for the future. As awareness of environmental sustainability rises, consumers are increasingly favoring eco-friendly alternatives, particularly in the food and beverage packaging sector. Moving forward, the market is expected to grow significantly, driven by advancements in recycling technologies, stricter regulations, and a rising demand for sustainable, recyclable packaging solutions across various industries.

Chart 37: India Plastic Recycling Market Size (By Value)



Source: MAIA, CareEdge Research; Note: E- Estimates, P- Projections, CY- Calendar Year

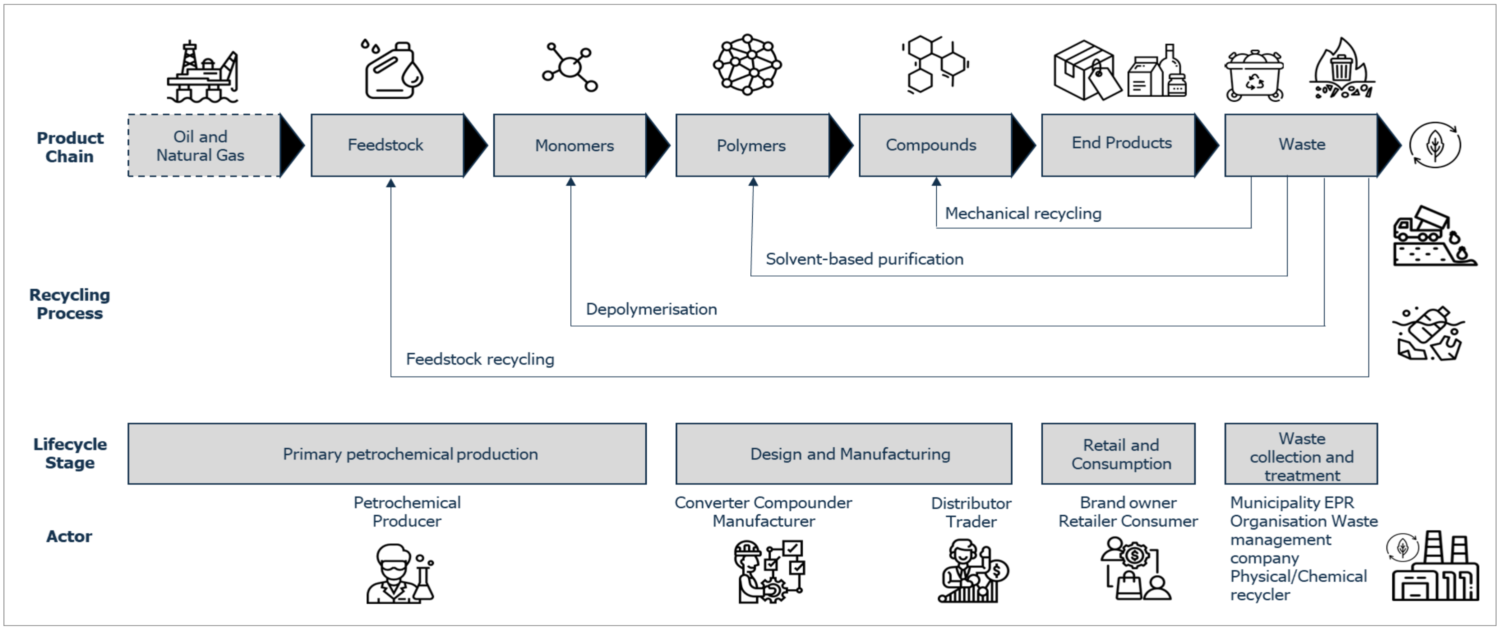
Chart 38: India Plastic Recycling Market Size (By Volume)



Source: MAIA, CareEdge Research; Note: E- Estimates, P- Projections, CY- Calendar Year

6.6 Value Chain Analysis

Figure 3: Value Chain Analysis of Recycled Plastic



Source: MAIA, CareEdge Research

6.7 Overview of End User Market

The increasing demand for sustainable materials has driven the adoption of recycled plastics across various end-user industries. In the building and construction sector, recycled plastics are used in products such as insulation, roofing materials, and structural components, contributing to more sustainable construction practices. The automotive industry leverages recycled plastics for manufacturing lightweight vehicle parts, reducing carbon footprints while maintaining performance standards. In the electrical and electronics sector, recycled plastics are used in casings, wiring insulation, and components, supporting eco-friendly electronics production. The slow-moving consumer goods (SMCG) sector benefits from recycled plastics in packaging and product design, aligning with sustainability trends. Lastly, the packaging industry increasingly incorporates recycled plastics in food and beverage packaging, reducing reliance on virgin materials and driving circular economy initiatives.

Based on end-user industry, the recycled plastic market is segmented into Building and Construction, Automotive, Electrical and Electronics, Slow Moving Consumer Goods, Packaging and others. As of CY23, Packaging Industry holds the highest share, by market value, of 25%. The packaging industry consumed recycled plastic worth USD 11,237.1 million in CY23. This is expected to increase at a CAGR of 9.7%, from CY23 to CY29, to USD 19,552.1 million by CY29. The packaging industry has been a major driver of recycled plastic use, with companies adopting it in bottles, bags, and containers. As regulations on plastic waste intensify, the industry is shifting towards 100% recycled plastic packaging. In the future, technological advancements will enable even more efficient use of recycled plastics, transforming packaging into a key component of the circular economy.

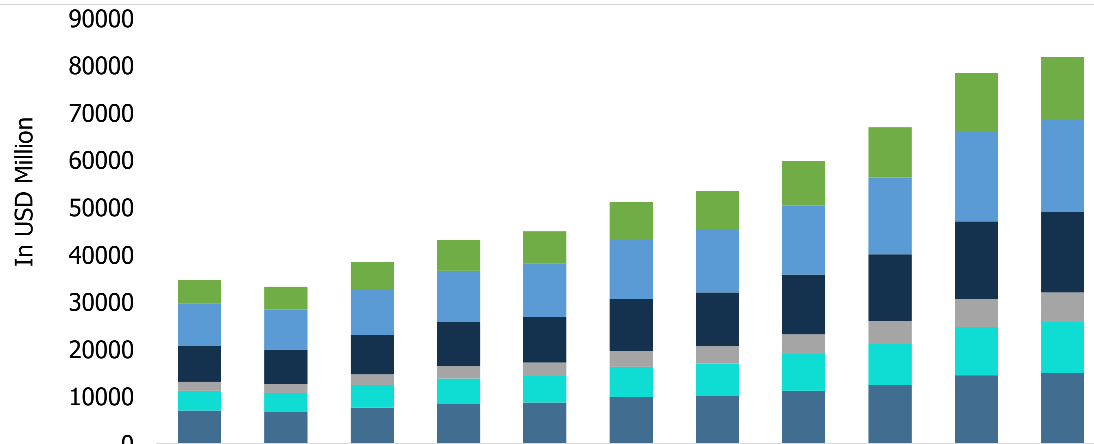
Recycled plastic has found increasing use in building materials such as insulation, roofing, and pipes. Initially, its adoption was slow, but with the rise of green building practices, recycled plastic is now used for composite lumber and energy-efficient products. In the future, recycled plastics will become standard in structural components, helping reduce the carbon footprint of the construction sector. The building and construction industry consumed recycled plastic worth USD 8,855.5 million in CY23. Demand for recycled plastic in the building and construction industry is projected to increase at a CAGR of 9.2%, from CY23 to CY29, reaching market value of USD 15,028 million by CY29.

The automotive industry has gradually adopted recycled plastic in interior parts like dashboards, seat backs, and trims. As manufacturers face pressure to reduce emissions and waste, the use of recycled plastics is expanding. Future vehicles will feature more recycled components, including external body panels and battery casings, contributing to more sustainable production and less plastic waste. The automotive industry consumed recycled plastic worth USD 5,591.6 million in CY23. Demand for recycled plastic in the automotive industry is projected to increase at a CAGR of 11.5%, from CY23 to CY29, reaching market value of USD 10,768.3 million by CY29.

In electrical and electronics manufacturing, recycled plastics are increasingly used for casings, wiring insulation, and connectors. As e-waste grows, the demand for sustainable materials is pushing companies to incorporate more recycled plastic. The future will see even higher usage in electronic products like smartphones, laptops, and household appliances, driven by eco-design principles and circular economy goals. The electrical and electronics industry consumed recycled plastic worth USD 2,840.8 million in CY23. Demand for recycled plastic in the electrical and electronics industry is projected to increase at a CAGR of 14.3%, from CY23 to CY29, reaching market value of USD 6,320 million by CY29.

Recycled plastic is being increasingly used in the packaging of Slow-Moving Consumer Goods (SMCG) products, from food containers to personal care packaging. As consumer demand for sustainable products grows, more companies are shifting to recycled materials. Moving forward, the use of recycled plastics in product components and packaging will become a norm, helping reduce plastic waste in the sector. The SMCG industry consumed recycled plastic worth USD 9,652.4 million in CY23. Demand for recycled plastic in the SMCG industry is projected to increase at a CAGR of 10%, from CY23 to CY29, reaching market value of USD 17,098.5 million by CY29.

Chart 39: Global Plastic Recycling Value by Application



	CY19	CY20	CY21	CY22	CY23	CY24E	CY25P	CY26P	CY27P	CY28P	CY29P
Others	4,992.1	4,857.7	5,666.4	6,493.6	6,843.1	7,894.2	8,321.1	9,334.1	10,634.2	12,551.2	13,195.2
Packaging	8,941.2	8,524.3	9,779.4	10,865.9	11,237.1	12,705.6	13,189.7	14,620.4	16,235.6	18,884.0	19,552.1
Slow Moving Consumer Goods (Furniture, AC, Fridge, Television Vacuum Cleaner etc)	7,595.9	7,246.5	8,337.7	9,297.6	9,652.4	10,951.3	11,376.1	12,647.0	14,095.0	16,457.6	17,098.5
Electrical and Electronics	1,922.4	1,908.4	2,285.8	2,644.1	2,840.8	3,349.5	3,620.5	4,190.1	4,844.1	5,853.5	6,320.0
Automotive	4,154.3	4,043.6	4,722.0	5,327.1	5,591.6	6,427.2	6,812.0	7,686.1	8,666.1	10,230.6	10,768.3
Building and Construction	7,157.8	6,782.7	7,755.7	8,576.1	8,855.5	9,966.5	10,283.5	11,361.3	12,556.0	14,582.0	15,028.0

Source: MAIA, CareEdge Research; Note: E- Estimates, P- Projections, CY- Calendar Year

6.8 Key Demand Drivers in the Industry

1. **Government Regulations and Policies:** Governments worldwide are playing a pivotal role in driving the growth of the plastic recycling industry through stringent regulations and initiatives. In India, the implementation of the Plastic Waste Management Rules and the Plastic Waste Management (Amendment) Rules, 2024 has set clear targets for reducing plastic waste and increasing recycling rates. Similarly, regulations like the European Union's Circular Economy Action Plan, which mandates recyclability and reduced plastic packaging, are accelerating the demand for recycled plastic and shaping industry practices globally.

2. **Environmental Awareness:** Rising awareness about the detrimental effects of plastic pollution on ecosystems and human health is a key driver for the plastic recycling market. Consumers are increasingly seeking eco-friendly products, and businesses are responding by incorporating recycled plastics into their packaging and products. Public awareness

campaigns, environmental NGOs, and media have raised the profile of plastic waste issues, making sustainability a crucial priority for both consumers and companies. This growing demand for recycled plastics is fuelling industry innovation and market expansion.

3. **Technological Advancements in Recycling:** Advancements in recycling technologies, including mechanical and chemical recycling, have significantly improved the efficiency and effectiveness of plastic waste processing. New technologies allow for better sorting, cleaning, and reprocessing of plastic materials, ensuring higher-quality recycled products. Innovations such as AI-powered sorting systems and chemical recycling processes enable the recovery of valuable materials from previously unrecyclable plastics. These technological improvements have made recycled plastics more competitive with virgin plastics, thus driving demand across industries, particularly in packaging and automotive sectors.

4. **Corporate Sustainability Initiatives:** Increasingly, major corporations are committing to sustainability goals that include the use of recycled plastic in their products and packaging. Companies such as Unilever, Coca-Cola, and Nestlé have set ambitious targets to incorporate a significant percentage of recycled content into their packaging by 2030. These corporate sustainability commitments not only create a demand for recycled plastics but also encourage investment in recycling infrastructure. The business case for using recycled plastic aligns with consumer preferences for eco-conscious products, further accelerating the market's growth.

5. **Packaging Industry Demand:** The packaging industry is one of the largest consumers of recycled plastics, driven by consumer demand for sustainable packaging solutions. With growing environmental concerns, businesses are increasingly turning to recycled plastic to meet sustainability targets, reduce waste, and align with eco-friendly packaging trends. Companies in the food and beverage, cosmetics, and consumer goods sectors are prioritizing recyclable or recycled plastic packaging to appeal to eco-conscious consumers. This surge in demand for recycled packaging is expected to significantly contribute to the expansion of the plastic recycling market in the coming years.

6.9 Challenges faced by the Industry

1. **Lack of Adequate Infrastructure:** A major challenge for the plastic recycling industry, particularly in India, is the insufficient infrastructure for efficient waste collection, segregation, and processing. Many regions lack modern recycling facilities, and existing systems are often outdated and underfunded. This results in inefficiencies, lower-quality recycled plastic, and increased operational costs, limiting the scalability of recycling operations and hindering market growth.

2. **Inefficient Plastic Waste Segregation:** Plastic waste segregation is a critical component of the recycling process, but India faces significant challenges in this area. Poor waste segregation at the source, coupled with inadequate public awareness, leads to contamination and reduced recycling efficiency. With only a small percentage of plastic waste being segregated properly, the overall recycling process becomes more complicated, increasing costs and lowering the quality of the recycled materials produced.

3. **High Contamination Rates:** Contamination in plastic waste, such as food residue or mixing different plastic types, is a significant obstacle to effective recycling. Contaminated plastic cannot be easily processed or reused, which leads to lower-quality recycled material and higher sorting costs. This not only reduces the efficiency of recycling operations but also makes it more expensive, undermining the economic viability of plastic recycling businesses.

4. **Limited Technological Advancements:** The plastic recycling industry in India struggles with outdated and inefficient technologies, which hamper the ability to process plastic waste at scale. Many recycling facilities lack access to advanced sorting and processing technologies, limiting their capacity to produce high-quality recycled plastic. As a result, the sector faces challenges in meeting the growing demand for recycled materials, and operations remain costly and less effective.

6.10 Government Policies and Regulations/Initiatives

1. **Plastic Waste Management (Amendment) Rules, 2024:** The Plastic Waste Management (Amendment) Rules, 2024 represent a significant overhaul of India's approach to plastic waste management. The new rules address key issues highlighted by the Public Accounts Committee (PAC), such as the lack of a proper mechanism for assessing plastic waste generation and the delays in eliminating single-use plastics (SUPs). These amended rules introduce mandatory reporting requirements for manufacturers, importers, and brand owners of plastic products, ensuring greater accountability in waste collection and processing. The rules also expand the scope of Extended Producer Responsibility (EPR), making it the responsibility of producers to collect and manage plastic packaging waste. Additionally, local bodies are mandated to improve waste segregation, collection, and processing infrastructure, significantly enhancing plastic waste management across India.

2. **India Plastics Pact:** The India Plastics Pact, launched in September 2021, aims to transform India's plastics system into a circular economy. It is a pioneering initiative in Asia, uniting businesses, government agencies, NGOs, and citizens to tackle plastic pollution. The pact focuses on four key targets: reducing problematic plastics, increasing recycling rates, ensuring plastics are reused or recycled, and promoting innovations in packaging design. By promoting public-private partnerships and collaboration, the India Plastics Pact is driving the development of sustainable plastic packaging solutions and encouraging investments in plastic recycling technologies. This initiative supports India's transition towards a circular plastics economy, helping to reduce plastic waste and encourage the use of recycled plastics in packaging.

3. **Recycled Plastics Manufacture and Usage Rules:** Introduced in 1999, the Recycled Plastics Manufacture and Usage Rules were one of India's earliest efforts to promote the use of recycled plastic. The rules mandate that manufacturers must use at least 25% recycled plastic in specific products, including carry bags and packaging films. To ensure compliance, manufacturers are required to obtain registration from the Central Pollution Control Board (CPCB). The rules also prohibit the production and sale of non-recyclable and single-use plastic items, such as plastic cups, plates, and straws. These regulations were designed to boost the recycled plastic market, reduce plastic waste, and promote sustainability in the manufacturing sector.

7 Aluminium Industry

7.1 Overview of the Industry

Aluminium is one of the lightest and second-most used metals globally, after steel. The primary raw material used in the production of aluminium is bauxite ore. India has sizable bauxite reserves, amounting to around 49,58,248 thousand tonnes. Of these, 13% fall under the reserve category whereas the remaining 87% belong to remaining resources.

Aluminium production involves various steps. It can be split into two divisions, upstream and downstream processes. The upstream process involves bauxite mining, alumina refining, and smelting activities whereas the downstream process involves casting, rolling, extrusion, and fabrication activities.

India is the second-largest producer of aluminium after China. In India, aluminium production is largely led by three players namely National Aluminium Company Limited (NALCO), Hindalco Industries Limited, and Vedanta Limited. The global average per capita consumption of aluminium is about 11 kg whereas India's per capita consumption is low at about 2.5 kg.

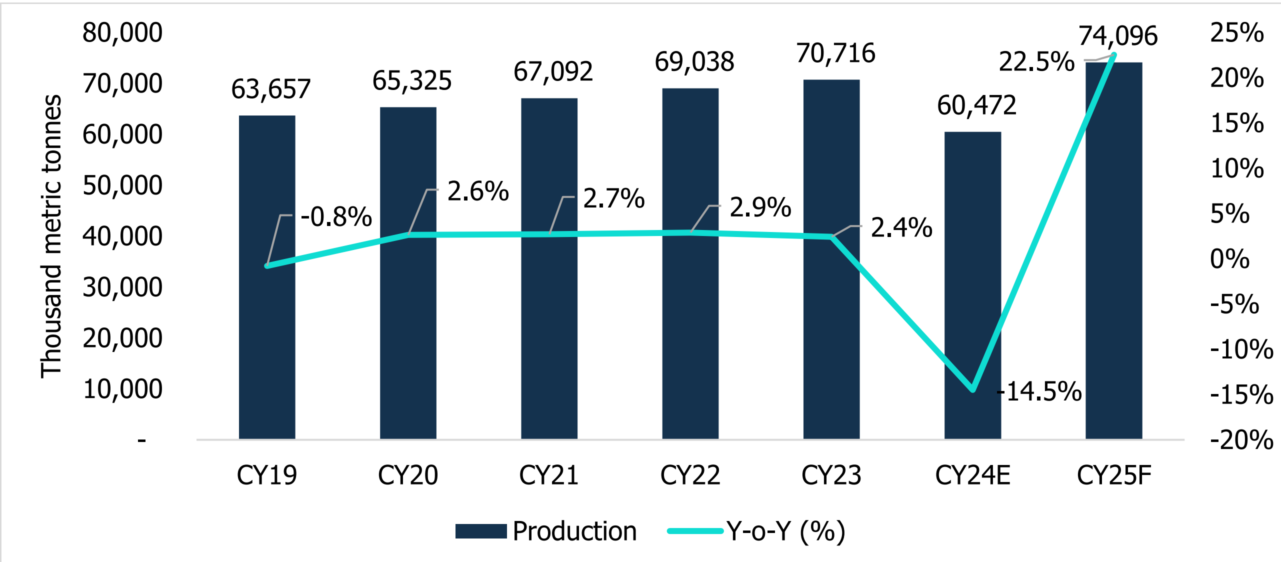
7.2 Production and Consumption of Primary Aluminium

Global Primary Aluminium

Production

The primary aluminium grew steadily with a CAGR of 2.6% during the period CY19 to CY23. During CY23, the production has registered a growth rate of 2.4% on a y-o-y after witnessing an 2.9% increase in its previous year. This is mainly due to cut in production due to energy crisis in Europe which later resumed in second half of the year.

Chart 40: Production of Primary Aluminium



Source: International Aluminium Institute (IAI), CareEdge Research; 'E' denotes Estimates; 'F' denotes Forecast

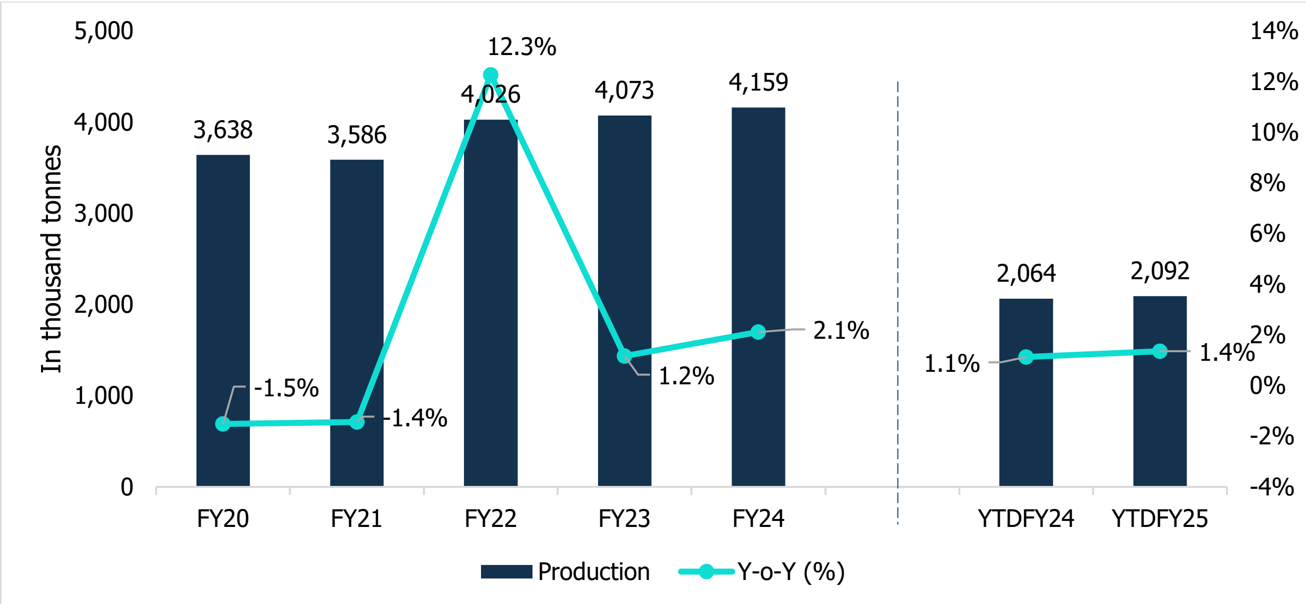
Indian Primary Aluminium

Production

India is the second largest producer of aluminium. The production of primary aluminium grew by a CAGR of about 3.4% during the period FY20 to FY24. During FY21, the production of aluminium decreased by 1.4% y-o-y to 3,586 thousand tonnes from 3,638 thousand tonnes in FY20. The production of aluminium was not much affected by any external affairs like Covid-19 pandemic and geopolitical tension. It witnessed a sharp growth rate of 12.3% on a y-o-y in FY22 and further grew by 1.2% y-o-y in FY23 backed by the increased consumption in the country.

During FY24, the primary aluminium production increased by around 2% y-o-y to 4,159 thousand tonnes mainly due to strong economic activity in user sectors such as energy, infrastructure, construction, automotive and machinery. Additionally, during YTDFY25 (April 2024-September 2024), production of primary aluminium grew by 1.4% y-o-y.

Chart 41: Production of Primary Aluminium



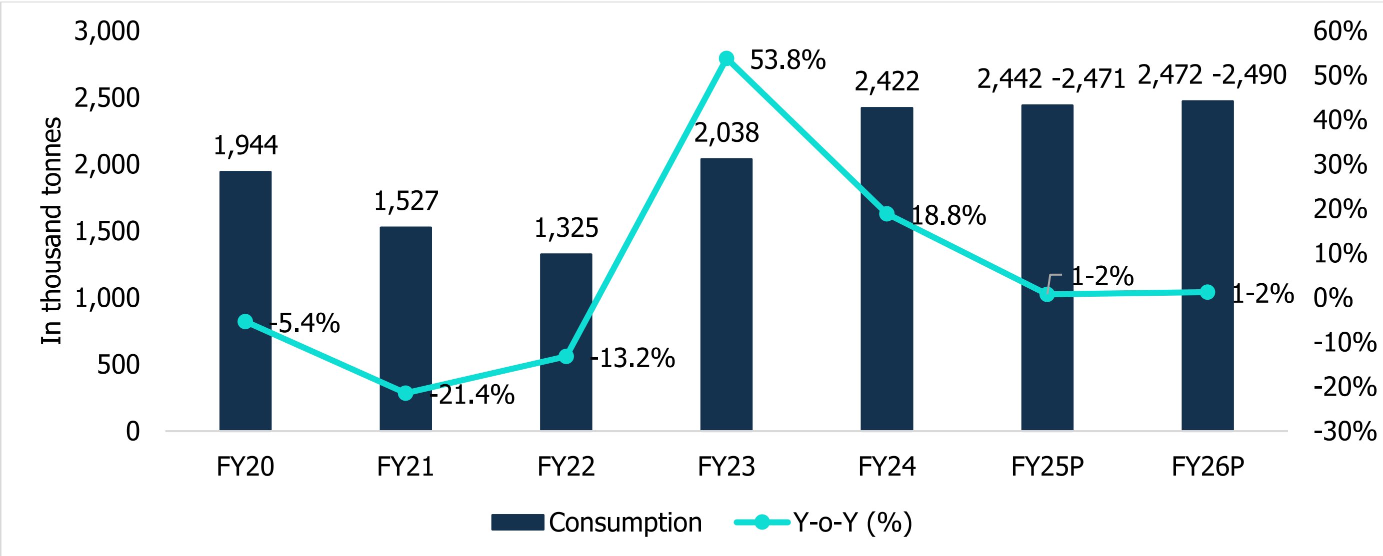
Source: CMIE
Note: YTD refers to the period between April to September

Consumption

Aluminium consumption has grown with a CAGR of 5.7% during the period FY20 to FY24. The consumption in the industry declined by 5.4% on a y-o-y in FY20, owing to a fall in demand from power and auto sectors. Further it decreased by 21.4% y-o-y in FY21 due to the pandemic. However, the industry observed a sharp revival in FY22, though the growth was restricted because demand from end-use sector (automobile) was affected by a shortage of semiconductors. As a result, the production of aluminium reduced and the sales in the auto sector declined by 5.4% y-o-y in FY22.

During FY23, the industry witnessed a sharp growth of 54% y-o-y, led by economic growth and factors such as a 13% increase in automotive production, improvement in construction activities, and increased demand from the power sector. Moreover, consumption grew by 18.8% y-o-y in FY24 on account of high infrastructure development by the government and steady demand from the automotive and power sectors.

Chart 42: Consumption of Primary Aluminium



Source: CMIE; 'P' denotes Projected

7.3 Trends in Exports and Imports of Primary Aluminium in India

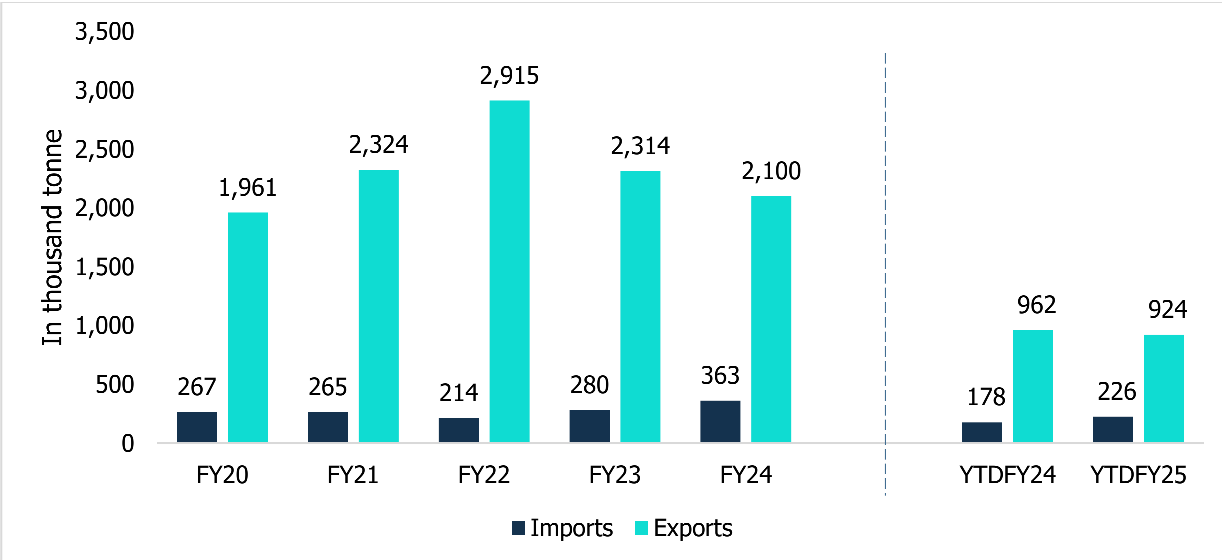
Exports

During FY23, shipments declined by 21% y-o-y. This can be attributed to the decline in shipments to China. The exports to China fell by around 82% y-o-y to 87 thousand tonnes from 487 thousand tonnes in FY22, contributing 4% to the total outbound shipments in FY23 down from 17% in the last fiscal. Export shipments fell by 9% y-o-y to 2,100 thousand tonnes in FY24 from 2,314 thousand tonnes in FY23. This is majorly due to the decline in share of exports to Netherlands and Mexico whose shipments have decreased by around 68% and 51% respectively, on a y-o-y. Malaysia, South Korea, Japan, China and Mexico are the top 5 export destinations and collectively account to nearly 60% of the total exports from India. Moreover, exports declined by 4% y-o-y during YTDFY25 (April 2024-September 2024).

Imports

India predominantly imports aluminium ingots. During FY23, imports increased to 280 thousand tonnes from 214 thousand tonnes in FY22, representing a growth of 31% year-on-year (y-o-y). The industry has witnessed a growth of 30% y-o-y in FY24, driven by low-cost imports from China and free trade agreements with ASEAN and Middle Eastern countries. Moreover, imports surged by 26.8% y-o-y during YTDFY25 (April 2024-September 2024). Malaysia, Qatar, UAE, Bahrain, and Oman continue to be the leading suppliers of primary aluminium to India, accounting for 78% of the share of total inbound shipments in FY24.

Chart 43: Exports and Imports



Source: CMIE

Note: YTD refers to the period between April to September

7.4 Price Trend in Primary Aluminium

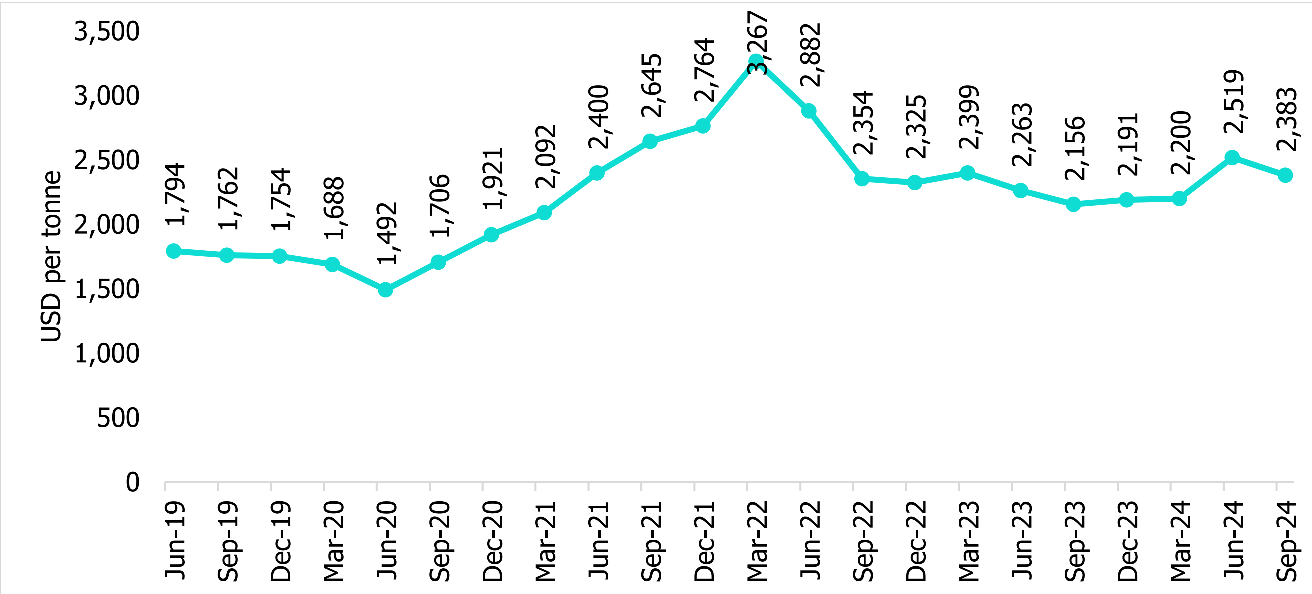
After a challenging two-year period in FY20 and FY21, the average aluminium price jumped by 54% y-o-y in FY22 to USD 2,769 per tonne. Aluminium prices peaked at USD 3,267 per tonne in the quarter of March 2022, a growth of 56% compared to the same period in the previous year, due to geopolitical tensions, i.e., the Russia-Ukraine war since Russia has the third-largest capacity of aluminium.

Further, during FY23, the prices witnessed a downward trend from April 2022 and fell to USD 2,325 per tonne in the quarter ended December 2022, a dip of around 29% as compared to the quarter ended March 2022 and 16% y-o-y. The declining prices are due to the inventory build-up in China as aluminium demand was low due to COVID-19-related lockdowns and restrictions. Furthermore, high interest rates by the US Federal Reserve have also weakened the commodity demand due to high foreign exchange costs. As a result, the prices of aluminium declined on the London Metal Exchange (LME).

Moreover, in FY23 aluminium prices averaged at USD 2,490 per tonne, a fall of 10% over the previous year. Despite the upliftment of restrictions in the Chinese economy, the prices continued to decline as the recovery in China remained sluggish. The prices further tailed off to USD 2,156 per tonne during the quarter ended September 2023. However, the aluminium prices marginally improved towards the end of FY24 and rose to USD 2,200 per tonne during the quarter ended March 2024, but fell by around 8% on a y-o-y, and hovered around pre-COVID levels.

Thereafter, the prices began to rise due to the new sanctions announced by UK & US on Russian metals including aluminium which restricted the acquisition of Russian metal produced on or after 13th April 2024. As a result, LME announced a ban on these metals, leading to a rise in prices by 14.5% q-o-q and 11.3% y-o-y during the quarter ended June 2024. As of September 2024, prices declined by 5.4% q-o-q, to USD 2,383 per tonne.

Chart 44: International Primary Aluminium Price Trend



Source: CMIE

8 Global Aluminium Recycling Market

8.1 Overview of the Industry

Aluminium recycling plays a pivotal role in fostering sustainability and reducing environmental impact, making it a cornerstone of the circular economy. The process begins with the collection of aluminium scrap from diverse sources, including consumer goods like beverage cans, as well as industrial waste from sectors such as automotive and construction. These materials are then sorted to ensure purity and quality, with advanced sorting technologies like metal analysers ensuring that only aluminium is processed, free from contaminants.

Once sorted, the aluminium is shredded and compacted for efficient melting, a process that is energy-intensive but crucial for creating high-quality recycled material. Melting takes place in specially designed furnaces that minimise energy consumption, underscoring the industry's emphasis on reducing its carbon footprint. After the aluminium is melted, it undergoes a purification process to remove impurities, ensuring that the final product meets the required standards for new uses. The purified molten aluminium is then cooled and solidified, forming ingots, bars, or other shapes suitable for manufacturing.

One of the defining characteristics of aluminium is its recyclability—it can be reused repeatedly without any loss of quality. This makes it one of the most sustainable materials in the world, with the vast majority of aluminium ever produced still in circulation. The global demand for recycled aluminium is driven by the growing focus on environmental conservation, energy efficiency, and cost-effectiveness. Key industries such as automotive and construction have increasingly turned to recycled aluminium due to its light weight, energy-saving properties, and minimal environmental impact. As the global push towards sustainability intensifies, aluminium recycling is expected to see continued growth. With industries striving to reduce energy consumption and lower their carbon footprint, the demand for recycled aluminium will only increase, making it an integral part of a greener, more resource-efficient future.

8.2 Types of Aluminium and its Products

Aluminium is one of the most versatile and widely used metals in the world. Known for its lightweight, corrosion-resistant, and durable properties, it is employed across a variety of industries ranging from construction and transportation to aerospace and packaging. The metal's ability to be alloyed with different elements enhances its mechanical and physical properties, making it suitable for specific applications. Aluminium is available in several grades or alloys, each with distinct characteristics, and understanding these types helps in selecting the right material for a particular application.

Types of Aluminium Alloys

1. **1000 Series (Pure Aluminium):** The 1000 series is composed of nearly 99% pure aluminium, offering excellent corrosion resistance, high thermal and electrical conductivity, and good formability. These alloys are primarily non-heat treatable and are strengthened by cold working processes. The most common alloy in this series is 1100, known for its versatility in applications such as chemical equipment, cooking utensils, and nameplates. Other grades like 1050 and 1060 are used in electrical applications and heat exchangers due to their excellent electrical conductivity.

2. **2000 Series (Aluminium-Copper Alloys):** The 2000 series alloys, such as 2024 and 2017, are known for their high strength, fatigue resistance, and machinability. These alloys are primarily used in the aerospace industry due to their outstanding strength-to-weight ratio. However, they are susceptible to stress corrosion cracking and have lower corrosion resistance compared to other aluminium alloys. Despite this, their exceptional mechanical properties make them ideal for structural components where high strength is crucial.

3. **3000 Series (Aluminium-Manganese Alloys):** Aluminium alloys in the 3000 series, like 3003, are widely used for applications requiring good corrosion resistance and formability. With manganese as the primary alloying element, these alloys offer moderate strength and good weldability, making them ideal for products such as cooking utensils, roofing materials, and siding. Though they lack the high strength of some other series, their balance of properties makes them economical for many general-purpose applications.

4. **4000 Series (Aluminium-Silicon Alloys):** The 4000 series is primarily used for its excellent weldability, particularly in the form of welding filler wires. Alloys such as 4045 are known for their low melting temperatures and fluidity, which aid in achieving smooth, crack-free welds. These alloys are often used in automotive and construction applications where welding plays a key role. Though their strength is not as high as other series, their exceptional welding properties make them indispensable in the manufacturing and fabrication industries.

5. **5000 Series (Aluminium-Magnesium Alloys):** The 5000 series alloys, such as 5052 and 5083, are known for their high strength, excellent corrosion resistance, and weldability, especially in marine and coastal environments. These alloys, which contain magnesium as the principal alloying element, are often used in transportation, marine structures, and chemical tanks. The combination of strength and corrosion resistance makes them highly valued in industries that require materials to withstand harsh environmental conditions.

6. **6000 Series (Aluminium-Magnesium-Silicon Alloys):** The 6000 series, including 6061 and 6082, is one of the most versatile categories of aluminium alloys. It offers a good balance of strength, corrosion resistance, and formability. 6061 is commonly used in the aerospace, automotive, and construction industries due to its excellent strength-to-weight ratio and ease of fabrication. The 6000 series alloys are also heat-treatable, allowing them to achieve high strength levels, making them ideal for structural and load-bearing applications.

7. **7000 Series (Aluminium-Zinc Alloys):** Alloys in the 7000 series, such as 7075, are some of the strongest aluminium alloys available. Primarily used in aerospace and high-performance applications, these alloys provide outstanding strength and fatigue resistance, making them ideal for components that endure high stress. Though they are heat-treatable and offer exceptional mechanical properties, they are more prone to corrosion than other alloys, requiring careful maintenance.

8. **8000 Series (Specialty Alloys):** The 8000 series includes a variety of specialty alloys, such as 8011, that are often used in applications requiring specific properties like low density and high stiffness. These alloys are primarily used in packaging

materials, electronics, and other specialized industries. Due to their adaptability, 8000 series alloys are often customized to meet unique performance requirements.

Aluminium alloys are engineered to meet a wide range of performance needs, from lightweight applications to high-strength structural components. Whether used for corrosion resistance, electrical conductivity, or weldability, the right aluminium alloy can significantly enhance the durability and efficiency of a product. Understanding the properties of different aluminium grades is key to selecting the right material for any application, ensuring both performance and cost-effectiveness.

Aluminium Products

Aluminium is a highly versatile material, used in a broad range of products across various industries due to its lightweight, corrosion resistance, and durability. Here are some of the most common aluminium products and their key applications:

1. **Aluminium Sheets and Plates:** Aluminium sheets and plates are flat, thin metal products used in a variety of manufacturing processes. They are widely used in the automotive, aerospace, construction, and packaging industries. For example, aluminium sheets are used for vehicle body panels, roofing materials, and even food and beverage cans. Their malleability and resistance to corrosion make them ideal for both aesthetic and structural purposes.

2. **Aluminium Extrusions:** Extruded aluminium products are made by forcing aluminium alloy through a die to create specific profiles. These profiles are commonly used in the construction of doors, windows, curtain walls, and electrical conduits. The versatility of aluminium extrusions extends to consumer electronics, such as smartphones and laptops, where they are used for heat sinks and structural components.

3. **Aluminium Foil:** Aluminium foil is a thin, flexible sheet widely used in packaging, especially in food and pharmaceuticals. It helps preserve freshness and protects contents from light, air, and moisture. Beyond packaging, aluminium foil is used in the production of insulation materials and in the construction industry for reflective surfaces.

4. **Aluminium Alloys:** Aluminium alloys are used in products requiring specific properties, such as high strength or heat resistance. For instance, aerospace components, such as aircraft fuselages and wings, use high-strength aluminium alloys like 2024 and 7075. In automotive and marine applications, alloys like 5052 and 5083 provide excellent corrosion resistance, especially in harsh environments.

5. **Aluminium Tubing and Pipes:** Aluminium tubes and pipes are lightweight and resistant to corrosion, making them ideal for plumbing, heating, and cooling systems. They are also used in medical equipment, structural applications, and in the construction of electrical cables.

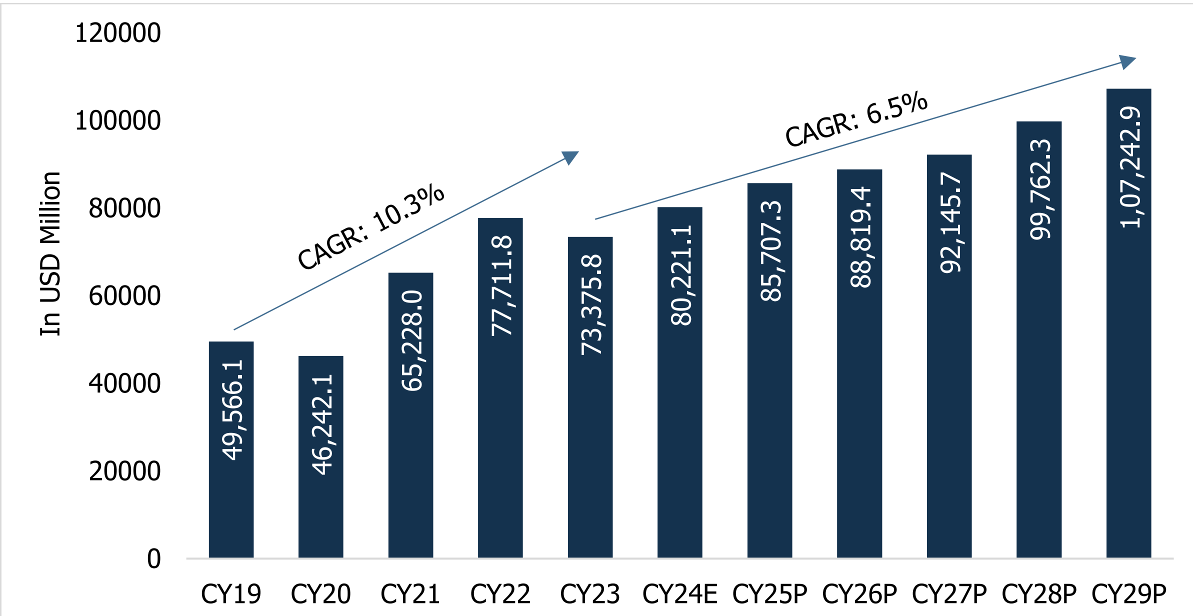
These diverse aluminium products are integral to many sectors, from manufacturing and transportation to packaging and electronics, making aluminium an essential material in modern industry.

8.3 Global Market Size by Value (CY19-CY29)

The global aluminium recycling market has been growing in an upward trend, barring CY20 and CY23 where it experienced a dip, since CY19. It has grown at a CAGR of 10.3% from CY19 to CY23 reaching market value of USD 73,375.8 million. Historically, the global aluminium recycling market experienced a significant setback due to the COVID-19 pandemic, especially in sectors like construction and automotive, which are major consumers of aluminium. The pandemic led to a slowdown in building activities, including residential real estate, which directly impacted aluminium demand. However, the market rebounded as restrictions eased, driven by increased consumption in various industries, including automotive and construction, both of which saw a strong recovery post-pandemic.

The market is further projected to grow at a CAGR of 6.5% from CY23 to CY29, expected to reach a market value of USD 1,07,242.9 million by CY29. This growth is expected to be primarily fuelled by the rising demand for sustainable and energy-efficient solutions, particularly in the automotive and construction sectors. The increasing focus on reducing carbon footprints and meeting net-zero emission goals will push industries to rely more on recycled aluminium. Additionally, advancements in recycling technologies, such as laser sorting and solid-state recycling, are expected to enhance processing efficiency, further driving the market's expansion while aligning with global sustainability efforts.

Chart 45: Global Market Size (By Value)



Source: MAIA, CareEdge Research; Note: E- Estimates, P- Projections, CY- Calendar Year

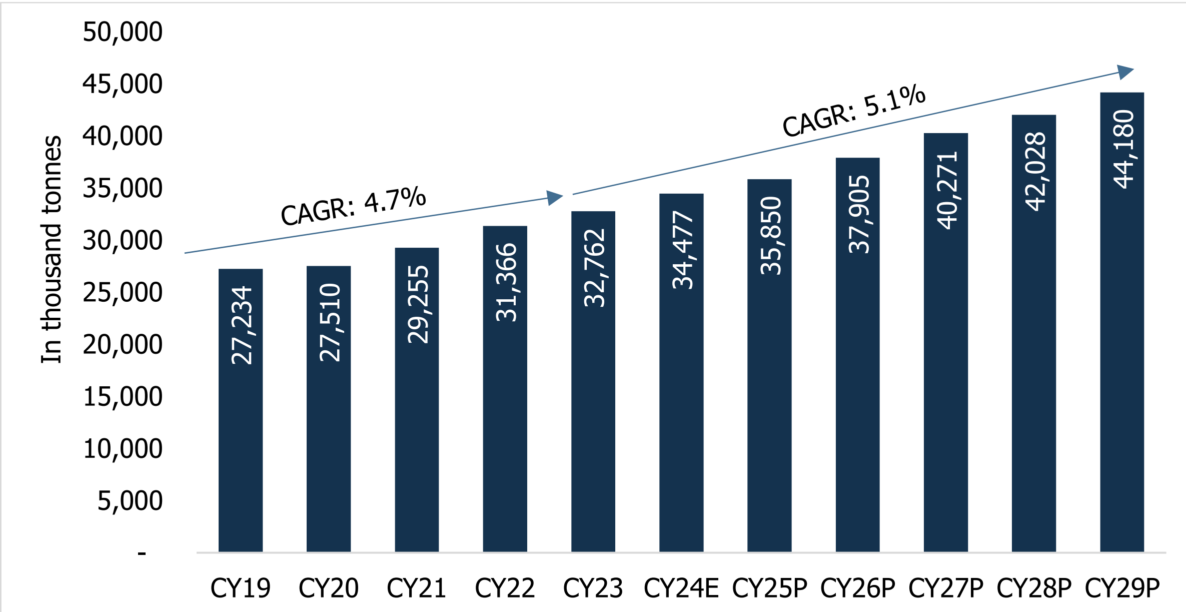
8.4 Demand and Supply of Recycled Aluminium

Demand of Recycled Aluminium

The demand for recycled aluminium has been growing in an upward trend since CY19, growing at a CAGR of 4.7%. As of CY23, demand for recycled aluminium stands at 32,762 thousand tonnes. The demand for recycled aluminium has been largely influenced by the growth in the automotive and construction sectors, where aluminium is a key material due to its light weight and durability. The COVID-19 pandemic temporarily slowed down these industries, especially construction, affecting aluminium demand. However, the market has recovered with rising consumption driven by sustainability goals and cost-effectiveness of recycled aluminium.

The demand is projected to increase at a CAGR of 5.1% from CY23 to CY29, projected to reach 44,180 thousand tonnes by CY29. This demand is expected to be driven by the push for sustainable practices and the reduction of carbon footprints across industries. The automotive sector's adoption of lighter, fuel-efficient aluminium components and the growing use of aluminium in electric vehicles are expected to fuel future growth. Additionally, innovations in recycling technologies, such as laser sorting and solid-state recycling, will enhance efficiency and further increase market demand.

Chart 46: Demand of Recycled Aluminium



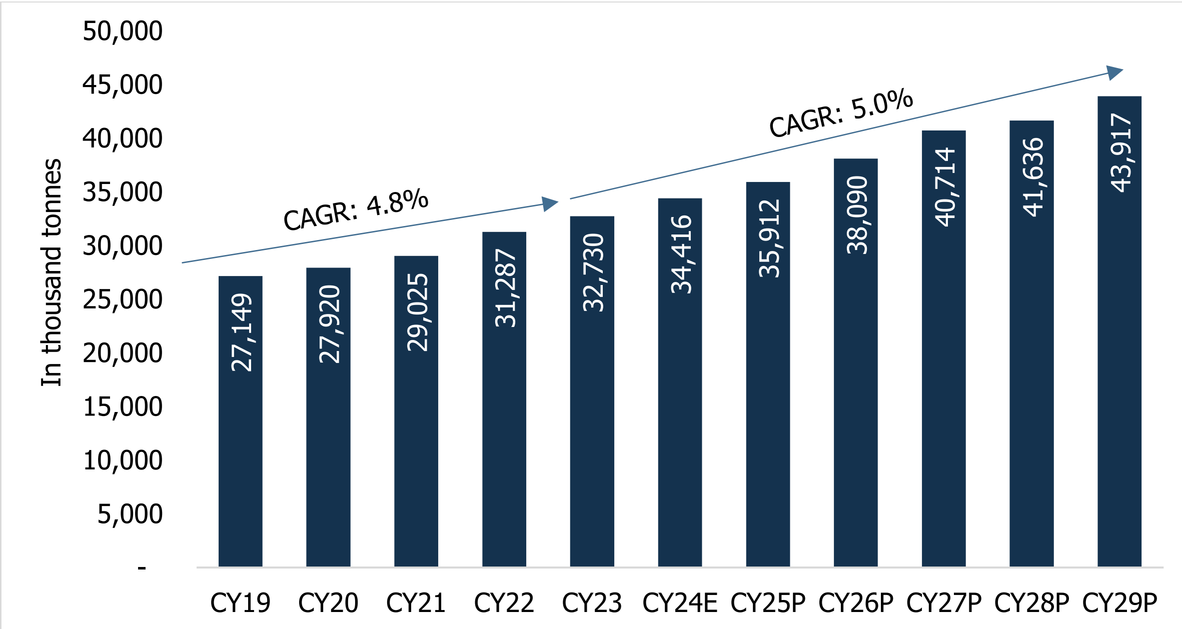
Source: MAIA, CareEdge Research; Note: E- Estimates, P- Projections, CY- Calendar Year

Supply of Recycled Aluminium

The supply for recycled aluminium has been growing in an upward trend since CY19, growing at a CAGR of 4.8%. As of CY23, demand for recycled aluminium stands at 32,730 thousand tonnes. The supply of recycled aluminium has been driven by the large volumes of aluminium waste generated from sectors such as construction, automotive, and consumer goods. The recycling process is cost-effective and efficient, reducing the need for raw materials and conserving energy. Additionally, the steady supply of aluminium scrap from industrial and consumer sources has been a key factor in meeting the demand for recycled aluminium.

The supply is projected to increase at a CAGR of 5% from CY23 to CY29, projected to reach 43,917 thousand tonnes by CY29. The supply is expected to be supported by technological advancements that improve the efficiency and purity of recycling processes. Innovations like laser sorting, x-ray technologies, and solid-state recycling are expected to enhance material recovery and reduce impurities. As the demand for electric vehicles and green buildings grows, the need for high-quality recycled aluminium will drive further supply chain developments and a more sustainable recycling infrastructure.

Chart 47: Supply of Recycled Aluminium



Source: MAIA, CareEdge Research; Note: E- Estimates, P- Projections, CY- Calendar Year

8.5 Region Wise Demand of Recycled Aluminium

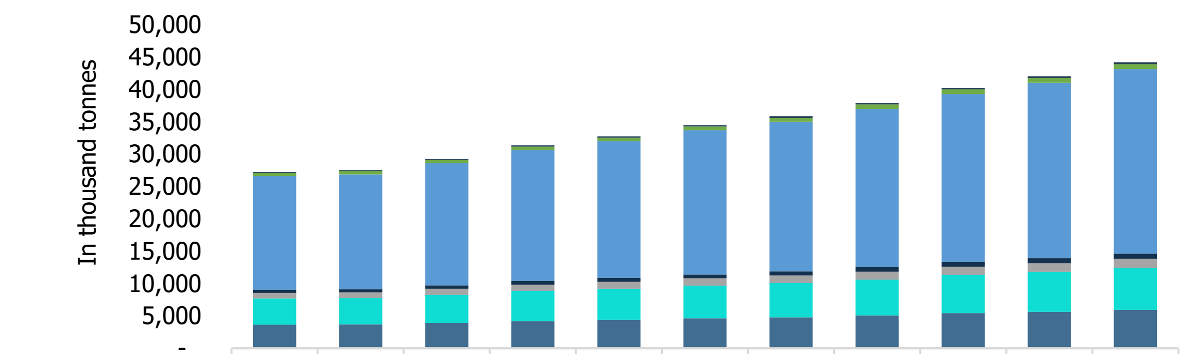
As of CY23, Asia-Pacific (APAC) holds the highest share by demand of 64.6%. This is followed by Europe and North America with shares of 14.6% and 13.5% respectively. In Asia-Pacific, demand for recycled aluminium is being driven by rapid industrial growth, particularly in automotive, construction, and electronics. Countries like China and India are experiencing significant urbanization and infrastructure development, while China's dominance in the electric vehicle market further boosts the need for lightweight, recycled aluminium. Additionally, China's government policies focused on reducing primary aluminium production and increasing secondary aluminium recycling will continue to shape the region's demand.

In Europe, the growing emphasis on sustainability and the EU's commitment to reducing carbon emissions are key drivers of recycled aluminium demand. Regulations mandating the use of recycled content in products, coupled with advancements in recycling technology, are expected to further boost the supply of high-quality recycled aluminium. Additionally, the automotive and aerospace industries are increasingly prioritizing environmentally friendly materials, leading to greater reliance on recycled aluminium for lighter, more energy-efficient vehicles and aircraft.

In North America, the rising demand for recycled aluminium is largely driven by the automotive and construction sectors, which are increasingly adopting lightweight aluminium for its energy-efficient and eco-friendly properties. The automotive industry's focus on electric vehicles and fuel-efficient cars has amplified the need for recycled aluminium. Furthermore, North America's strong recycling infrastructure and commitment to circular economy principles continue to support the expansion of aluminium recycling, ensuring a steady supply of this valuable material for various applications.

The demand for recycled aluminium is set to grow significantly, fuelled by robust industrial development, sustainability regulations, and technological innovations in key regions. Asia-Pacific, Europe, and North America are advancing circular economy initiatives, with a strong focus on reducing carbon emissions and improving recycling efficiency, ensuring a sustainable and prosperous future for the global aluminium recycling market.

Chart 48: Global Aluminium Recycling Demand by Region



	CY19	CY20	CY21	CY22	CY23	CY24E	CY25P	CY26P	CY27P	CY28P	CY29P
Others	177	174	188	204	211	215	227	244	257	260	277
Africa	461	460	495	537	557	580	610	653	689	711	756
APAC	17,54	17,72	18,86	20,22	21,14	22,26	23,12	24,45	26,01	27,15	28,51
Middle East	501	501	536	581	603	628	657	702	741	765	810
South America	861	884	951	1,010	1,042	1,114	1,173	1,229	1,289	1,367	1,455
Europe	4,028	4,080	4,321	4,611	4,793	5,058	5,273	5,549	5,867	6,140	6,472
North America	3,663	3,687	3,903	4,200	4,407	4,620	4,783	5,076	5,417	5,632	5,894

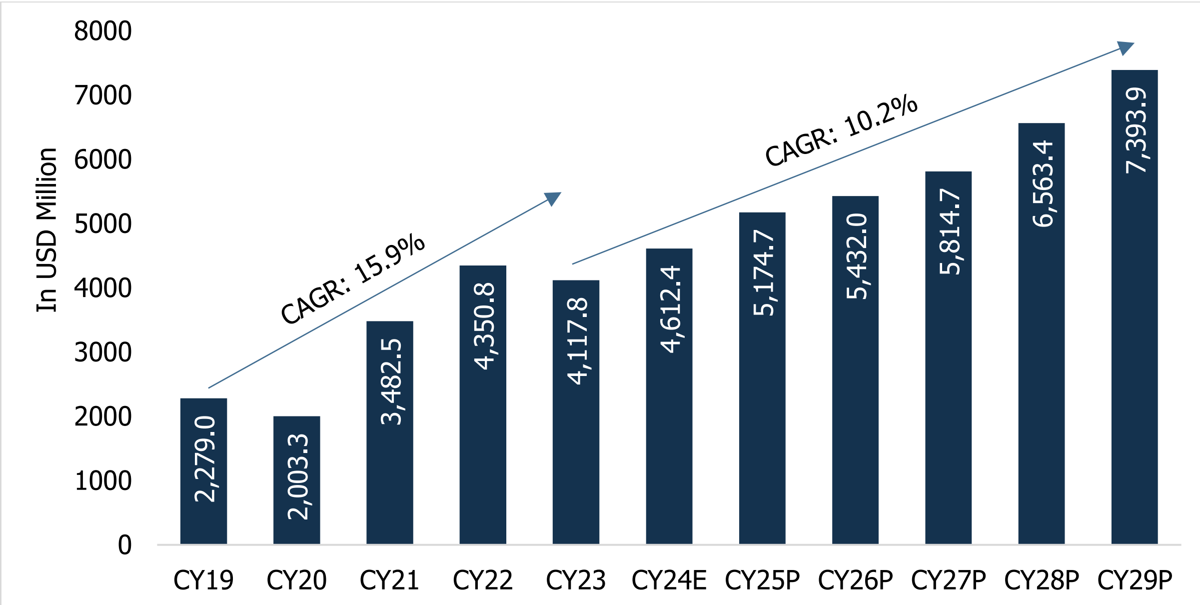
Source: MAIA, CareEdge Research; Note: E- Estimates, P- Projections, CY- Calendar Year

8.6 Size of the Market in India and Outlook – CY19 to CY29P (Volume and Value Terms)

By value, India's aluminium recycling market has grown by a CAGR of 15.9% during CY19 to CY23, reaching market value of USD 4,117.8 million in CY23. The market is projected to reach value of USD 7,393.9 million by CY29 growing at a CAGR of 10.2% from CY23 to CY29. In volume terms, the market grew by a CAGR of 8.4% from CY19 to CY23, standing at 2,076 thousand tonnes in CY23. The market is projected to reach volume of 3,434 thousand tonnes by CY29 growing at a CAGR of 8.7% from CY23 to CY29.

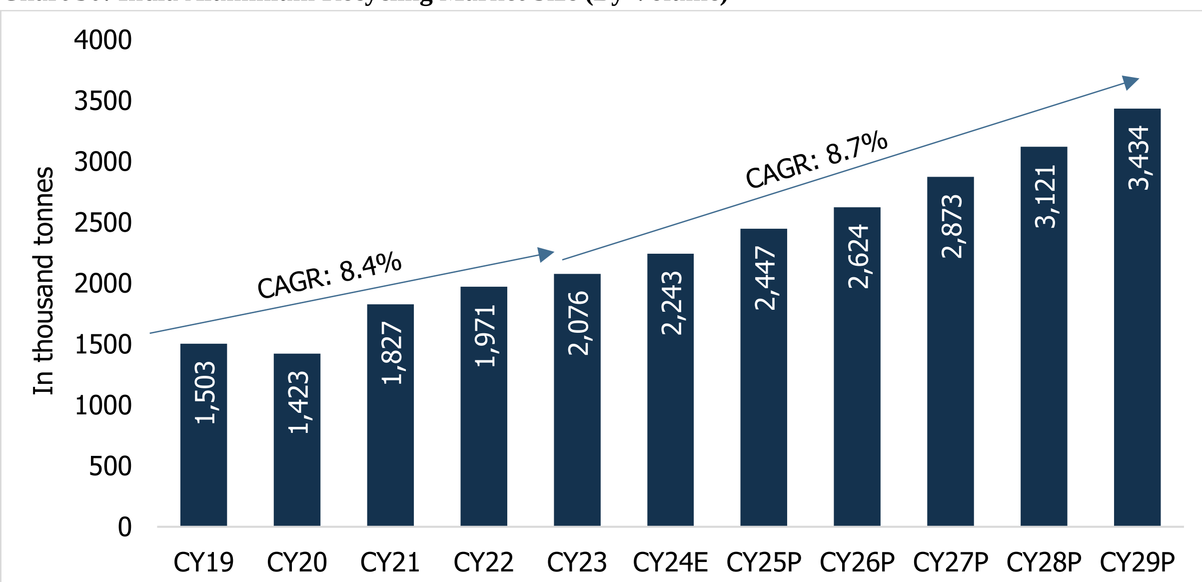
The recycled aluminium market in India has experienced notable growth, driven by increasing industrial demand and the need for sustainable practices in sectors such as automotive, construction, and power. Historically, India's aluminium recycling industry has expanded at a robust pace, outpacing primary aluminium demand, due to the rising need for low-carbon alternatives and environmental consciousness. However, challenges like limited domestic scrap collection and dependency on imports have hindered further growth. Going forward, the demand for recycled aluminium is expected to grow rapidly, supported by India's focus on decarbonization, the transition to electric vehicles, and growing applications in various industries. To sustain this growth, industry stakeholders call for policy reforms, including balanced import-export duties and the establishment of scrap material standards to foster a more conducive environment for recycling.

Chart 49: India Aluminium Recycling Market Size (By Value)



Source: MAIA, CareEdge Research; Note: E- Estimates, P- Projections, CY- Calendar Year

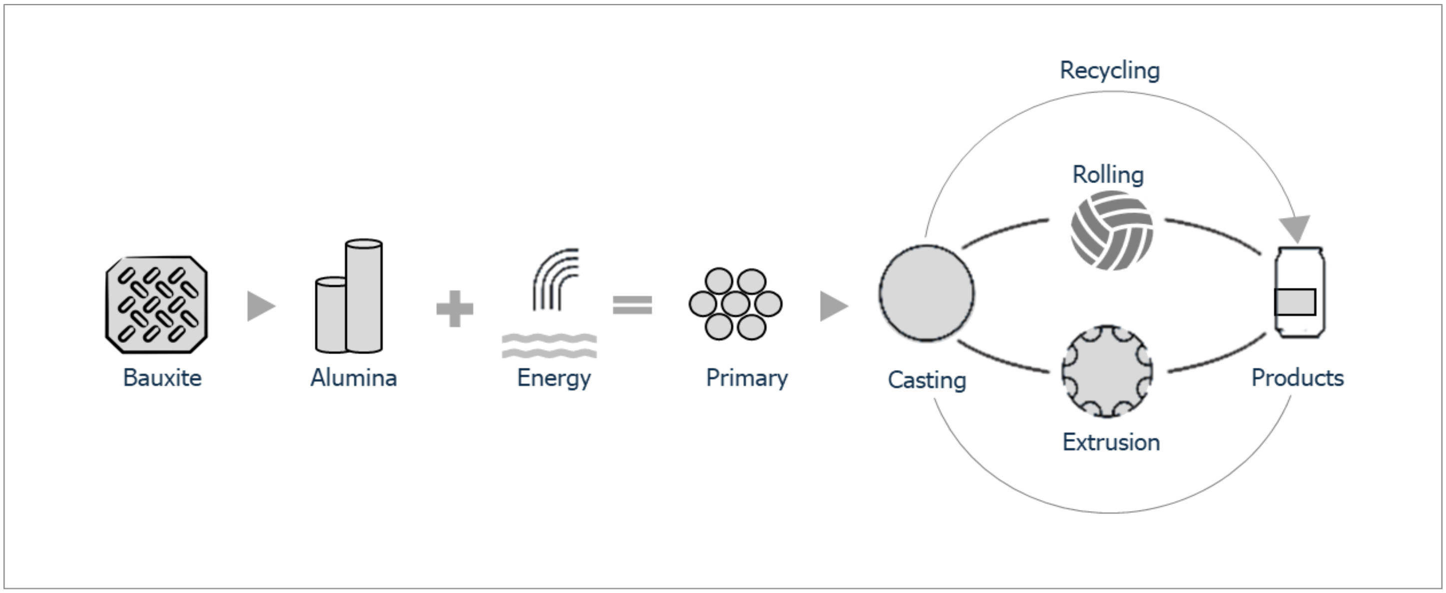
Chart 50: India Aluminium Recycling Market Size (By Volume)



Source: MAIA, CareEdge Research; Note: E- Estimates, P- Projections, CY- Calendar Year

8.7 Life Cycle Analysis of Aluminium

Figure 4: Life Cycle Analysis of Aluminium



Source: MAIA, CareEdge Research

8.8 Overview of End User Market

The growing demand for sustainable materials has accelerated the use of recycled aluminium across various end-user industries. In the building and construction sector, recycled aluminium is used in window frames, roofing, and cladding, promoting eco-friendly construction practices. The automotive industry utilizes recycled aluminium for lightweight vehicle parts, enhancing fuel efficiency and reducing carbon emissions. In the electronics sector, recycled aluminium is employed in casings, heat sinks, and electronic components, supporting sustainable electronics production. The packaging industry increasingly adopts recycled aluminium in beverage cans and food containers, reducing the need for virgin materials and supporting circular economy goals. Finally, the renewable energy industry incorporates recycled aluminium in solar panels and wind turbines, contributing to cleaner energy solutions.

Based on end-user industry, the recycled aluminium market is segmented into Building and Construction, Automotive, Electronics, Packaging, Renewable Energy and others. As of CY23, Automotive Industry holds the highest share, by market value, of 28%. The automotive industry consumed recycled aluminium worth USD 20,575.5 million in CY23. This is expected to increase at a CAGR of 6.6%, from CY23 to CY29, to USD 30,190.2 million by CY29. In the automotive industry, recycled aluminium is used in lightweight vehicle parts such as engine blocks, wheels, and body panels, reducing vehicle weight and enhancing fuel efficiency. As the automotive sector moves toward electric vehicles, recycled aluminium will play a critical role in manufacturing components that support sustainability, including battery housings and frames for EVs.

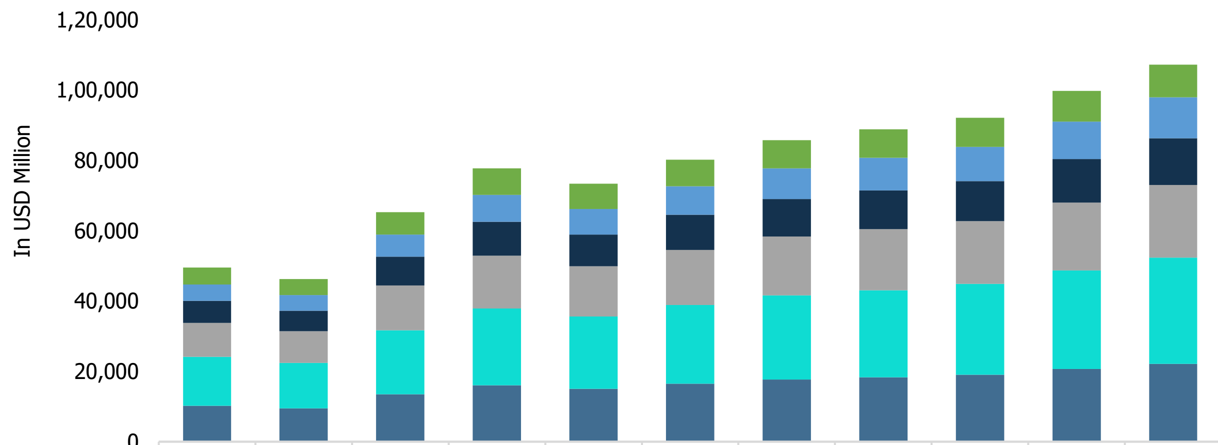
Recycled aluminium is widely used in building and construction for products like window frames, doors, cladding, and roofing materials. Its lightweight, durable, and corrosion-resistant properties make it an ideal material for sustainable construction. In the future, demand for recycled aluminium is expected to grow as green building standards and eco-friendly construction practices continue to gain traction. The building and construction industry consumed recycled aluminium worth USD 14,998.9 million in CY23. Demand for recycled aluminium in the building and construction industry is projected to increase at a CAGR of 6.7%, from CY23 to CY29, reaching market value of USD 22,157.7 million by CY29.

Recycled aluminium is used extensively in the electronics sector for casings, heat sinks, and electrical components. With increasing demand for sustainable electronics, the use of recycled aluminium will continue to rise. It provides a cost-effective and environmentally friendly solution for manufacturers, especially in consumer electronics like smartphones, laptops, and home appliances. The electronics industry consumed recycled aluminium worth USD 14,279.9 million in CY23. Demand for recycled aluminium in the electronics industry is projected to increase at a CAGR of 6.3%, from CY23 to CY29, reaching market value of USD 20,612.1 million by CY29.

The packaging industry has increasingly adopted recycled aluminium for products like beverage cans, food containers, and foil. Recycled aluminium offers significant environmental benefits by reducing energy consumption compared to primary aluminium production. As consumer demand for sustainable packaging grows, the use of recycled aluminium in this sector is set to expand, supporting a circular economy model. The packaging industry consumed recycled aluminium worth USD 9,077.5 million in CY23. Demand for recycled aluminium in the packaging industry is projected to increase at a CAGR of 6.6%, from CY23 to CY29, reaching market value of USD 13,348.7 million by CY29.

Recycled aluminium is used in renewable energy technologies such as solar panels and wind turbines, where its lightweight and durable nature enhances performance. As the renewable energy sector expands, the demand for recycled aluminium will continue to rise, especially in solar panel frames, wind turbine components, and other infrastructure, contributing to greener energy solutions worldwide. The renewable energy industry consumed recycled aluminium worth USD 7,279.8 million in CY23. Demand for recycled aluminium in the renewable energy industry is projected to increase at a CAGR of 8.2%, from CY23 to CY29, reaching market value of USD 11,658.6 million by CY29.

Chart 51: Global Aluminium Recycling Value by Application



	CY19	CY20	CY21	CY22	CY23	CY24E	CY25P	CY26P	CY27P	CY28P	CY29P
Others	4,908.9	4,570.6	6,356.4	7,540.5	7,164.2	7,607.3	7,998.5	8,103.8	8,287.4	8,752.3	9,275.6
Renewable energy	4,630.1	4,393.6	6,295.3	7,601.2	7,279.8	8,071.2	8,752.4	9,238.3	9,740.9	10,665.9	11,658.6
Packaging	6,260.8	5,817.8	8,167.4	9,668.3	9,077.5	9,972.5	10,585.9	11,068.1	11,372.0	12,371.8	13,348.7
Electronics	9,641.2	9,031.5	12,680.3	15,052.8	14,279.9	15,660.2	16,783.3	17,312.1	17,858.9	19,225.4	20,612.1
Automotive	13,869.3	12,902.1	18,245.1	21,855.0	20,575.5	22,446.8	23,904.9	24,825.9	25,857.2	28,054.2	30,190.2
Building and Construction	10,255.8	9,526.4	13,483.4	15,994.1	14,998.9	16,463.1	17,682.3	18,271.3	19,029.2	20,692.8	22,157.7

Source: MAIA, CareEdge Research; Note: E- Estimates, P- Projections, CY- Calendar Year

8.9 Key Demand Drivers in the Industry

1. **Growing Demand for Aluminium in Automotive and Aerospace Industries:** The automotive and aerospace sectors are key drivers of aluminium recycling growth. The increasing use of aluminium in vehicles, due to its lightweight and fuel-efficiency benefits, is a major factor. In automotive manufacturing, aluminium reduces vehicle weight, improving fuel efficiency and lowering CO2 emissions. Recycled aluminium is used to meet this growing demand, making it a sustainable and cost-effective option, especially in the context of rising global regulations for fuel economy and carbon reduction.

2. **Sustainability and Circular Economy Focus:** The global shift towards sustainability and the circular economy is propelling the demand for aluminium recycling. Recycling aluminium uses 95% less energy than producing new aluminium, contributing to significant reductions in greenhouse gas emissions. Industries, particularly in construction and packaging, are increasingly adopting recycled aluminium to reduce their environmental footprint. The focus on reducing resource extraction and waste generation aligns perfectly with the circular economy principles, making aluminium recycling an attractive solution across industries.

3. **Technological Advancements in Recycling Processes:** Recent advancements in aluminium recycling technologies, such as Laser-Induced Breakdown Spectroscopy (LIBS) and improved sorting systems, have increased the efficiency and purity of recycled aluminium. These innovations make it easier to process mixed and complex aluminium waste, expanding the types of materials that can be recycled. With better recycling processes, more industries are able to use high-quality recycled aluminium, driving the growth of the market and making recycling more cost-effective for producers across automotive, construction, and consumer goods sectors.

4. **Environmental Regulations and Government Policies:** Stricter environmental regulations and government policies are boosting the demand for aluminium recycling. Laws aimed at reducing carbon emissions, promoting sustainable practices, and restricting landfill use are pushing companies to adopt recycled materials. Many regions now mandate higher recycling rates for construction materials and packaging, creating a stable demand for recycled aluminium. These regulatory pushes, combined with tax incentives and subsidies for sustainable manufacturing practices, are driving industry-wide adoption of recycled aluminium, ensuring continued market growth.

8.10 Challenges faced by the Industry

1. **Supply Chain Disruptions:** The aluminium recycling industry faces supply chain disruptions, particularly due to the challenges of sourcing scrap aluminium from industries like automotive and construction. Variability in scrap availability, including the limited supply of end-of-life vehicles and building materials for demolition, affects the consistency of raw material input. Such disruptions can hinder recycling processes, increase costs, and create volatility in the market.

2. **Contamination and Sorting Issues:** Effective aluminium recycling is highly dependent on the quality of the scrap material. Contamination of scrap with non-aluminium metals or impurities complicates the sorting and purification process. While advances in sorting technologies such as laser-induced breakdown spectroscopy (LIBS) have improved material quality, efficient collection and precise sorting remain ongoing challenges that impact recycling efficiency and the quality of the final recycled aluminium.

3. **Decrease in Recycling Rates for Specific Products:** One significant challenge for the aluminium recycling industry is the decreasing recycling rate of specific aluminium products, such as used beverage cans. Lower collection rates or improper disposal methods for consumer products hinder the supply of high-quality scrap material. The lack of widespread recycling programs and consumer awareness around aluminium products limits the overall potential for recycling and impacts the sustainability of the industry.

8.11 Government Policies and Regulations/Initiatives

1. **Introduction of Minimum Recycled Content Mandates for Non-Ferrous Metals:** In a major step toward promoting sustainable practices in the non-ferrous metals industry, the Indian government has introduced a detailed roadmap under the Hazardous and Other Wastes (Management and Transboundary Movement) Second Amendment Rules, 2024. This regulation mandates that from the financial year 2028, all new products made from non-ferrous metals, including aluminium, copper, and zinc, must contain at least 5% recycled content. This target will gradually increase, reaching 10% in FY29 and escalating further by FY31, with specific targets for aluminium (10%), copper (20%), and zinc (25%). This initiative is designed to reduce dependence on primary resources, mitigate the environmental impact of mining, and drive

the adoption of recycling practices across industries. By encouraging manufacturers to incorporate more recycled content, the government aims to curb waste generation and promote the circular economy. This regulation also supports India's long-term sustainability goals, aligning with global efforts to reduce carbon footprints and conserve resources.

2. **Extended Producer Responsibility (EPR) Framework for Scrap Metal Management:** The Indian government has introduced an Extended Producer Responsibility (EPR) framework as part of the Hazardous and Other Wastes (Management and Transboundary Movement) Second Amendment Rules, 2024. The EPR framework holds producers accountable for the entire lifecycle of their products, including the collection, recycling, and proper disposal of scrap metals. Under this system, non-ferrous metal producers are required to meet their recycling obligations by purchasing EPR certificates from registered recyclers who handle the management of scrap metals. Producers who fail to meet their recycling targets will face environmental compensation fees, incentivizing compliance. The EPR system aims to promote the environmentally sound management of scrap metals and reduce industrial waste. It is expected to generate significant opportunities in the recycling sector, fostering the creation of jobs, and supporting businesses in meeting sustainability goals. The Central Pollution Control Board (CPCB) will oversee the execution of this framework, ensuring that recycling targets are met and that the scheme contributes to environmental conservation.

9 SWOT Analysis

<table>
<tr><th>Strength</th><th>Weakness</th></tr>
<tr><td>

Flexibility to serve numerous industries
Government thrust on infrastructure development and increase in budgetary allocation.
High Demand in Electronics and Construction
Technological advancement
Closed loop recycling ensures enhanced environmental sustainability.
Copper maintains quality even after multiple recycling processes, supporting circular economy goals.
High demand for recycled plastics due to increasing demand from packaging, construction, and consumer goods sectors.
Recycling plastic aligns with global sustainability goals, attracting investment and public support.
Aluminium can be recycled indefinitely without quality loss, making it highly sustainable.

</td><td>

Constantly evolving regulations on emissions and sustainability can lead to increased operational expenses and adaptation costs.
Limited life cycle, depth of discharge and energy storage when compared with lithium-ion batteries.
Increased market competition.
Lack of awareness of hazards associated with improper disposal of lead-acid batteries.
Environmental concerns pose regulatory challenges and public perception issues.
Energy-intensive mining and recycling processes raising operational costs.
Production cost associated with refining primary ore into usable material can be quite high.

</td></tr>
<tr><th>Opportunity</th><th>Threat</th></tr>
<tr><td>

Urbanization and industrialization in developing countries boost demand for metals, creating growth opportunities.
Increased focus on sustainable practices and recycling can enhance the industry's sustainability.
Increase in the growth of automobile market propels the growth of the advanced lead-acid battery market.
Paradigm shift towards renewable energy sources renders a significant opportunity for the lead acid battery market.
Government programmes and directives that support renewable energy.
Expanding operations into new markets with growing economies can provide new growth opportunities.
Collaborations with construction, automotive, and technology sectors can drive long-term contracts and stability.

</td><td>

Political instability, economic downturns and trade tensions can disrupt global supply chains and affects operations.
Volatility in Commodity Prices
Stringent environmental regulations governing use and disposal of lead-acid batteries.
Alternative battery technologies offer better performance in terms of energy density, cycle life, and weight.
Highly volatile raw material prices coupled with an increase in availability of low-cost substitutes.
Labour and supply chain challenges.

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</table>

10 Threats and Challenges for the Company and its Products

Commodity Price Fluctuations and Market Volatility:

Prices of the company’s finished goods are linked to major international and domestic benchmark i.e. LME (London Metal Exchange) and are strongly influenced by global economic conditions and global demand & supply for the products. Volatility in commodity prices and demand may affect the earnings, cash flow and reserves.

Prices for metals like copper and aluminium fluctuate based on global demand, supply, and geopolitical factors. Therefore, price volatility can impact revenue stability and profitability, making it challenging to maintain consistent margins. When raw material prices are low (e.g., virgin plastic due to low oil prices), demand for recycled materials can decline, which may impact the company's revenue from recycling operations.

Moreover, there is a dependence on global markets. Many recycling materials are traded globally, so companies are highly exposed to international economic conditions, trade wars, tariffs, and other geopolitical risks.

Technological Advancement and Obsolescence Challenges:

Advances in recycling technologies, such as chemical recycling for plastics or newer methods of metal extraction, require constant adaptation. Failure to innovate can leave the company at a competitive disadvantage. Adopting new, more efficient, or environmentally friendly recycling technologies involves high costs. For some companies, the investment may not be feasible, impacting operational efficiency. Existing recycling processes may have some limitations, especially for certain types of plastics and low-quality scrap metals. This can restrict the company's ability to recycle some materials profitably.

Operational Challenges:

Recycling processes for metals and plastics are capital-intensive, requiring significant upfront investment in equipment and technology, especially for complex processes like chemical recycling for plastics or high temperature melting for metals. Ensuring the purity and quality of recycled materials can be challenging, especially for plastics where contamination is a persistent issue. Maintaining high-quality outputs is essential to compete with virgin materials. Lead and plastic recycling often involve exposure to toxic substances. Ensuring worker safety, proper training, and protective measures adds to the operational costs.

Information Technology Risk:

The escalating dependence on information technology raises the likelihood of security breaches leading to the misuse of funds and assets. These breaches have the potential to halt operations or cause even more severe consequences. Various safeguards and policies can be implemented to safeguard the network from cyber security threats.

Currency Exchange Rate Fluctuations:

The movement in functional currency of the company against major foreign currencies may impact the companies' revenue. Any weakening of the functional currency may impact the company's cost of imports and cost of borrowings. The earnings and cash flows can be influenced by fluctuation in those foreign currencies, mainly US Dollars.

Regulatory Changes:

Companies in the metal and plastic recycling industries face increasingly stringent environmental regulations, especially regarding emissions, waste disposal, and worker safety standards. Non-compliance can lead to fines, operational shutdowns, or reputation damage. Lead is highly toxic, with significant health and environmental hazards. Compliance with disposal and emissions regulations can be costly and operationally complex, especially for lead-related operations. Moreover, disposing of non-recyclable residues responsibly is a costly challenge, particularly for plastic recycling, where contamination levels can be high.

Regulatory changes pose significant challenges to companies, impacting costs, operations, supply chain management, and strategic planning. The differences in regulations across countries as well as regions complicates the global operations.

11 Peer Comparative Landscape

11.1 Nile Ltd.

Nile was incorporated in 1987 as manufacturer of Glass Lined Equipment, later in 1999, Nile ventured into lead recycling and set up a plant with 3000 TPA non-ferrous division for the secondary manufacture of lead and lead alloys from used batteries and another lead-bearing scrap. In 1995, it installed a 2MW wind farm in Ramagiri, Andhra Pradesh. The glass-lined equipment division was later transferred to De Dietrich Process Systems India Private Limited on 21 June 2012. Nile has two lead recycling plants, one each in Choutuppal (capacity as 32,000 tonnes per annum) in Telangana and Tirupati (75,000 tonnes per annum) in Andhra Pradesh.

The clientele of the company includes the manufacturers of Lead Acid batteries, PVC stabilizers, and Lead-Oxide.

Financial indicators	FY22	FY23	FY24	H1FY23	H1FY24
Net Sales (Rs. Millions)	7,025	8,063	8,376	4,120	4,971
Operating Profit (EBITDA) (Rs. Millions)	396	358	461	197	256
Operating Margin (in %)	5.6%	4.4%	5.5%	4.8%	5.2%
Net Profit (Rs. Millions)	238	226	312	132	165
Net Profit Margin (in %)	3.4%	2.8%	3.7%	3.2%	3.3%
Total Debt (Rs. Millions)	482	152	114	244	170
Debt -to- Equity	0.27	0.08	0.05	0.11	0.07
Current Ratio	4.06	10.59	21.52	5.66	13.35
Return on Equity (ROE) (in %)	13.4%	11.3%	13.6%	12.4%	13.4%
Return on Assets (ROA) (in %)	10.0%	9.9%	12.4%	10.5%	11.9%
Return on Capital Employed (ROCE) (in %)	18.9%	15.8%	17.8%	16.9%	18.2%

Source: Company Reports; Note: H1 figures are annualised

11.2 Gravita India Ltd.

Gravita India Limited (GIL) was incorporated in 1992 with the first plant set up in Jaipur (Phagi) by Mr. Rajat Agrawal. GIL is in the business of recycling lead acid batteries, lead scrap, aluminium scrap, plastic scrap and rubber scrap. The company carries out smelting of lead battery scrap/lead concentrate to produce secondary lead metal, which is further transformed into pure lead, specific lead alloy, lead oxides (lead sub oxide, red lead and litharge) and value-added products like lead sheets, lead powder, lead shot and other such products. The company has its headquarters in Jaipur with 11 recycling plants across Rajasthan, Gujarat, Andhra Pradesh, Jammu and Kashmir, Sri Lanka (Mirigama export zone), Ghana (Accra), Mozambique (Maputo), Senegal (Dakar), Togo and Tanzania (Dar-es-Salam) with an aggregate 3,02,859 million tonnes recycling capacity for lead, aluminium, plastic and rubber and 31 owned scrap yards as on FY24.

Financial indicators	FY22	FY23	FY24	H1FY23	H1FY24
Net Sales (Rs. Millions)	22,159	28,006	31,608	15,396	18,353
Operating Profit (EBITDA) (Rs. Millions)	2,109	1,976	2,836	1,310	1,512
Operating Margin (in %)	9.5%	7.1%	9.0%	8.5%	8.2%
Net Profit (Rs. Millions)	1,485	2,041	2,423	1,114	1,399
Net Profit Margin (in %)	6.7%	7.3%	7.7%	7.2%	7.6%
Total Debt (Rs. Millions)	3,878	3,445	5,451	5,206	5,569
Debt -to- Equity	0.97	0.57	0.64	0.77	0.59
Current Ratio	1.59	1.76	2.40	2.46	2.26
Return on Equity (ROE) (in %)	37.0%	33.9%	28.5%	32.8%	29.7%
Return on Assets (ROA) (in %)	14.9%	16.9%	15.1%	15.4%	15.5%
Return on Capital Employed (ROCE) (in %)	37.5%	37.4%	29.1%	30.1%	30.5%

Source: Company Reports; Note: H1 figures are annualised

11.3 Pondy Oxides and Chemicals Ltd.

Founded in March 1995, POCL is a secondary producer of lead, lead alloys, aluminium, copper, plastic additives producers and other value-added products. Moreover, POCL recycles lead and other non-ferrous materials. It is one of the major lead recycler amongst peer set. Its production facilities are strategically located in Sriperumbudur and the Harsha Exito facility in Thiruvallur district, Tamil Nadu, near Chennai Port, and in Chittoor, Andhra Pradesh, close to the Amara Raja plant. The company's main products including lead and lead alloys are essential for manufacturing lead-acid batteries. Equipped with smelting facilities, POCL can produce various types of lead metal, lead alloys, and other nonferrous metals to meet specific customer requirements.

The companies have a diverse portfolio including Lead (132 KTPA), Copper (6 KTPA), Plastics (9 KTPA), and Aluminium (12 KTPA).

Financial indicators	FY22	FY23	FY24	H1FY23	H1FY24
Net Sales (Rs. Millions)	14,548	14,762	15,406	7,218	10,240
Operating Profit (EBITDA) (Rs. Millions)	772	770	703	281	518
Operating Margin (in %)	5.3%	5.2%	4.6%	3.9%	5.1%
Net Profit (Rs. Millions)	482	465	319	98	282
Net Profit Margin (in %)	3.3%	3.2%	2.1%	1.4%	2.8%
Total Debt (Rs. Millions)	1,072	1,470	1,006	1,968	1,455
Debt -to- Equity	0.51	0.56	0.28	0.73	0.37
Current Ratio	2.33	1.55	2.44	1.48	1.96
Return on Equity (ROE) (in %)	23.2%	17.6%	8.9%	7.3%	14.3%
Return on Assets (ROA) (in %)	14.6%	9.8%	6.6%	3.9%	9.9%
Return on Capital Employed (ROCE) (in %)	33.5%	25.2%	16.9%	16.7%	22.9%

Source: Company Reports; Note: H1 figures are annualised

OUR BUSINESS

Some of the information in the following section, including information with respect to our plans and strategies, contain certain forward-looking statements that involve risks and uncertainties. You should read the chapter "Forward-Looking Statements" beginning on page 15. Our actual results may differ materially from those expressed in, or implied by, these forward-looking statements.

For a discussion of the risks and uncertainties related to those statements and the section "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 40 and 92, respectively, for a discussion of certain risks and analysis of factors that may affect our business, financial condition or results of operations or cash flows.

Our fiscal year ends on March 31 of each year, and references to a particular fiscal are to the twelve months ended March 31 of that year. Unless otherwise stated, or the context otherwise requires, the financial information used in this section is derived from our Unaudited Consolidated Financial Results and the Audited Financial Statements included in this Preliminary Placement Document in "Financial Statements" beginning on page 281.

Unless otherwise indicated or the context otherwise requires, the financial information included in this section for Fiscal 2022, 2023 and 2024 has been derived from our Audited Financial Statements beginning on page 281. The financial information included in this section as of and for the six months ended September 30, 2024 and 2023 has been derived from our Unaudited Consolidated Financial Results beginning on page 281. See, "Financial Information" on page 281. The Unaudited Consolidated Financial Results of our Company are not indicative of our Company's annual performance and are not comparable with the Audited Financial Statements. Unless otherwise indicated or the context otherwise requires, in this section, references to "the Company" or "our Company" are to Pondy Oxides and Chemicals Limited on a standalone basis, and references to "the Group", "we", "us", "our", are to Pondy Oxides and Chemicals Limited on a consolidated basis.

*Unless otherwise indicated, industry and market data used in this section has been derived from the report titled "Industry Research Report on Lead, Copper, Plastics and Aluminium" dated December 17, 2024, prepared and issued by CARE Analytics and Advisory Private Limited ("**CareEdge Research Report**"). There are no parts, data or information (which may be relevant for the proposed issue), that has been left out or changed in any manner. Unless otherwise indicated, financial, operational, industry and other related information derived from the Report and included herein with respect to any particular year refers to such information for the relevant calendar year. For more information, see "Risk Factors – This preliminary placement document contains information from an industry report which we have commissioned from CARE Analytics and Advisory Private Limited" on page 58. Also see, "Industry and Market Data" on page 14.*

OVERVIEW

We are the secondary producer of lead, lead alloys, aluminium, copper, plastic additives producers and other value-added products (*Source: CareEdge Research Report*). We also aim to enhance the range of value-added products within our existing offerings. We have obtained 3N7 lead brand registered on the London Metal Exchange from India. Additionally, we have received the prestigious AEO T3 certification as an Authorised Economic Operator from the Ministry of Finance, along with the esteemed 3-star export house status from the Government of India.

Our range of products includes (i) lead and lead alloys; (ii) copper; (iii) aluminium and aluminium alloys; and (iv) plastic granules. Our products cater to a wide range of sectors, including automotive (lead-acid batteries and components), electronics (circuitry and connectors), construction (aluminium). The following table sets forth the information on our segment wise revenue contribution in the periods indicated therein:

Particulars	For six months period ended September 30				Fiscal					
	2024		2023		2024		2023		2022	
	Revenue (₹ in lakhs)	% of revenue from	Revenue (₹ in lakhs)	% of revenue from	Revenue (₹ in lakhs)	% of revenue from	Revenue (₹ in lakhs)	% of revenue from	Revenue (₹ in lakhs)	% of revenue from

		operations		operations		operations		operations		operations
Lead and lead alloys	99,526.89	97.19	68,399.38	94.77	1,47,404.27	95.68	1,44,389.07	97.81	1,41,240.39	97.09
Aluminium and aluminium alloys	217.82	0.21	2,475.35	3.43	4,199.83	2.73	180.65	0.12	-	-
Copper	1,049.11	1.02	384.75	0.53	559.30	0.36	1,394.39	0.94	700.28	0.48
Plastics	1,610.84	1.57	917.41	1.27	1,896.27	1.23	594.36	0.40	-	-
Others	-	-	-	-	-	0.00	1,059.62	0.72	3,539.44	2.43
Total	**1,02,404.66**	**100.00**	**72,176.89**	**100.00**	**1,54,059.67**	**100.00**	**1,47,618.09**	**100.00**	**1,45,480.11**	**100.00**

We are present in four states in India. We export to more than 20 countries including Korea, Singapore and Thailand. During the six months period ended September 30, 2024 and 2023 and for the financial years 2024, 2023 and 2022, exports of products amounted to ₹ 66,159.52 lakhs, ₹ 38,946.84 lakhs, ₹ 86,820.76 lakhs, ₹ 83,251.42 lakhs and ₹ 78,919.17 lakhs, which accounted for 64.61 %, 53.96%, 56.36%, 56.40% and 54.25% respectively, of our revenue from operations.

We have two Wholly Owned Subsidiaries, POCL Future Tech Private Limited and Harsha Exito Engineering Private Limited. For further details, please see " – *Our Subsidiaries*" on page 214.

As of September 30, 2024, we together with our Subsidiaries, have five manufacturing facilities (of which one manufacturing facility is yet to commence operations) located at Tamil Nadu and Andhra Pradesh. Additionally, as part of our expansion plans to enhance manufacturing capacity, we propose to expand the operations of our existing manufacturing facility at Thervoykandigai, Tamil Nadu. This expansion aims to increase our manufacturing capacities by an additional 72,000 MTPA for lead, 12,000 MTPA for copper and 9,000 MTPA for plastic. For further details, see "- *Our Strategies - Expand our manufacturing capacity to capture additional market share*" and *" Use of Proceeds*" on pages 209 and 79, respectively. Our manufacturing facilities are ISO 9001: 2015, ISO 14001:2015 and ISO 45001:2018 certified.

We have a diversified customer base and we served more than 20 export destination. We have long-established relationships with most of our customers. Some of our marquee customers include Amara Raja Energy & Mobility Limited, Mangal Industries Limited, Glencore International AG, Yuasa Battery (Thailand) PCL, Hankook & Company Co. Ltd. and Hyundai Sungwoo Solite Co., Ltd.

Our Company was incorporated in 1995 and is led by experienced Promoters, Anil Kumar Bansal and Ashish Bansal with significant experience in the non-ferrous metals & recycling industry and technical knowledge of manufacturing process. We also have qualified and experienced Key Managerial Personnel and members of Senior Management that has demonstrated its ability to anticipate and capitalize on changing market trends, manage and grow our operations and leverage and deepen customer relationships.

Certain key financial and operational information

The following table sets forth certain information relating to certain key financial performance metrics on a consolidated basis as of the dates and for the periods indicated:

(₹ in lakhs, except as otherwise stated)

Particulars	**Six-month period ended September 30, 2024***	**Fiscal 2024**	**Fiscal 2023**	**Fiscal 2022**
Revenue from Operations	1,02,404.66	1,54,059.67	1,47,618.09	1,45,480.10
Total Income	1,02,551.61	1,54,470.75	1,48,045.37	1,45,943.27
Gross margin (%)(1)	10.1%	11.2%	11.8%	11.0%
EBITDA(2)	5177.31	7027.03	7702.45	7715.46
EBITDA margin (%)(3)	5.1%	4.6%	5.2%	5.3%
Profit for the period/ year(4)	2,821.43	3,187.22	4653.83	4824.76
Net Profit Ratio (%)(5)	2.8%	2.1%	3.2%	3.3%
Return on Capital Employed	16.4%	12.5%	16.0%	21.6%

Particulars	Six-month period ended September 30, 2024*	Fiscal 2024	Fiscal 2023	Fiscal 2022
(%)[6]				
Return on Equity (%)[7]	14.3%	8.9%	17.6%	23.2%
Debt Equity Ratio[8]	0.37	0.28	0.56	0.51
Interest coverage ratio[9]	6.58	3.62	9.42	7.78
Current ratio[10]	1.98	2.48	1.56	2.33
Debtors Turnover[11]	17.00	14.95	15.63	14.83
Inventory Turnover ratio[12]	13.54	9.43	8.49	9.61

**annualized*

Notes:

1. *Gross Margin % is calculated as Gross Profit divided by Revenue from Operations. Gross Profit calculated as Revenue from Operation reduced by Cost Of Goods Sold (COGS). COGS calculated as cost of materials consumed plus purchase of stock-in-trade plus changes in inventories of finished goods and WIP.*
2. *Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) is calculated as profit before exceptional items and tax, plus finance costs, depreciation & amortisation expenses, minus other income.*
3. *EBITDA Margin is calculated as EBITDA divided by revenue from operation.*
4. *Profit for the period/year is profit for the period/year excluding exceptional items.*
5. *Net Profit Ratio is calculated as profit for the period/ year divided by revenue from operations.*
6. *Return on Capital Employed (ROCE) is calculated as Earnings Before Interest and Tax (EBIT) expressed as a percentage of Capital Employed. EBIT is determined as profit before exceptional items and tax, plus finance costs, minus other income. Capital Employed is calculated as the sum of total debt and total equity. Total Equity is calculated by adding equity share capital and other equity. Total Borrowings consist of current borrowings and non-current borrowings.*
7. *Return on Equity is calculated as Profit for the period / year divided by Total Equity.*
8. *Debt to equity ratio is calculated as Total Debt divided by Total Equity.*
9. *Interest coverage ratio is calculated as Adjusted Profit divided by finance costs, where adjusted profit is calculated as profit for the period/year plus finance costs, depreciation & amortisation expenses.*
10. *Current ratio is calculated by total current assets divided by total current liabilities.*
11. *Debtor Turnover Ratio is calculated as Revenue from Operations divided by Average Trade Receivables. Average Trade Receivables are determined as the average of trade receivables at the beginning and end of the reporting period.*
12. *Inventory Turnover Ratio is calculated as the Cost of Goods Sold (COGS) divided by Average Inventory. Average Inventory is determined as the average of inventory at the beginning and end of the reporting period*

OUR STRENGTHS

Strong procurement network

Our core competencies in procurement is set forth below:

- Global sourcing network – The Company actively procures raw materials from over 70 countries worldwide, leveraging a diverse range of sources to ensure a steady and varied supply.
- International supplier partnerships - By collaborating with more than 270 overseas suppliers (such as Pan America Zinc, Metaal Europe International FZC, European Metal Recycling Limited and Glencore International AG), our Company has been building strong, strategic relationships to enhance supply chain stability and access high-quality materials.
- Advance operational support - The Company's operations are underpinned by custom-built software. These are meticulously designed to streamline processes, improve efficiency, and support its complex global logistics.
- Prestigious market presence - The Company brand is listed on the prestigious London Metal Exchange, underscoring its significant standing in the global metals market.
- Global procurement expertise - The Company's robust procurement team operates with a wide-reaching global network, expertly managing supplier relationships and optimising the supply chain on an international scale.
- Uninterrupted supply chains - Company guarantees a continuous and reliable supply chain through its long-term partnerships and strategic alliances. Thus, reinforcing its commitment to meeting customer demands and sustaining operational efficiency.

By integrating a global supply chain network for procurement, multi-sourcing strategy, responsible sourcing practices and well-defined processes, Company has developed a diverse supply base across the globe that significantly reduces the risk of dependency on any one supplier. This strategic approach not only strengthens the Company's resilience but also empowers it to seize promising opportunities in global markets. Currently, a substantial portion of Company's production is directed towards international markets, reflecting the Company's determined aspiration to further expand its export volumes. This objective is pursued through careful evaluation of international market opportunities, while maintaining a strong commitment to sourcing from the domestic market.

Focus on environment and safety

Environment and safety considerations are an important part of our operations. We undertake an annual environment and safety audit and strive to ensure that we do not discharge any harmful elements from our manufacturing operations.

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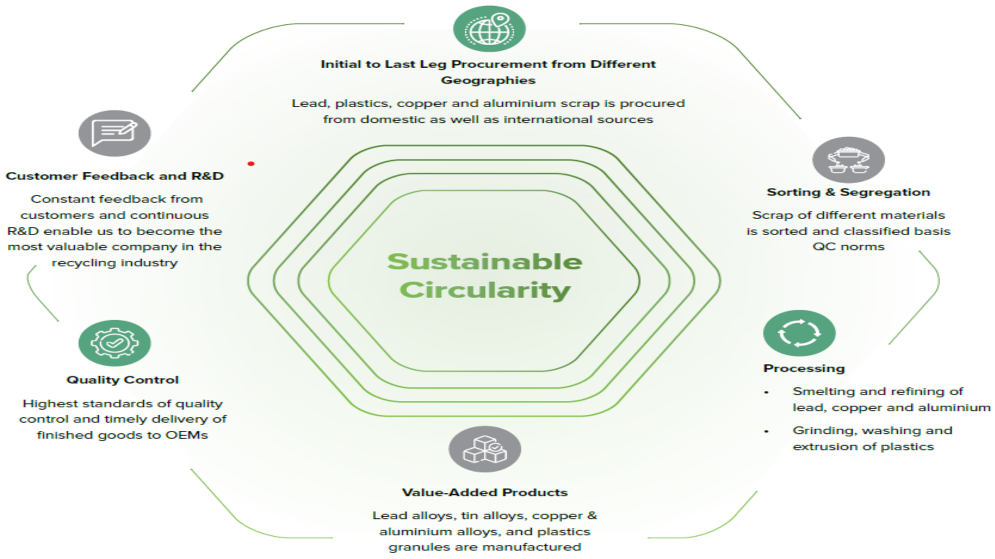
As part of our environmental commitment, we have implemented an environmental management plan, which is focused on the following:

- *Driving sustainability in business:* From initial procurement to the final stages, we strategically sources lead, plastics, copper, and aluminium scrap from both domestic and international markets. The Company's meticulous sorting and segregation processes adhere to stringent quality control norms, ensuring materials are accurately classified. Subsequently, through smelting, refining, grinding, washing, and extrusion, we transform these raw materials into high-quality products such as lead, copper, and aluminium alloys, and plastics granules. Upholding the highest standards of quality control, the Company guarantees timely delivery of finished goods to OEMs. Continuous customer feedback and ongoing R&D initiatives further bolster its position as an industry leader in recycling, dedicated to innovation and sustainability.



- *Mitigating air and water pollution*: Our Company proactively addresses air and water pollution from its industrial activities with targeted strategies. The Company is firmly committed to continuous innovation, constantly exploring new methods to enhance operational practices. Central to these efforts are state-of-the-art air pollution control systems and meticulously designed ETPs, fully compliant with stringent environmental regulations set by state and central pollution control boards. Additionally, robust risk management protocols are integrated into the Company's operations to pre-emptively manage risks associated with hazardous substances.

- *Waste management:* Our Company, prioritise efficient waste management practices is of utmost importance, accompanied by strict adherence to applicable laws and regulations. The Company's approach includes a systematic process of waste classification, strategic segregation, proactive minimisation, expert handling, continuous monitoring, and adherence to regulatory standards. Collaborating with authorised entities ensures the safe and secure collection and disposal of waste, underscoring Company's steadfast commitment to responsible waste management.

- *Optimising energy efficiency:* We carefully track energy consumption patterns and adapts energy saving strategies accordingly. The Company has rolled out a wide range of energy efficient measures, including upgrading utility equipment at its facilities, installing LED lighting solutions, and incorporating PV solar systems.

- *Growing green zones around Company's operations:* Our Company is dedicated to enhancing environmental vitality through proactive measures aimed at greening its plant premises. As part of this commitment, the Company has launched tree plantation programmes that have led to the creation of expansive green zones across its facilities. These carefully curated green areas feature a selection of trees known for their significant role in producing fresh oxygen and purifying the air. This conscientious cultivation reflects our efforts to foster a harmonious relationship with nature, marking a meaningful step towards ecological enrichment. To substantiate the same, the Company has signed a contract with Ace Green Recycling Inc., a Delaware Corporation in the United States for setting up of the world 's largest greenhouse gas (GHG) emission-free battery recycling facility in Chittoor, Andhra Pradesh, India. This initiative incorporates cutting-edge features, including zero-emission lead battery recycling technology, a process that operates entirely at room temperature, a significant reduction in the global carbon footprint, prevention of GHG emissions, diversion of solid waste from landfills, and the creation of green jobs to support the local community.

Strategically located manufacturing facilities leading to significant cost and time efficiencies

We have five strategically located manufacturing facilities located at Tamil Nadu and Andhra Pradesh. For further details, see *"-Our Manufacturing Facilities*" on page 212.

Since, most of the raw materials are imported from foreign countries and Company's products are exported to various destinations, proximity to port is very much important. Accordingly, our plants in Tamil Nadu and Andhra Pradesh are located nearer to the port and the expansion plan are also being undertaken by the Company taking into account the above factors.

Our manufacturing facilities are well connected to roads, railways, and ports and we use road transport and water transport to ensure timely delivery of orders. Our stable logistics infrastructure allows for streamlined supply chain management with raw materials, components, and finished goods being transported more efficiently, reducing lead times and improving overall supply chain efficiency.

The overall the strategic location of our manufacturing facilities has helped us in creating synergies as well as achieving economies of scale and operational efficiencies. These strategic locations not only offer competitive pricing for sourcing raw materials but also facilitate our expansion in both domestic and global markets by enabling us to cater to the needs of our customers from multiple locations.

Strong and consistent financial performance

We have built our business organically and have demonstrated consistent growth in terms of revenues and profitability. Our revenue from operations have increased at a 4.36 % from ₹ 1,47,618.09 lakhs in Fiscal 2023 to ₹ 1,54,059.67 lakhs in Fiscal 2024. Our revenue from operations was ₹ 1,02,404.66 lakhs in the six months ended September 30, 2024. Our revenue from exports have grown at a 4.29 % from ₹ 83,251.42 lakhs in Fiscal 2023 to ₹ 86,820.76 lakhs in Fiscal 2024.

In the six months ended September 30, 2024 and September 30, 2023 and in Fiscal 2024, Fiscal 2023 and Fiscal 2022, our EBITDA was ₹5,177.31 lakhs, ₹ 2,814.31 lakhs, ₹ 7,027.03 lakhs, ₹ 7,702.45 lakhs, and ₹ 7,715.46 lakhs, respectively, while our EBIDTA margins in the same periods were 5.1 %, 3.9%, 4.6%, 5.2% and 5.30%, respectively. Our profit after tax was ₹ 2,821.43 lakhs, ₹ 978.94 lakhs, ₹ 3,187.22, ₹ 4,653.83, and ₹ 4,824.76, for the six months ended September 30, 2024 and September 30, 2023 and for Fiscal 2024, Fiscal 2023 and Fiscal 2022, respectively, while our PAT margins were 2.75%, 1.35%, 2.06%, 3.20% and 3.31%, respectively, for the same periods.

During the six months ended September 30, 2024 and September 30, 2023 and during Fiscal 2024, Fiscal 2023 and Fiscal 2022, our ROCE was 16.36% (not annualised), 9.16% (not annualised), 12.47%, 16.00% and 21.62%, respectively.

Experienced Senior Leadership and Management

We are led by a qualified and experienced management team. Long standing experience of our management team and Promoters has contributed to the growth of our business domain operations and the development of our inhouse processes and competencies. Our management team has considerable experience in the metal industry and our Promoters have extensive technical, commercial and marketing skills. Our Promoter and Chairman, Anil Kumar Bansal, has more than three decades of experience in the metal industry and have played a pivotal role in the Company's innovation, success and growth. Additionally, Ashish Bansal, our second-generation Promoter, Managing Director has extensive experience of serving in different roles within our Company, post which he has gathered the expertise to lead the Company.

This enables each of our business domain to focus exclusively on the opportunities and challenges that it faces. Our senior management team is responsible for the overall strategic planning and business development of our Company and has been instrumental in the consistent growth in our revenues and operations. The vision and foresight of our management enables us to explore and seize new opportunities to capitalize on the growth opportunities in the industry.

OUR STRATEGIES

Expand our manufacturing capacity to capture additional market share

As on the date of this Preliminary Placement Document, we operate four (4) manufacturing units located at Tamil Nadu and Andhra Pradesh with an aggregate installed capacity 1,59,000 MTPA. To cater to the growing demand of our products from our existing customers and to meet the requirements of new customer, we intend to expand our manufacturing capacities by an additional 72,000 MTPA for lead, 12,000 MTPA for copper and 9,000 MTPA for plastic at Thervoykandigai, Tamil Nadu. The amount proposed to be deployed from the Net Proceeds for the proposed expansion is estimated to be up to ₹ 4,975.45 lakhs out of the total cost of ₹9,459.69 lakhs as per the TEV Report.

With the proposed expansion, our aggregate installed capacity of all manufacturing units is expected to increase to 2,52,000 MTPA. The proposed expanded capacity is estimated to commence commercial manufacturing during Fiscal 2025 as per the TEV Report. We believe that the proposed expansion will enable us to further scale up our operations, onboard new customers across existing and new end application segments, introduce new products, better serve our existing customers, enable us to better address the business requirements of large customers, and facilitate our growth strategy. We have also obtained certain regulatory approval such as consent to establish from State Pollution Control Board, health clearance certificate and fire NoC from the respective State Governments departments. For further details please see the Section titled "*Use of Proceeds*" beginning on page 79 of this Preliminary Placement Document.

Expand product offerings in emerging sectors

Our Company is focused on enhancing its competitive position in the market through the diversifications in the high growth and sustainable industries. With the increasing need for the green technologies as well as the global trends toward the circular economy model, our Company intends to diversify its product range into the newer areas such as e-waste recycling, lithium-ion battery. This growth will be enhanced further by the backward integration within these verticals in order to create more value and enhance the operational efficiencies. Key elements of this strategy include:

(i) Recycling – Our Company's vision is to become one of the leading suppliers of sustainable recycling solutions for crucial materials that include lead, copper, plastic and aluminium. Our Company aims to improve recovery rates and quality for each material type by investing in modern recycling methods in addition to process optimization. The approach is to employ a closed-loop recycling system that facilitates reduced wastage, lower dependency on virgin materials, and endorsement of the circular economy. The Company will seek to recover metals, lead and copper that are suitable for batteries and other electronic devices and industrial use. For plastic and aluminium recycling, our Company will focus on producing high quality construction and sprinkler heads targeting the automobile, packaging and building industries. By establishing strategic alliances, investing in R&D, and practices that are eco-friendly, our Company will seek to provide integrated recycling solutions that respond to the market wishes of recyclables materials with minimal negative effects on the environment.

(ii) Expansion into lithium-ion battery - Our Company plans to expand into lithium-ion battery manufacturing that is quickly becoming a vital component in powering electric vehicles and renewable energy systems. Our goal in the lithium-ion battery industry is to focus on the acquisition and provision of raw materials and fundamental elements required in the manufacture of batteries. We will become a key player in the fast-developing markets for electric vehicles and energy storage systems through the creation of a dependable supply and production network for these materials. This initiative allows the Company to contribute directly to the sustainable energy ecosystem while diversifying our portfolio and focusing on one of the most lucrative markets of the future.

Focus on technology upgrades and invest in advanced manufacturing technologies

Our Company is committed to advance its operations through technology upgrades and investments in advanced manufacturing. By adopting recycling technologies, automation, and energy-efficient systems, the company aims to enhance productivity, reduce waste, and support sustainable practices. This strategy includes integrating smart manufacturing tools for real-time monitoring, investing in R&D to drive innovation, and training employees to manage new technologies. These upgrades will position our Company as a leader in efficiency and environmental responsibility, meeting the growing market demand for high-quality, sustainable materials.

Continue to build our global customer base and enter new geographical markets

We export our products to 40 global customers in 20 countries. We believe that the long-standing relationships that we have enjoyed with our customers over the years and the repeat and increased orders received from them are an indicator of our position as a preferred source as compared to our competition.

We intend to focus on increasing our wallet share with existing customers. We have built long-standing relationships with our customers through various strategic endeavours, which we intend to leverage by entering into long-term marketing arrangements. In addition, we intend to continue to leverage our existing sales and marketing network, diversified product portfolio and our industry standing to establish relationships with new multinational, regional and local customers.

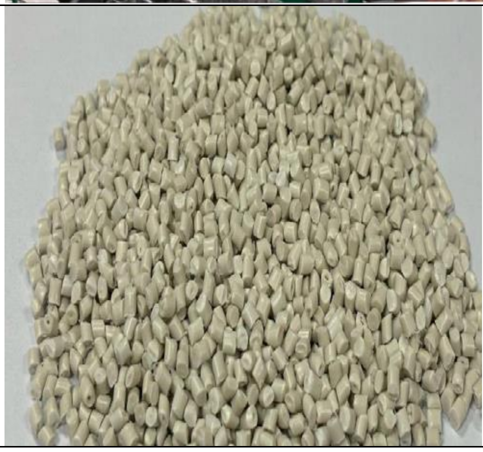
We are expanding globally to serve our existing direct end-use customers as well as to secure new direct end-use customers and expand the reach of our products in new markets. We intend to achieve this by having dedicated sales and marketing teams whose primary focus will be on business development in international markets. Our focus will also be on strengthening our sales teams to ensure timely delivery of products to our customers.

Description of our Business

Products

Our product portfolio comprises four categories (i) lead and lead alloys; (ii) copper; (iii) aluminium and aluminium alloys; (iv) plastics that we produce after recycling of various wastes:

Name	***Product Images***	***Description***
Lead and lead alloys		Our Company is one of the major lead recycler amongst the peer set (*Source: CareEdge Research Report*). We offer an extensive range of lead products which includes pure lead, lead calcium alloys, lead tin alloys, lead antimony alloys, lead master alloys and specialty alloys allowing us to meet the diverse demands of various industries including automative.
Copper		Our copper products are suitable for use in a wide range of applications, including electrical wiring, plumbing, and manufacturing. Recycled copper scraps are an environmentally friendly alternative to new copper materials, as they reduce the amount of copper waste that ends up in landfills or other disposal sites. Our product range includes clove, cobra, mill berry, grease mill berry and tin mill berry.

Aluminium and aluminium alloys		Our manufacturing process ensures that our recycled aluminium scraps are consistent, reliable, and of the highest quality. Our Company is an emerging provider of aluminium alloys. Our product range includes the ADC series, LM series and custom-tailored alloys, each designed to meet the specific customer requirements.
Plastic		All plastic products are sold domestically, targeting a diverse range of industries, including automobile manufacturing, appliances, furniture, paints, battery OEMs, and electronics. This strategic approach allows the Company to cater effectively to the domestic market across various sectors. Our product range includes industrial and engineering plastic granules, polypropylene copolymer plastic, acrylonitrile butadiene styrene, high-density polyethylene, low-density polyethylene, polycarbonate, polypropylene homopolymer plastic and nylon.

Manufacturing Processes

Manufacturing process for lead

Manufacturing lead and lead alloys begins with breaking and separating lead-acid batteries, where various components like plastic chips, separators, and grids are isolated through automatic battery breaker. The washed grids and plates are then smelted in a rotary furnace equipped with pollution control to remove impurities. The molten lead is transferred to refining kettles, where temperature-controlled additives are introduced to purify the metal. Once refined, the lead is cast into ingots and annealed for durability. Different alloying elements, such as antimony, tin, and calcium, are added to create various lead alloy grades, which are then tested, cast, and prepared for transport, ensuring they meet customer specifications.

Manufacturing process for aluminium

Aluminium scrap is melted in a refining furnace, where impurities and oxidized layers are removed and stored separately. The molten aluminium is tested for purity, cast into ingots, and made ready for sale. Aluminium ash is sieved, and fine granules are remelted, while residual ash is sent to authorized waste handlers. This closed-loop recycling process is automated, environmentally friendly, and generates no effluent.

Manufacturing process for plastics

Polypropylene copolymer plastic and acrylonitrile butadiene styrene generated from in-house battery scrap are sorted, crushed into small chips, washed, and dried. The clean chips are processed through an extrusion line, where they are softened, filtered, and extruded into recycled pellets or granules using a dye-faced cutter. These finished pellets are supplied to manufacturers for use in injection moulding and extrusion products. This closed-loop recycling process is fully automated, environmentally friendly, and generates no effluent.

Manufacturing process for copper

The lead relay cables are separated by feeding them into the cable stripping unit, which cuts the outer layer of polyvinyl chloride/plastic insulation. Segregated cables are then moved to the cable recycling unit, where the cable insulation is separated from the inner layer of lead tube insulation or jelly insulation. Lead tubes are obtained as lead scrap using a hydraulic cutting machine, and scrap materials such as cable insulation and nylon threads/cloth are cut into pieces and granular form for easy handling of copper scrap.

Our Manufacturing facilities are equipped for both individual and diversified processes, and their fungibility enables us to employ them in the most optimum manner to suit the production plan. Set forth below is a flowchart of the sustainable manufacturing process employed by us for manufacturing of our products at our Manufacturing Facilities:

Manufacturing Facilities

As on the date of this Preliminary Placement Document, we have five manufacturing facilities (of which one manufacturing facility is yet to commence operations) situated at various locations as set out below:

S. No	Location	Specific Product Manufactured	Installed Capacity (metric tons per annum)	Area (Acres)	Owned / Leased	Financial Year of Commencement of Production
Company						
1	Kancheepuram, Tamil Nadu (Smelter division I)	Lead and lead alloys	48,000	6	Leased	2006
2	Chittoor, Andhra Pradesh (Smelter division II)	Lead, lead alloys and copper	Lead: 84,000 Copper: 6,000	7.37	Owned	2015
3	Kancheepuram, Tamil Nadu (Aluminium division)	Aluminium and aluminium alloys	12,000	1.36	Leased	2014
4	Thervoykandigai, Tamil Nadu (Lead division)*	Lead and lead alloys	72,000	2.88	Leased	2023
Subsidiaries						
5	Kancheepuram, Tamil Nadu (Plastic division)	Plastics	9,000	3	Leased	2023

** The manufacturing facility is yet to commence their operations*

Research, Development and Technological Capabilities

We have R&D centres located at each manufacturing facilities situated at Tamil Nadu and Andhra Pradesh. As on the date of this Preliminary Placement Document, our research and development team include Master of Science graduates in all the division and others which enable us to design and develop innovative products.

Our R&D capabilities are focused on continuous process improvement and developing more efficient processes by exploring new products and scaling them up for successful commercialization. Our research and development efforts are focused on development of new products and improvement of the quality of our existing products; and driving the design and engineering capabilities along with original design manufacturing.

Quality Control and Quality Certifications

In our product verticals, maintaining strict quality standards is crucial to avoid defects and non-compliance with customer design specifications. Any such issues could result in order cancellations and damage to our reputation. To ensure compliance with quality standards and customer requirements, we have implemented a quality control mechanism. We examine the products at each stage of the manufacturing process to ensure that there are no defects from previous stages. Additionally, representatives from our customers inspect our manufacturing facilities and processes to ensure compliance with their specific requirements.

Our manufacturing facilities have been certified in accordance with international standards of quality management systems such as ISO 9001:2015, occupational health and safety management system such as ISO 45001:2018 and environmental management systems such as ISO 14001:2015. Additionally, our Company's aluminium and aluminium alloy is certified with BIS 617:1994. We believe that accidents and occupational health hazards can be significantly reduced through a systematic analysis and control of risks and by providing appropriate training to our management and our employees.

History and Development

Set out below are the key events in our Company's history:

Year	Particulars
1995	Incorporated as a public limited company in Tamil Nadu and listed on the Madras and Coimbatore Stock Exchanges (Regional)
1996	Established litharge, red lead, and zinc oxide production plant in Pondicherry
1998	Established second lead stabiliser unit in Pondicherry
2006	Inaugurated first lead smelter capacity 18,000 MTPA in Tamil Nadu
2010	Expanded the capacity of the lead smelter division I plant in Tamil Nadu from 18,000 to 28,200 MTPA
2012	Merged with Lohia Metals and acquired 10,000 MTPA capacity expansion
2015	Established new smelter division II plant in Andhra Pradesh with 24,000 MTPA capacity
	Expanded the capacity of smelter division I plant from 28,800 to 36,000 MTPA capacity
2018	Expanded the capacity of smelter division II from 24,000 MTPA to 36,000 MTPA capacity
2019	Registered on the London Metal Exchange
2020	Acquired Meloy Metals Private Limited with a capacity of 48,000 MTPA to reach combined lead and lead alloy capacity to 1,20,000+ MTPA
2021	Implemented smelter division I expansion from 36,000 to 48,000 MTPA, bringing total capacity to 1,32,000 MTPA
2022	Established a wholly owned subsidiary called 'POCL Future Tech Private Limited', to expand its ventures into the recycling of plastics
2023	Established and commenced operations of an aluminium recycling/melting facility at POCL's factory in Sriperumbudur, Tamil Nadu
	Listed and started trading its equity shares on the National Stock Exchange
	Acquired Harsha Exito Engineering Pvt. Ltd., Thervoykandigai, Tamil Nadu, for future expansion
2024	Acquired 123 acres of land in Mundra, Gujarat

Group Holding Structure as on September 30, 2024:

Particulars	Name	Ownership of the Company
Holding Company	Not Applicable	-
Subsidiaries	POCL Future Tech Private Limited	100%

	Harsha Exito Engineering Private Limited	100%
Joint Ventures	Not Applicable	-

Our Subsidiaries

Details of our subsidiaries are given below:

Sr. No.	Name of the subsidiary	Date of Incorporation	Location	Nature of activity
1	POCL Future Tech Private Limited	May 27, 2022	KRM Centre, 4th Floor, No. 2, Harrington Road, Chetpet, Chennai 600 031, Tamil Nadu	Recycling of plastics
2	Harsha Exito Engineering Private Limited	May 8, 2008*	KRM Centre, 4th Floor, No. 2, Harrington Road, Chetpet, Chennai 600 031, Tamil Nadu	Manufacturing of non-ferrous metals

**The Company has acquired Harsha Exito Engineering Private Limited through a resolution plan approved by an order of the Hon'ble National Company Law Tribunal dated January 12, 2023, under the corporate insolvency resolution process as per the Insolvency and Bankruptcy Code, 2016.*

Customers

We have a well-diversified customer base spread across 20 countries. We have strong and long-established relationships with a number of our customers. The table below sets forth details of revenues generated from our single largest customer, top three customer and our top 10 customers for the periods indicated:

Particulars	As of and for the six months ended September 30		As of and for the period ended March 31,		
	2024	2023	2024	2023	2022
	% of revenue from operations	% of revenue from operations	% of revenue from operations	% of revenue from operations	% of revenue from operations
Top one customer	29.87	32.76	34.18	38.89	34.84
Top three customers	60.41	61.40	61.73	72.46	71.61
Top 10 customers	91.30	85.04	87.76	92.27	87.86

We believe our customer relationships are led primarily on account of our ability to meet stringent specifications and customizations along with our strong technical competencies. We are committed to developing and maintaining long-term relationships with our customers through frequent interactions and follow-ups.

The Company's production and quality team visit periodically to the customers' premises to update on the technological changes on the various products manufactured by the Company.

Repair and Maintenance

We schedule regular repair and maintenance programs for our facilities, including maintenance of machinery and equipment, to maximize production efficiency and avoid unexpected interruption of our operations. We also have periodic scheduled shutdowns for maintenance. Our machinery and electrical repair teams carry out day-to-day maintenance and repair of the facilities and machinery on an as-needed basis.

Raw Materials and Suppliers

The primary raw materials used in the manufacture of our products are lead acid batteries, battery plates, lead scrap in various forms, lead concentrated. For the six months period ended September 30, 2024, September 30, 2023, Fiscals 2024, 2023 and 2022, our cost of raw materials consumed was ₹ 91,921.08 lakhs, ₹ 59,805.53 lakhs, ₹ 1,31,995.50 lakhs, ₹ 1,28,263.42 lakhs and ₹ 1,24,327.3 lakhs, comprising 93.20 %, 84.35%, 87.96%, 90.51% and 89.12% of our total expenses, respectively. During the six months period ended September 30, 2024, September 30, 2023, Fiscals 2024, 2023 and 2022, our cost of materials consumed, after adjustment of changes in inventories of finished goods and work-in-progress amounted to ₹ 91,453.08 lakhs, ₹ 61,424.85 lakhs, ₹

1,32,730.60 lakhs, ₹ 1,27,893.73 lakhs and ₹ 1,21,244.31, respectively, and our cost of materials consumed as a percentage of our total expenses was 97.67%, 86.64%, 88.45%, 90.25% and 86.91%, respectively.

As on September 30, 2024, we have 400 suppliers including 270 outside India (such as such as Pan America Zinc, Metaal Europe International FZC, European Metal Recycling Limited and Glencore International AG). Further, for the six months period ended September 30, 2024, September 30, 2023, Fiscals 2024, 2023, and 2022, cost of raw material sourced from our top 10 suppliers was ₹ 54,674.36 lakhs, ₹ 44,662.66 lakhs, ₹ 83,707.68 lakhs, ₹ 81,723.59 lakhs and ₹ 69,902.83 lakhs, respectively, which represented 58.83%, 66.14%, 62.06%, 62.69% and 53.55% of our total expenditure for the respective period.

Utilities

We consume a substantial amount of power and fuel for our business operations. Our manufacturing processes require uninterrupted supply of power and fuel in order to ensure that we are able to manufacture high quality products. Our power requirement for our manufacturing facilities is sourced from Tamil Nadu Generation and Distribution Corporation Limited and Southern Power Distribution Company of Andhra Pradesh Limited. We have also installed generators in our manufacturing facilities to ensure constant supply of power.

For further information, see "*Risk Factors – We are dependent on third parties for the supply of utilities, such as electricity, water and fuel and any disruption in the supply of such utilities could adversely affect our manufacturing operations"* on page 52.

Marketing, Sales and Distribution

Our principal markets are India, Japan, South Korea and Thailand.

We supply our products and services directly to the customers. Further, our sales and marketing team is regularly in contact with our customers to understand the evolving needs of customers as well as market trends. We also engage in a variety of marketing and promotional activities tailored to different customers groups to promote brand recognition of our products, including by participating in technical shows and events as well as through periodic interactions and by direct marketing to existing and potential customers.

Exports

A portion of our revenue is generated from export of our products to Asia, USA, Africa, Middle East and Europe. The table below provides details of our revenue from operations from exports in the periods indicated:

Location/ Countries	**Revenue for the period ended September 30, 2024** ***(in lakhs)***	**As a % of Revenue from Operations**	**Revenue for the period ended September 30, 2023** ***(in lakhs)***	**As a % of Revenue from Operations**	**Revenue for the Fiscal 2024*(in lakhs)***	**As a % of Revenue from Operations**	**Revenue for the Fiscal 2023*(in lakhs)***	**As a % of Revenue from Operations**	**Revenue for the Fiscal 2022*(in lakhs)***	**As a % of Revenue from Operations**
Asia	66,067.80	64.52	38,374.78	53.17	85678.33	55.61	82,309.25	55.76	78,881.95	54.22
USA	-	-	288.41	0.40	288.41	0.19	-	-	37.22	0.03
Africa	-	-	97.18	0.14	235.31	0.15	272.91	0.18	-	-
Middle East	-	-	186.47	0.26	276.47	0.18	329.06	0.22	-	-
Europe	91.72	0.10	-	-	342.24	0.22	340.21	0.23	-	-
Total	**66,159.52**	**64.61**	**38,946.85**	**53.96**	**86,820.76**	**56.36**	**83,251.42**	**56.40**	**78,919.17**	**54.25**

Environment, Health and Safety

Our Company is actively reducing its carbon footprint by switching from furnace oil to LNG for its operations. The Company employs advanced air pollution control systems and effluent treatment plants, which are crucial in effectively curbing air and water pollution. Furthermore, our Company undertakes environmental preservation through robust tree plantation programmes within its factory premises, increasing green coverage and promoting sustainability.

We aim to comply with applicable health and safety regulations and other requirements in our operations and have adopted health, safety and environmental policy that is aimed at complying with legislative requirements, occupational health and ensuring the safety of our employees and the people working at our facilities or under our management in addition to enhancing customer satisfaction and continual improvement in our management systems and performance.

We believe that accidents and occupational health hazards can be significantly reduced through a systematic analysis and control of risks and by providing appropriate training to our management and our employees. We also believe we are in compliance with applicable health and safety laws and regulations. We also believe that all our Manufacturing Facilities possess adequate effluent treatment processes and minimize any contamination of the surrounding environment or pollution.

Inventory Management

Since the majority of raw materials are imported from foreign countries, effective inventory management is in force to keep minimum inventory at any point of time keeping into account the order position in hand. The company is having proper storage facilities in all locations for storage of both raw material and finished goods.

Logistics

Our suppliers either deliver our raw materials directly to us or we are required to collect the raw materials from our suppliers at our own costs. We hire third party logistics companies to transport our finished products to our customers. Further, we rely on freight ships for the export of our products.

Information Technology

We believe that an appropriate information technology infrastructure is important to support the growth of our business. We are currently using ERP system. This system is used to manage and co-ordinate all resources, information and functions of the business on a real-time basis. The ERP system helps in integration of different functional areas to facilitate proper communication, material management, manufacturing planning, productivity, quality and efficiency in decision making. It further helps in tracking customer demands and assisting in maintaining optimum inventory levels.

Intellectual Property

As of the date of this Preliminary Placement Document, our Company has been granted 2 trademarks registrations.

Insurance

We maintain insurance policies in respect of our business, operations, products and workforce. We have obtained all risks policy, fire policy, electronic equipment insurance policy, standard fire and special perils insurance policies for our manufacturing facilities and to cover material loss of, or damage to, buildings, plant and machinery, furniture and other physical assets. We maintain a burglary insurance policy which provides transit insurance coverage to cover the safety of our products in transit. We also maintain a group Mediclaim insurance policy for our workforce. We have obtained what we consider to be adequate insurance for our business, operations, products, and workforce and that we consider to be consistent with other manufacturers in India.

Awards and Recognition

Our Company has received the following awards and recognitions:

Financial Year	Award / Recognition
2024	Star Performer Award at National level for Export Excellence in the non-ferrous metals product category presented by EEPC India
2023	Certificate of recognition as "*Three Star Export House*" presented by Director General of Foreign Trade, Ministry of Commerce & Industry, Govt. of India
2022	'Top Exporter of the Year: Medium Enterprise'- Gold Trophy at the 51st EEPC India National Awards
2019	Registered on the London Metal Exchange
2019	'Top Exporter of the Year – Medium Enterprise' - Gold Trophy at the 49th EEPC India National Awards

2018	Export Excellence Award (Gold) under the category of Top Two Star Export House in Southern Region MSME

Competition

The manufacturing industry in which we operate is characterized by intense competition. However, our extensive expertise across various domains coupled with our ability to meet diverse customer requirements and foster long-standing relationships, distinguishes us from our competitors. While there are no specific legal or regulatory barriers to entry, the capital-intensive nature of the industry, along with the requirement for sophisticated technology, machinery, and systems, serves as a significant impediment to new market entrants.

Furthermore, given that the parameters of competition within this industry are not as firmly established as in other sectors and that there are no standardized methodologies to assess industry dynamics, it is challenging to predict how the competitive landscape will evolve in the long term. In the short and medium term, competition may be influenced by general factors, including sensitivity to macroeconomic conditions, product quality and compliance with industry standards, design innovation, pricing, delivery timelines, customer experience, and the strength of relationships between manufacturers and their clients.

Human Resources

As on September 30, 2024, we have 431 permanent employees and 282 persons employed as contract employees. The following table provides information about our full-time employees:

Sr. No.	Department	Headcount
1.	Production	252
2.	Quality	22
3.	Maintenance	70
4.	Accounts & Finance	22
5.	Human Resource	7
6.	Purchase	15
7.	Sales	7
8.	Admin	50

Our employee policies aim to recruit a talented and qualified workforce, facilitate their integration and encourage development of their skills in order to facilitate the growth of our operations. We are also committed to an empowering environment that motivates and facilitates growth and rewards contribution. Various welfare measures have also been implemented by us including provision of medical and health benefits to our employees.

Corporate Social Responsibility

We have constituted a Corporate and Social Responsibility Committee of our Board and have adopted and implemented a CSR policy ("**CSR Policy**"), pursuant to which we carry out various CSR activities. As laid down by our CSR Policy, we focus our CSR activities on the following:

1. Healthcare;
2. Provision of sanitation facilities;
3. Providing drinking water;
4. Education including construction of schools/upgrading facilities for school etc.;
5. Rural development - providing infrastructure in and around the villages surrounding the plant;
6. Extending Medical facilities to the local community;
7. Libraries for the local community;
8. Providing funds to the local hospital for improving its infrastructure;
9. Any other as may be recommended by the Committee and approved by the Board in line with the clauses mentioned under the CSR Policy and as per the Act;

For the Fiscals 2024, 2023 and 2022, our corporate social responsibility expenditure aggregated to ₹ 95.99 lakhs, ₹ 65.70 lakhs and ₹ 55.01 lakhs, respectively.

Properties

Our Registered Office is located at 4th Floor, KRM Centre No. 2, Harrington Road, Chetpet Chennai-600 031, Tamil Nadu, which is owned by us. We have five manufacturing facilities, which are located in Tamil Nadu and Andhra Pradesh. Each of our manufacturing facilities are located on land that is owned or leased to us. For further information, see " – *Manufacturing Facilities*" on page 212.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Board of Directors

The composition of our Board is governed by the provisions of the Companies Act, 2013, the rules prescribed thereunder, the SEBI Listing Regulations and the Articles of Association. In accordance with the Articles of Association, our Company shall not have less than three Directors and not more than 15 directors.

As of the date of this Preliminary Placement Document, our Board comprises six Directors, of which three are Executive Directors and three are Independent Directors including one-woman Independent Director.

Our Board composition is in compliance with the Companies Act, 2013 and the SEBI Listing Regulations.

The following table sets forth details regarding our Board as of the date of this Preliminary Placement Document:

Sr. no.	Name, address, occupation, nationality, term and DIN	Age (in years)	Designation
1.	**Anil Kumar Bansal** ***Address:*** L-136, Anna Nagar East, Chennai - 600 102, Tamil Nadu, India ***Occupation:*** Industrialist ***Nationality:*** Indian ***Term:*** Three years with effect from April 1, 2024, and liable to retire by rotation ***DIN:*** 00232223	71	Whole-time Director and Chairman
2.	**Ashish Bansal** ***Address:*** D.No. 174, Tower 6, 14F, 1402, Sathyadev Avenue, MRC Nagar Main Road, RA Puram, Chennai - 600 028, Tamil Nadu, India ***Occupation:*** Business ***Nationality:*** Indian ***Term:*** Three years with effect from April 1, 2024, and liable to retire by rotation ***DIN:*** 01543967	43	Managing Director
3.	**K Kumaravel** ***Address:*** 43/50, Anjugam Nagar, 2nd Street, Jafferkhanpet, Chennai 600 083, Tamil Nadu, India ***Occupation:*** Professional ***Nationality:*** Indian ***Term:*** Three years with effect from December 30, 2021, and liable to retire by rotation ***DIN:*** 00664405	61	Director Finance & Company Secretary (Whole-time Director)
4.	**A Vijay Anand**	68	Independent Director

Sr. no.	Name, address, occupation, nationality, term and DIN	Age (in years)	Designation
	Address: 303, Salapuria Paradise, 31, Aga Abbas Ali Road, Ulsoor, Bangalore - 560 042, Karnataka, India ***Occupation:*** Service (Retired) ***Nationality:*** Indian ***Term:*** Five years with effect from December 27, 2023, and not liable to retire by rotation ***DIN:*** 06431219		
5.	**M Ramasubramani** ***Address:*** 43, Balaji Nagar, 5th Street, Alwarthirunagar, Valasaravakkam, Chennai - 600 087, Tamil Nadu, India ***Occupation:*** Service ***Nationality:*** Indian ***Term:*** Five years with effect from March 13, 2020, and not liable to retire by rotation ***DIN:*** 07999117	66	Independent Director
6.	**Shanti Balamurugan** **Address:** New No 45, Old No 20A, Bheema Sena Garden Street, Royapettah High Road, Mylapore, Chennai - 600 004, Tamil Nadu, India ***Occupation:*** Professional ***Nationality:*** Indian ***Term:*** Five years with effect from July 22, 2024, and not liable to retire by rotation ***DIN:*** 07730909	54	Independent Director

Borrowing powers of our Board

Pursuant to the resolution passed by our board on August 11, 2023 and our shareholders on September 22, 2023 in accordance with provisions of Section 180(1)(c) and all other applicable provisions of the Companies Act and our Articles of Association, our Board has been authorised to borrow any sum or sums of money from time to time, for the purpose of business of our Company, which together with the monies already borrowed by our Company (apart from temporary loans obtained from our Company's bankers in the ordinary course of business), may exceed at any time, the aggregate of the paid-up capital of our Company and its free reserves (that is to say, reserves, not set apart for any specific purposes) by a sum not exceeding ₹40,000.00 lakhs.

Remuneration paid to our Executive Director

The following table sets forth the details of remuneration paid by our Company to the Executive Directors of our Company for the six month period ended September 30, 2024 and the Fiscals 2024, 2023 and 2022:

(₹ in lakhs)

Sr. No.	Name of the Director	Six months period ended September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
1.	Anil Kumar Bansal	60.00	111.44	108.71	110.01
2.	Ashish Bansal	126.05	259.73	234.57	235.1
3.	K Kumaravel	26.02	49.51	40.94	30.19

Remuneration paid to our Independent Directors

The following table sets forth the details of sitting fees, salaries, commission and perquisites paid by our Company (on a consolidated basis) to the Independent Directors of our Company for the six months period ended September 30, 2024 and the Fiscals 2024, 2023 and 2022:

(₹ in lakhs)

Sr. No.	Name of the Director	Six months period ended September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
1.	A Vijay Anand	2.2	1.65	1.40	1.45
2.	M Ramasubramani	2.2	1.75	1.40	1.70
3.	Shoba Ramakrishnan	1.5	1.25	1.00	1.25
4.	Shanti Balamurugan*	1.5	N.A.	N.A.	N.A.

**Appointed as Independent Director of the Company effective July 22, 2024*

Shareholding of the Directors

Except as disclosed below, none of our Directors hold Equity Shares in our Company as the date of this Preliminary Placement Document:

Sr. No.	Name of the Director	Designation	Number of Equity Shares	Percentage (%) shareholding
1.	Ashish Bansal	Managing Director	34,38,366	13.20
2.	Anil Kumar Bansal	Chairman & Whole time Director	25,07,244	9.62
3.	K Kumaravel	Director Finance & Company Secretary (Whole-time Director)	36,210	0.13
4.	A Vijay Anand	Independent Director	17,148	0.06

Relationship between our Directors

Except for Anil Kumar Bansal, who is the father of Ashish Bansal, none of the other Directors of the Company are related to each other.

Interest of our Directors

Except Anil Kumar Bansal and Ashish Bansal, who are Promoters of our Company, none of the Directors are interested in the promotion of our Company.

All the Directors of our Company, including our Independent Directors, may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of our Board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them.

All the Directors of our Company may also be deemed to be interested to the extent of Equity Shares, if any, held by them or by companies, firms and trusts in which they are interested as directors, partners, members or trustees and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

No loans have been availed by our Directors from our Company

Except as provided in "*Financial Information*" beginning on page 281, and except as disclosed below in this Preliminary Placement Document, our Company has not entered into any contract, agreement or arrangement during the three Fiscals immediately preceding the date of this Preliminary Placement Document, in which any of the Directors are interested, directly or indirectly, and no payments have been made to them in respect of any such contracts, agreements, arrangements which are proposed to be made with them. For further details on the related party transactions mentioned above, see "*Related Party Transactions*" on page 90.

Other than as disclosed in this Preliminary Placement Document, there are no outstanding transactions other than in the ordinary course of business undertaken by our Company, in which the Directors are interested.

Management Chart

Key Managerial Personnel and Senior Management

The following table sets forth the details of our Key Managerial Personnel and the members of Senior Management in terms of the Companies Act, 2013 and the SEBI ICDR Regulations as on the date of this Preliminary Placement Document, other than Anil Kumar Bansal, our Whole-time Director & Chairman, Ashish Bansal, our Managing Director and K. Kumaravel, our Director Finance & Company Secretary (Whole-time Director):

Sr. No.	Name	Designation
Key Managerial Personnel		
1.	Vijay Balakrishnan	Chief Financial Officer
Senior Management		
1.	R.S. Vaidhyanathan	Executive Director*
2.	Mayank Sharma	President – Operations
3.	Piyush Dhawan	President – Commercials & Strategy
4.	Ravi Shankar Krishnan	President- Lead Operations-TKD Division
5.	Premji George	Group Head- Lead operations

** Designation of R.S. Vaidhyanathan as Executive Director is in the capacity of Senior Management of our Company and does not form part of the Board of Directors our Company*

Except as disclosed at "– *Relationship between our Directors*" on page 221, none of our Key Managerial Personnel or members of Senior Management are related to each other or to the Directors of our Company.

All our Key Managerial Personnel and members of Senior Management are permanent employees of our Company.

Shareholding of our Key Managerial Personnel and member of the Senior Management

Except as disclosed in "*– Shareholding of Directors*" on page 221, none of the Key Managerial Personnel and member of the Senior Management members hold Equity Shares in our Company as on the date of this Preliminary Placement Document.

Corporate Governance

Our Company is in compliance with the of requirements corporate governance provided in the SEBI Listing Regulations and the Companies Act, 2013, each as amended. The corporate governance framework is based on an effective independent Board, separation of the supervisory role of the Board from the executive management team and constitution of the committees of the Board, as required under applicable law.

The Board and committees of our Company are constituted in compliance with the Companies Act, 2013 and the SEBI Listing Regulations, each as amended.

Committees of our Board of Directors

In terms of Companies Act, 2013 and the SEBI Listing Regulations, our Company has constituted the following committees of Directors namely:

(i) Audit Committee;
(ii) Nomination and Remuneration Committee;
(iii) Stakeholders' Relationship Committee; and
(iv) Corporate Social Responsibility Committee.

The following table sets forth details of members of the aforesaid committees, as on the date of this Preliminary Placement Document:

Sr. No.	Committee	Name of the member	Designation
1.	Audit Committee	A Vijay Anand	Chairperson
		M Ramasubramani	Member
		Shanti Balamurugan	Member
		Ashish Bansal	Member
2.	Nomination and Remuneration Committee	A Vijay Anand	Chairperson
		M Ramasubramani	Member
		Shanti Balamurugan	Member
3.	Stakeholders Relationship Committee	A Vijay Anand	Chairperson
		K Kumaravel	Member
		Shanti Balamurugan	Member
4.	Corporate Social Responsibility Committee	A Vijay Anand	Chairperson
		Ashish Bansal	Member
		Shanti Balamurugan	Member

In addition to the above-mentioned committees, the Board has also constituted the Fund-Raising Committee, to assist in discharging its functions. These Committees operate within the limit of authorities, as delegated by the Board of Directors.

Policy on disclosures and internal procedure for prevention of insider trading

Regulation 9(1) of the SEBI Insider Trading Regulations applies to our Company and our employees and requires our Company to implement a code of internal procedures and conduct for the fair disclosure of unpublished price sensitive information and the prevention of insider trading. In compliance with the same, our Company has adopted a code of conduct for prevention of insider trading, as approved by our Board on May 4, 2019, which lays down the procedure for preserving the confidentiality of unpublished price sensitive information and preventing misuse of such information. Our Company Secretary acts as the compliance officer of our Company under the aforesaid code of conduct for the prevention of insider trading.

Related Party Transactions

For details in relation to the related party transactions entered by our Company during the last three fiscals immediately preceding the date of this Preliminary Placement Document, see "*Related Party Transactions*" beginning on page 90.

Other Confirmations

Except as disclosed in this Preliminary Placement Document, none of the Directors, promoters or senior management personnel of our Company have any financial or other material interest in the Issue and there is no effect of such interest in so far as it is different from the interests of other persons.

Neither our Company, nor any of our Directors or Promoters have been identified as a Wilful Defaulter or as a Fraudulent Borrower by any bank or financial institutions or consortiums thereof, in accordance with the guidelines on wilful defaulters or fraudulent borrower as defined under the SEBI ICDR Regulations.

Neither our Company, nor our Directors or Promoters are currently debarred from accessing capital markets under any order or direction made by SEBI. Further, none of our Directors or Promoters are a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018.

No change in control in our Company will occur consequent to the Issue.

None of the Directors, Promoters, Key Managerial Personnel or Senior Management of our Company intends to subscribe to the Issue.

SHAREHOLDING PATTERN OF OUR COMPANY

The shareholding pattern of our Company, as on October 16, 2024 is set forth below:

Table I – Summary Statement holding of Specified securities:

Category	Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
								No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)	
								Class eg: X	Class eg: y	Total								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+ (VI)	(VIII) As a % of (A+B+C2)	(IX)				(X)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)
(A)	Promoter & Promoter Group	6	1,14,00,830	0	0	1,14,00,830	43.76	1,14,00,830	0	1,14,00,830	43.76	5,91,716	43.99	0	0	0	0	1,14,00,830
(B)	Public	53504	1,46,49,528	0	0	1,46,49,528	56.24	1,46,49,528	0	1,46,49,528	56.24	6,21,303	56.01	28,00,798	19.12	0	0	1,45,35,430
(C)	Non Promoter - Non Communal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(C1)	Shares Underlying DRs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(C2)	Shares Held By Employee Trust	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total		**53510**	**2,60,50,358**	**0**	**0**	**2,60,50,358**	**100.00**	**2,60,50,358**	**0**	**2,60,50,358**	**100.00**	**12,13,019**	**100.00**	**28,00,798**	**28,00,798**	**0**	**0**	**2,59,36,260**

Table II - Statement showing shareholding pattern of our Promoters and Promoter Group:

	Category & Name of the shareholders	Entity Type	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
									No of Voting Rights			Total as a % of Total Voting Rights			No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)	
									Class eg: X	Class eg: y	Total								
	(I)		(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V) + (VI)	(VIII) As a % of (A+B+C2)	(IX)				(X)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)
1	Indian																		
a	Individuals / Hindu Undivided Family		6	1,14,00,830	0	0	1,14,00,830	43.76	1,14,00,830	0	1,14,00,830	43.76	591716	43.99	0	0	0	0	1,14,00,830
	Ashish Bansal	Promoter	1	34,38,366	0	0	34,38,366	13.20	34,38,366	0	34,38,366	13.20	591716	14.78	0	0	0	0	34,38,366
	Saroj Bansal	Promoter	1	27,16,480	0	0	27,16,480	10.43	27,16,480	0	27,16,480	10.43	0	9.96	0	0	0	0	27,16,480
	Anil Kumar Bansal	Promoter	1	25,07,244	0	0	25,07,244	9.62	25,07,244	0	25,07,244	9.62	0	9.20	0	0	0	0	25,07,244
	Manju Bansal	Promoter	1	22,23,308	0	0	22,23,308	8.53	22,23,308	0	22,23,308	8.53	0	8.15	0	0	0	0	22,23,308
	Pawankumar Bansal	Promoter	1	4,93,160	0	0	4,93,160	1.89	4,93,160	0	4,93,160	1.89	0	1.81	0	0	0	0	4,93,160
	Megha Choudhari	Promoter	1	22,272	0	0	22,272	0.09	22,272	0	22,272	0.09	0	0.08	0	0	0	0	22,272
b	Central Government / State Government (s)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

	Category & Name of the shareholders	Entity Type	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities: No of Voting Rights: Class eg: X	Number of Voting Rights held in each class of securities: No of Voting Rights: Class eg: y	Number of Voting Rights held in each class of securities: No of Voting Rights: Total	Number of Voting Rights held in each class of securities: Total as a % of Total Voting Rights	No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares: No. (a)	Number of Locked in shares: As a % of total Shares held(b)	Number of Shares pledged or otherwise encumbered: No. (a)	Number of Shares pledged or otherwise encumbered: As a % of total Shares held(b)	Number of equity shares held in dematerialised form
c	Financial Institutions / Banks		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
d	Any Other (Specify)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Sub Total (A)(1)		6	1,14,00,830	0	0	1,14,00,830	43.76	1,14,00,830	0	1,14,00,830	43.76	591716	43.99	0	0	0	0	1,14,00,830
2	Foreign																		
a	Individuals (Non-Resident Individuals / Foreign Individuals)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
b	Government		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
c	Institutions		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
d	Foreign Portfolio Investor		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
e	Any Other (Specify)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Sub Total (A)(2)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total Shareholding Of Promoter And Promoter Group (A)= (A)(1)+(A)(2)		6	1,14,00,830	0	0	1,14,00,830	43.76	1,14,00,830	0	1,14,00,830	43.76	591716	43.99	0	0	0	0	1,14,00,830

Table III - Statement showing shareholding pattern of the public shareholder:

	Category & Name of the shareholders	Entity Type	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities: No of Voting Rights: Class eg: X	Class eg: y	Total	Total as a % of Total Voting Rights	No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares: No. (a)	As a % of total Shares held (b)	Number of Shares pledged or otherwise encumbered: No. (a)	As a % of total Shares held (b)	Number of equity shares held in dematerialised form	Sub-categorization of shares: Shareholding(No. of shares) under: Sub-category(i)	Sub-category(ii)	Sub-category(iii)
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+ (VI)	(VIII) As a % of (A+B+C2)	(IX)				(X)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)	(XV)		
1	Institutions (Domestic)																					
a	Mutual Fund		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
b	Venture Capital Funds		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
c	Alternate Investment Funds		2	83,360	0	0	83,360	0.32	83,360	0	83,360	0.32	0	0.31	0	0	0	0	83,360	0	0	0
d	Banks		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
e	Insurance Companies		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
f	Provident Funds/ Pension Funds		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
g	Asset Reconstruction Companies		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
h	Sovereign Wealth Funds		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
i	NBFCs registered with RBI		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
j	Other Financial Institutions		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
k	Any Other (Specify)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Sub Total (B)(1)		2	8,3360	0	0	83,360	0.32	83,360	0	83,360	0.32	0	0.31	0	0	0	0	83,360	0	0	0

	Category & Name of the shareholders	Entity Type	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities: No of Voting Rights: Class eg: X	Number of Voting Rights held in each class of securities: No of Voting Rights: Class eg: y	Number of Voting Rights held in each class of securities: No of Voting Rights: Total	Number of Voting Rights held in each class of securities: Total as a % of Total Voting Rights	No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares: No. (a)	Number of Locked in shares: As a % of total Shares held (b)	Number of Shares pledged or otherwise encumbered: No. (a)	Number of Shares pledged or otherwise encumbered: As a % of total Shares held (b)	Number of equity shares held in dematerialised form	Sub-categorization of shares: Shareholding(No. of shares) under: Sub-category(i)	Sub-categorization of shares: Shareholding(No. of shares) under: Sub-category(ii)	Sub-categorization of shares: Shareholding(No. of shares) under: Sub-category(iii)
2	Institutions (Foreign)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
a	Foreign Direct Investment		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
b	Foreign Venture Capital Investors		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
c	Sovereign Wealth Funds		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
d	Foreign Portfolio Investors Category I		9	64,098	0	0	64,098	0.25	64,098	0	64,098	0.25	0	0.24	0	0	0	0	64,098	0	0	0
e	Foreign Portfolio Investors Category II		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
f	Overseas Depositories(holding DRs) (balancing figure)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
g	Any Other (Specify)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Sub Total (B)(2)		9	64,098	0	0	64,098	0.25	64,098	0	64,098	0.25	0	0.24	0	0	0	0	64,098	0	0	0
3	Central Government/ State Government(s)																					
a	Central Government / President of India		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
B	State Government / Governor		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

	Category & Name of the shareholders	Entity Type	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities: No of Voting Rights: Class eg: X	Class eg: y	Total	Total as a % of Total Voting Rights	No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares: No. (a)	As a % of total Shares held (b)	Number of Shares pledged or otherwise encumbered: No. (a)	As a % of total Shares held (b)	Number of equity shares held in dematerialised form	Sub-categorization of shares: Shareholding(No. of shares) under: Sub-category(i)	Sub-category(ii)	Sub-category(iii)
C	Shareholding by Companies or Bodies Corporate where Central / State Government is a promoter		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Sub Total (B)(3)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4	Non-Institutions																					
a	Associate companies / Subsidiaries		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
B	Directors and their relatives (excluding Independent Directors and nominee Directors)		2	42,840	0	0	42,840	0.16	42,840	0	42,840	0.16	0	0.16	0	0	0	0	42,840	0	0	0
c	Key Managerial Personnel		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
d	Relatives of promoters (other than 'immediate relatives' of promoters disclosed under 'Promoter and Promoter Group' category)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
e	Trusts where any person belonging to 'Promoter and Promoter Group'		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

	Category & Name of the shareholders	Entity Type	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form	Sub-categorization of shares		
									No of Voting Rights			Total as a % of Total Voting Rights			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)		Shareholding(No. of shares) under		
									Class eg: X	Class eg: y	Total									Sub-category(i)	Sub-category(ii)	Sub-category(iii)
	category is 'trustee', 'beneficiary', or 'author of the trust"																					
f	Investor Education and Protection Fund (IEPF)		1	64,224	0	0	64,224	0.25	64,224	0	64,224	0.25	0	0.24	0	0	0	0	64,224	0	0	0
g	i. Resident Individual holding nominal share capital up to Rs. 2 lakhs.		51,751	87,37,065	0	0	87,37,065	33.54	87,37,065	0	87,37,065	33.54	19,724	32.12	818,546	9.37	0	0	86,22,967	0	0	0
h	ii. Resident individual holding nominal share capital in excess of Rs. 2 lakhs.		21	26,63,704	0	0	26,63,704	10.23	26,63,704	0	26,63,704	10.23	6,01,579	11.98	10,84,816	40.73	0	0	26,63,704	0	0	0
	DOLLY KHANNA		1	2,85,594	0	0	2,85,594	1.10	2,85,594	0	2,85,594	1.10	0	1.05	0	0	0	0	2,85,594	0	0	0
	SANGEETHA S		1	4,60,000	0	0	4,60,000	1.77	4,60,000	0	4,60,000	1.77	0	1.69	0	0	0	0	4,60,000	0	0	0
i	Non Resident Indians (NRIs)		840	9,50,076	0	0	9,50,076	3.65	9,50,076	0	9,50,076	3.65	0	3.48	0	0	0	0	9,50,076	0	0	0
	AMBER RAMESH TOLAT		1	2,97,428	0	0	2,97,428	1.14	2,97,428	0	2,97,428	1.14	0	1.14	0	0	0	0	2,97,428	0	0	0
j	Foreign Nationals																					
k	Foreign Companies																					
l	Bodies Corporate		181	13,76,987	0	0	13,76,987	5.29	13,76,987	0	13,76,987	5.29	0	5.05	7,88,954	57.30	0	0	13,76,987	0	0	0

	Category & Name of the shareholders	Entity Type	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form	Sub-categorization of shares		
									No of Voting Rights			Total as a % of Total Voting Rights			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)		Shareholding(No. of shares) under		
									Class eg: X	Class eg: y	Total									Sub-category(i)	Sub-category(ii)	Sub-category(iii)
	AUTHUM INVESTMENT AND INFRSTRUCTURE LIMITED		1	7,88,954	0	0	7,88,954	3.03	7,88,954	0	7,88,954	3.03	0	2.89	7,88,954	100.00	0	0	7,88,954	0	0	0
m	Any Other (Specify)		697	6,67,174	0	0	6,67,174	2.56	6,67,174	0	6,67,174	2.56	0	2.45	1,08,482	16.26	0	0	6,67,174	0	0	0
	LLP		23	1,75,242	0	0	1,75,242	0.67	1,75,242	0	1,75,242	0.67	0	0.64	0	0	0	0	1,75,242	0	0	0
	Independent Directors		1	17,148	0	0	17,148	0.07	17,148	0	17,148	0.07	0	0.06	0	0	0	0	17,148	0	0	0
	Trusts		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Body Corp-Ltd Liability Partnership		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Hindu Undivided Family		673	4,74,784	00	0	4,74,784	1.82	4,74,784	0	4,74,784	1.82	0	1.74	1,08,482	22.85	0	0	4,74,784	0	0	0
	Sub Total (B)(4)		53,493	1,45,02,070	0	0	1,45,02,070	55.67	1,45,02,070	0	1,45,02,070	55.67	6,21,303	55.47	28,00,798	19.31	0	0	1,43,87,972	0	0	0
	Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)+b(4)		53,504	1,46,49,528	0	0	1,46,49,528	56.24	1,46,49,528	0	1,46,49,528	56.24	6,21,303	56.01	28,00,798	19.12	0	0	1,45,35,430	0	0	0

ISSUE PROCEDURE

The following is a summary intended to present a general outline of the procedure relating to the Bidding, application, payment of Bid Amount, Allocation and Allotment of the Equity Shares. The procedure followed in the Issue may differ from the one mentioned below and Bidders are assumed to have apprised themselves of the same from our Company or the BRLM. Prospective Bidders are advised to inform themselves of any restrictions or limitations that may be applicable to them and are required to consult their respective advisers in this regard. Bidders that apply in the Issue will be required to confirm and will be deemed to have represented to our Company, the BRLM and its directors, officers, agents, employees, counsels, shareholders, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Investors are advised to inform themselves of any restrictions or limitations that may be applicable to them. Also see "Selling Restrictions" and "Purchaser Representations and Transfer Restrictions" on pages 250 and 257, respectively.

Our Company, the BRLM and their respective directors, officers, agents, advisors, shareholders, employees, counsels, affiliates and representatives are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. Bidders are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not result in triggering an open offer under the SEBI Takeover Regulations and shall be solely responsible for compliance with all the applicable provisions of the SEBI Takeover Regulations, the SEBI Insider Trading Regulations, and other applicable laws.

Qualified Institutions Placement

THE ISSUE IS MEANT ONLY FOR ELIGIBLE QIBS ON A PRIVATE PLACEMENT BASIS AND IS NOT AN OFFER TO THE PUBLIC OR TO ANY OTHER CLASS OF INVESTORS.

This Preliminary Placement Document and the Placement Document has not been, and will not be, filed as a prospectus with the RoC and, no Equity Shares will be offered in India or overseas to the public or any member of the public or any other class of investors, other than Eligible QIBs.

The Issue is being made to Eligible QIBs in reliance upon Chapter VI of the SEBI ICDR Regulations and Sections 42 and 62 and other applicable provisions of the Companies Act, 2013 and rules issued thereunder, through the mechanism of a QIP. Under Chapter VI of the SEBI ICDR Regulations and Sections 42 and 62 of the Companies Act, 2013 read with Rule 14 of the PAS Rules, our Company, being a listed company in India, may issue Equity Shares to Eligible QIBs, provided that certain conditions are met by such Company. Some of these conditions are set out below:

- the Shareholders have passed a special resolution approving the Issue. Such special resolution must *inter alia* specify that, (a) the allotment of the Equity Shares is proposed to be made pursuant to the QIP; and (b) the relevant date for the QIP;

- the explanatory statement to the notice to the shareholders for convening the general meeting must disclose, among other things, the particulars of the Issue including the date of passing the board resolution, the kind of securities being offered and the price at which they are offered, amount which the company intends to raise by way of such securities and the material terms of raising such securities, proposed Issue schedule, the purpose or objects of offer, the contribution made by the Promoters or directors either as part of the offer or separately in furtherance of the objects, and the basis or justification for the price (including premium, if any) at which the offer or invitation is being made;

- under Regulation 172(1)(b) of the SEBI ICDR Regulations, the Equity Shares of the same class of such issuer, which are proposed to be allotted through the Issue, are listed on the Stock Exchange, for a period of at least one year prior to the date of issuance of notice to our shareholders for convening the meeting to seek approval of the shareholders for the above-mentioned special resolution;

- invitation to apply in the Issue must be made through a private placement offer-cum-application (i.e., this Preliminary Placement Document) and an Application Form serially numbered and addressed specifically to the Eligible QIBs to whom the Issue is made either in writing or in electronic mode, within 30 days of recording the name of such person in accordance with applicable law;

- our Company shall have completed allotments with respect to any earlier offer or invitation made by our Company or has withdrawn or abandoned any such invitation or offer made by our Company, except as permitted under the Companies Act;

- our Company shall not make any subsequent QIP until the expiry of two weeks from the date of this Issue;

- an offer to Eligible QIBs will not be subject to a limit of 200 persons. Prior to circulating the private placement offer-cum-application (i.e., this Preliminary Placement Document and the Application Form), our Company must prepare and record a list of Eligible QIBs to whom the Issue will be made. The Issue must be made only to such Eligible QIBs whose names are recorded by the issuer prior to the invitation to subscribe;

- our Company acknowledges that the offering of securities by issue of public advertisements or utilisation of any media, marketing or distribution channels or agents to inform the public about the Issue is prohibited. In accordance with the SEBI ICDR Regulations, securities will be issued and allotment shall be made only in dematerialized form to the allottees; and

- the Promoters and Directors of our Company are not Fugitive Economic Offenders.

- the Promoter or Directors are not declared as Wilful Defaulters; and

- the Promoter or Directors are not declared as 'Fraudulent Borrower' by the lending banks or financial institution or consortium, in terms of RBI master circular dated July 1, 2016.

At least 10% of the Equity Shares issued pursuant to this Issue to Eligible QIBs shall be available for Allocation to Mutual Funds, provided that, if this portion, or any part thereof to be allotted to Mutual Funds remains unsubscribed, it may be allotted to other Eligible QIBs.

Bidders are not allowed to withdraw or revise downwards their Bids after the Bid/ Issue Closing Date.

Additionally, there is a minimum pricing requirement under the SEBI ICDR Regulations. The floor price of the equity shares issued under the QIP shall not be less than the average of the weekly high and low of the closing prices of the issuer's equity shares of the same class quoted on the stock exchanges during the two weeks preceding the relevant date as calculated in accordance with Chapter VI of the SEBI ICDR Regulations. However, a discount of not more than 5% of the floor price is permitted in accordance with the provisions of the SEBI ICDR Regulations. Our Board through its resolution dated September 23, 2024, and a special resolution passed by our Shareholders on October 25, 2024, have authorised our Board to decide the quantum of discount up to 5% of the Floor Price at the time of determination of the Issue Price.

The "Relevant Date" mentioned above in case of allotment of Equity Shares, refers to the date of the meeting in which the board of directors or the committee of directors duly authorised by the board of the issuer decides to open the proposed issue and "stock exchange" means any of the recognised stock exchanges in India on which the Equity Shares of the same class are listed and on which the highest trading volume in such shares has been recorded during the two weeks immediately preceding the relevant date.

The Equity Shares must be Allotted within 365 days from the date of the shareholders' resolution approving the Issue and also within 60 days from the date of receipt of subscription money from the relevant Eligible QIBs.

The Equity Shares issued pursuant to the Issue must be issued on the basis of this Preliminary Placement Document and the Placement Document shall contain all material information including the information specified in Schedule VII of the SEBI ICDR Regulations and the requirements prescribed under PAS Rules and Form PAS-4. This Preliminary Placement Document and the Placement Document are private documents provided only to select Eligible QIBs through serially numbered copies and are required to be placed on the website of the concerned Stock Exchanges and of our Company with a disclaimer to the effect that it is in connection with an issue to Eligible QIBs and no offer is being made to the public or to any other category of investors. Please note that if you do not receive a serially numbered copy of this Preliminary Placement Document addressed to you, you may not rely on this Preliminary Placement Document or Placement Document uploaded on the website of the Stock Exchanges or our Company for making an application to subscribe to Equity Shares pursuant to the Issue. Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person and any application that does not comply with this requirement shall be treated as invalid.

The minimum number of Allottees with respect to a QIP shall be at least:

- two, where the issue size is less than or equal to ₹ 250 crore; and

- five, where the issue size is greater than ₹ 250 crore.

No single Allottee shall be Allotted more than 50% of the Issue Size. Eligible QIBs that belong to the same group or that are under common control shall be deemed to be a single Allottee for the purpose of the Issue. For details of what constitutes "same group" or "common control", see "*Bid Process – Application Form*" on page 240.

Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of a recognised stock exchange. In addition, purchasers of the Equity Shares Allotted pursuant to the Issue shall comply with the resale restrictions set forth in the sections titled, "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 250 and 257, respectively.

Our Company has filed a draft of this Preliminary Placement Document with each of the Stock Exchanges and received the in-principle approval of the Stock Exchanges under Regulation 28(1)(a) of the SEBI Listing Regulations for listing of the Equity Shares to be issued pursuant to this Issue. We have filed a copy of this Preliminary Placement Document and will file a copy of the Placement Document with the Stock Exchanges.

We shall also make the requisite filings with the RoC within the stipulated period as required under the Companies Act and the PAS Rules.

The Issue has been authorised and approved by our Board on September 23, 2024 and by our Shareholders pursuant to a special resolution on October 25, 2024.

Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. VCFs and AIFs should independently consult their own counsel and advisors as to investment in the Equity Shares and related matters concerning the Issue.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or the securities laws of any state of the United States and may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions", as defined in and in reliance on Regulation S under the U.S. Securities Act ("Regulation S") and in accordance with the applicable laws of the jurisdictions where those offers and sales are made. For the selling restrictions in certain other jurisdictions, see "*Selling Restrictions*" beginning on page 250. See "*Purchaser Representations and Transfer Restrictions*" beginning on page 257 for information about transfer restrictions that apply to the Equity Shares sold in the Issue.

Issue Procedure

1. On the Bid/ Issue Opening Date, our Company and the BRLM shall circulate serially numbered copies of this Preliminary Placement Document and the serially numbered Application Form, either in electronic or physical form to identified Eligible QIBs and the Application Form will be specifically addressed to each such Eligible QIBs. In terms of Section 42(3) of the Companies Act, 2013, our Company shall maintain complete records of such Eligible QIBs in the form and manner prescribed under the PAS Rules, to whom this Preliminary Placement Document and the serially numbered Application Form have been dispatched or circulated, as the case may be. Our Company will make the requisite filings with RoC within the stipulated time period as required under the Companies Act and PAS Rules.

2. **The list of Eligible QIBs to whom this Preliminary Placement Document and the Application Form is delivered shall be determined by our Company, in consultation with the BRLM. Unless a serially numbered Preliminary Placement Document along with the serially numbered Application Form, which includes the details of the bank account wherein the Bid Amount is to be deposited, is addressed to a particular Eligible QIB, no invitation to make an offer to subscribe shall be deemed to have been made to such Eligible QIB. Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person and any application that does not comply with this requirement shall be treated as invalid. The Application Form may be signed physically or digitally, if required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law. An Eligible QIB may submit an unsigned copy of the Application Form, as long as the Bid Amount is paid along with submission of the Application Form within the Bid/ Issue Period. Once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Bid Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Bid/ Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and this Application Form is unsigned, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so.**

3. Eligible QIBs may submit an Application Form, including any revisions thereof, along with the Bid Amount transferred to the Escrow Account specified in the Application Form and a copy of the PAN card or PAN allotment letter and/or any other documents mentioned in the Application Form, during the Bid/ Issue Period to the BRLM.

4. Bidders will be required to indicate the following in the Application Form:

   - full official name of the Eligible QIB to whom Equity Shares are to be Allotted, complete address, e-mail id, PAN details (if applicable), phone number and bank account details;

   - number of Equity Shares Bid for;

   - price at which they are agreeable to subscribe to the Equity Shares and the aggregate Bid Amount for the number of Equity Shares Bid for;

   - details of the beneficiary account maintained by the Depository Participant to which the Equity Shares should be credited pursuant to the Issue;

   - Equity Shares held by the Bidder in our Company prior to the Issue;

   - it has agreed to certain other representations set forth in the Application Form and this Preliminary Placement Document; and

   - A representation that it is outside the United States acquiring the Equity Shares in an "offshore transaction" as defined in, and in reliance on, Regulation S, and it has agreed to certain other representations set forth in this Preliminary Placement Document and in the Application Form.

   NOTE**:** *Eligible FPIs are required to indicate their SEBI FPI registration number in the Application Form. The Bids made by the asset management companies or custodian of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made. Application by various schemes or funds of a Mutual Fund will be treated as one application from the Mutual Fund. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws.*

5. Eligible QIBs shall be required to make the entire payment of the Bid Amount for the Equity Shares Bid for, along with the Application Form, only through electronic transfer to the Escrow Account opened in the name of "*Pondy Oxides and Chemicals Limited QIP Escrow Account*" with the Escrow Bank, within the Bid/ Issue Period as specified in the Application Form sent to the respective Bidders. Please note that any payment of

Bid Amount for the Equity Shares shall be made from the bank accounts of the relevant Bidders and our Company shall keep a record of the bank account from where such payment has been received. No payment shall be made in the Issue by the Bidders in cash. Bid Amount payable on Equity Shares to be held by joint holders shall be paid from the bank account of the person whose name appears first in the Application Form. Until Allotment, and the filing of return of Allotment by our Company with the RoC, or receipt of final listing and trading approvals from the Stock Exchanges, whichever is later, Bid Amount received for subscription of the Equity Shares shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised only for the purposes permitted under the Companies Act, 2013. Notwithstanding the above, in the event (a) any Bidder is not Allocated Equity Shares in the Issue, (b) the number of Equity Shares Allotted to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, (c) the Bid Amount has been arrived at using an indicative price higher than the Issue Price, or (d) any Eligible QIB lowers or withdraws their Bid after submission of the Application Form but on or prior to the Bid/ Issue Closing Date, the excess Bid Amount will be refunded to the same bank account from which it was remitted, in the form and manner set out in "– *Refunds*" on page 245.

6. Once a duly completed Application Form is submitted by a Bidder, and the Bid Amount is transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and the Bid cannot be withdrawn or revised downwards after the Bid/ Issue Closing Date. In case of an upward revision before the Bid/ Issue Closing Date, an additional amount shall be required to be deposited towards the Bid Amount in the Escrow Account along with the submission of such revised Bid. The Bid/ Issue Closing Date shall be notified to the Stock Exchanges and the Eligible QIBs shall be deemed to have been given notice of such date after receipt of the Application Form.

7. Upon receipt of the duly completed Application Form and the Bid Amount in the Escrow Account, on or before the Bid/ Issue Closing Date, our Company shall, in consultation with BRLM determine the final terms, including the Issue Price of the Equity Shares to be issued pursuant to the Issue and Allocation. Upon such determination, the BRLM, on behalf of our Company, will send the serially numbered CAN and the Placement Document to the Successful Bidders. The dispatch of a CAN, and the Placement Document (when dispatched) to a Successful Bidder shall be deemed a valid, binding and irrevocable contract for the Successful Bidders to subscribe to the Equity Shares Allocated to such Successful Bidders at an aggregate price equivalent to the product of the Issue Price and Equity Shares Allocated to such Successful Bidders. The CAN shall contain details such as the number of Equity Shares Allocated to the Successful Bidders, Issue Price and the aggregate amount received towards the Equity Shares Allocated. In case of Bids being made on behalf of the Eligible QIB where the Application Form is unsigned, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so. The Bid/ Issue Closing Date shall be notified to the Stock Exchanges and the Eligible QIBs shall be deemed to have been given notice of such date after receipt of the Application Form. **Please note that the Allocation will be at the absolute discretion of our Company and shall be in consultation with the BRLM.**

8. The Bidder acknowledges that in terms of the requirements of the Companies Act, 2013, upon Allocation, our Company will be required to disclose the names of proposed allottees and the percentage of their post-Issue shareholding in the Placement Document and consents to such disclosure, if any Equity Shares are allocated to it.

9. Upon determination of the Issue Price and the issuance of CAN and before Allotment of Equity Shares to the Successful Bidders, the BRLM, shall, on our behalf, send a serially numbered Placement Document either in electronic form or through physical delivery to each of the Successful Bidders who have been Allocated Equity Shares pursuant to dispatch of a serially numbered CAN.

10. Upon dispatch of the serially numbered Placement Document, our Company shall Allot Equity Shares as per the details in the CANs sent to the Successful Bidders. Our Company will inform the Stock Exchanges of the details of the Allotment.

11. Bids made by asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI.

12. After passing the resolution passed by the Board or the fund raise committee approving the Allotment and prior to crediting the Equity Shares into the beneficiary account of the Successful Bidders maintained by the Depository Participant, as specified in the records of the depositories or as indicated in their respective Application Form, our Company shall apply to the Stock Exchanges for listing approvals in respect of the Equity Shares Allotted pursuant to the Issue.

13. After receipt of the listing approvals of the Stock Exchanges, our Company shall credit the Equity Shares Allotted pursuant to this Issue into the beneficiary accounts of the respective Allottees.

14. Our Company will then apply for the final trading approvals from the Stock Exchanges.

15. The Equity Shares that would have been credited to the beneficiary account with the Depository Participant of the Successful Bidders shall be eligible for trading on the Stock Exchanges only upon the receipt of final trading and listing approvals from the Stock Exchanges.

16. As per applicable law, the Stock Exchanges will notify the final listing and trading approvals, which are ordinarily available on their websites, and our Company may communicate the receipt of the listing and trading approvals to those Eligible QIBs to whom the Equity Shares have been Allotted. Our Company and the BRLM shall not be responsible for any delay or non-receipt of the communication of the final trading and listing permissions from the Stock Exchanges or any loss arising from such delay or non-receipt. Bidders are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchanges or our Company.

Eligible QIBs

17. Only Eligible QIBs as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations, and not otherwise restricted from participating in the Issue under the applicable law, will be considered as Eligible QIBs. However, with respect to FPIs, only Eligible FPIs applying under Schedule II of the FEMA Rules will be considered as Eligible QIBs. FVCIs are not permitted to participate in the Issue. Currently, QIBs, who are eligible to participate in the Issue and also as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations, are set forth below:

    - Eligible FPIs;
    - insurance companies registered with the Insurance Regulatory and Development Authority of India;
    - insurance funds set up and managed by army, navy or air force of the Union of India;
    - insurance funds set up and managed by the Department of Posts, India.
    - multilateral and bilateral development financial institutions eligible to invest in India;
    - Mutual Funds, VCFs, AIFs;
    - pension funds with minimum corpus of ₹ 25 crore registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013;
    - provident funds with minimum corpus of ₹ 25 crore;
    - public financial institutions as defined under Section 2(72) of the Companies Act;
    - scheduled commercial banks;
    - state industrial development corporations;
    - systemically important non-banking financial companies;
    - the National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government published in the Gazette of India; and
    - subject to such QIB not being excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations.

ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE IN THE ISSUE UNDER SCHEDULE II OF FEMA RULES. ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE IN THE ISSUE SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND CONDITIONS AND RESTRICTIONS WHICH MAY BE SPECIFIED BY THE GOVERNMENT FROM TIME TO TIME, AND SUCH THAT THE SHAREHOLDING OF THE FPIs DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. FVCI'S ARE NOT PERMITTED TO PARTICIPATE IN THIS ISSUE.

Other eligible non-resident QIBs shall participate in the Issue under Schedule I of the FEMA Rules.

In terms of the SEBI FPI Regulations, the Equity Shares issued to a single Eligible FPI or an investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than fifty per cent or common control) should not exceed 10% of post-Issue Equity Share capital of our Company. Further, in terms of the FEMA Rules, the total holding of each FPI or its investor group shall be below 10% of the total post issue paid-up Equity Share capital of our Company on a fully diluted basis. With effect from April 1, 2020, the aggregate limit for FPI investments is the sectoral cap applicable to our Company i.e. 100% on a fully diluted basis. Hence, Eligible FPIs may invest in such number of Equity Shares in the Issue such that the individual investment of the FPI in our Company does not exceed 10% of the post -Issue paid-up capital of our Company on a fully diluted basis.

In case the holding of an FPI including its investor group increases to 10% or more of the total post-Issue paid-up equity capital, on a fully diluted basis, the FPI including its investor group is required to divest the excess holding within five trading days from the date of settlement of the trades resulting in the breach. In the event that such divestment of excess holding is not done within the above prescribed time, the total investment made by such FPI together with its investor group will be re-classified as FDI as per procedure specified by the RBI in its Notification on Operational framework for reclassification of Foreign Portfolio Investment to Foreign Direct Investment dated November 11, 2024 and by SEBI in its circular on Procedure for reclassification of FPI investment to FDI of the same date and the FPI and its investor group will be prohibited from making any further portfolio investment in our Company under the SEBI FPI Regulations. However, in accordance with Regulation 22(4) of the SEBI FPI Regulations, the FPIs who are: (i) appropriately regulated public retail funds; (b) public retail funds where the majority is owned by appropriately regulated public retail fund on look through basis; or (c) public retail funds and investment managers of such foreign portfolio investors are appropriately regulated, the aggregation of the investment limits of such FPIs having common control, shall not be applicable. Further, the aggregate permissible limit of all FPIs investments, with effect from April 1, 2020, is the sectoral cap applicable to the sector in which our Company operates.

Two or more subscribers of ODIs having a common beneficial owner shall be considered together as a single subscriber of the ODI. In the event an investor has investments as an FPI and as a subscriber of ODIs, these investment restrictions shall apply on the aggregate of the FPI and ODI investments held in the underlying company.

Pursuant to the SEBI Circular dated April 5, 2018 (Circular No: IMD/FPIC/CIR/P/2018/61), our Company has appointed National Securities Depository Limited as the designated depository to monitor the level of FPI/ NRI shareholding in our Company on a daily basis and once the aggregate foreign investment of a company reaches a cut-off point, which is 3% below the overall limit a red flag shall be activated. SEBI however, pursuant to its Circular dated May 17, 2018 (Circular No: SEBI/HO/IMD/FPIC/CIR/P/2018/81), directed that this system of monitoring foreign investment limits in Indian listed companies be made operational with effect from June 1, 2018. The depository is then required to inform the Stock Exchanges about the activation of the red flag. The stock exchanges are then required to issue the necessary circulars/ public notifications on their respective websites. Once a red flag is activated, the FPIs must trade cautiously, because in the event that there is a breach of the sectoral cap, the FPIs will be under an obligation to disinvest the excess holding within five trading days from the date of settlement of the trades.

Eligible FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. For a description of the restrictions applicable to the offer and sale of the Equity Shares in the Issue in certain jurisdictions, see "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 250 and 257, respectively.

Restriction on Allotment

Pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, no Allotment shall be made pursuant to the Issue, either directly or indirectly, to any Eligible QIB being a promoter, or any person related to, the Promoters. QIBs, which have all or any of the following rights, shall be deemed to be persons related to the Promoters:

- rights under a shareholders' agreement or voting agreement entered into with the Promoters or members of the Promoter group;
- veto rights; or
- a right to appoint any nominee director on the board of the issuer.

Provided, however, that an Eligible QIB which does not hold any Equity Shares in our Company and which has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be related to the Promoters.

Our Company, the BRLM and any of their respective shareholders, employees, counsels, officers, directors, representatives, agents, advisors or affiliates shall not be liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not result in triggering an open offer under the SEBI Takeover Regulations.

A minimum of 10% of the Equity Shares offered in the Issue shall be Allotted to Mutual Funds. In case of undersubscription in such portion, such portion or part thereof may be Allotted to other Eligible QIBs.

Note: *Affiliates or associates of the BRLM who are Eligible QIBs may participate in the Issue in compliance with applicable laws.*

Bid Process

Application Form

Eligible QIBs shall only use the serially numbered Application Forms (which are addressed to them) supplied by our Company and the BRLM in either electronic form or by physical delivery for the purpose of making a Bid (including revision of a Bid) in terms of this Preliminary Placement Document and the Placement Document. The Application Form could be signed physically or digitally, if required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law. An Eligible QIB could submit an unsigned copy of the Application Form, as long as the Application Amount is paid along with submission of the Application Form within the Issue Period, and in such case, it was assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so. An Eligible QIB could submit an unsigned copy of the Application Form, as long as the Application Amount is paid along with submission of the Application Form within the Issue Period.

By making a Bid (including the revision thereof) for Equity Shares through Application Forms and pursuant to the terms of this Preliminary Placement Document, a Bidder will be deemed to have made all the representations, warranties, acknowledgements and agreements made under "*Notice to Investors*", "*Representations by Investors*", "*Selling Restrictions*" *and "Purchaser Representations and Transfer Restrictions"* on pages 1, 3, 250 and 257, respectively, including as follows:

1. The Eligible QIB confirms that it is a QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and is not excluded under Regulation 179(2)(b) of the SEBI ICDR Regulations, has a valid and existing registration under the applicable laws in India (as applicable) and is eligible to participate in this Issue;

2. The Eligible QIB confirms that it is not a Promoter and is not a person related to the Promoter(s), either directly or indirectly and its Application Form does not directly or indirectly represent the Promoter(s) or members of the Promoter Group or persons related to the Promoter(s);

3. The Eligible QIB confirmed and consented to its name and percentage of post-Issue shareholding (assuming full subscription in the Issue) to be included as a 'proposed allottee' in the Issue in the Placement Document;

4. The Eligible QIB confirms that it has no rights under a shareholders' agreement or voting agreement with the Promoters or members of the Promoter Group, no veto rights or right to appoint any nominee director on the Board other than those acquired in the capacity of a lender not holding any Equity Shares which shall not be deemed to be a person related to the Promoters;

5. The Bidder confirms that in the event it is resident outside India, it is an Eligible FPI, having a valid and existing registration with SEBI under the applicable laws in India or a multilateral or bilateral development financial institution, and is eligible to invest in India under applicable law, including the FEMA Rules, as amended, and any notifications, circulars or clarifications issued thereunder, and has not been prohibited by SEBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets and is not an FVCI;

6. The Eligible QIB acknowledges that it has no right to withdraw or revise its Bid downwards after the Bid/ Issue Closing Date;

7. The Eligible QIB confirms that if Equity Shares are Allotted through this Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than the floor of a recognised Stock Exchange;

8. The Eligible QIB confirms that the Bidder is eligible to Bid and hold Equity Shares so Allotted together with any Equity Shares held by it prior to the Issue, if any. The Bidder further confirms that the holding of the Bidder, does not and shall not, exceed the level permissible as per any applicable regulations applicable to the Bidder;

9. The Eligible QIB confirms that its Bids would not eventually result in triggering an open offer under the SEBI Takeover Regulations;

10. The Eligible QIB agrees that it will make payment of its Bid Amount along with submission of the Application Form within the Issue Period. The Bidder agrees that once a duly filled Application Form is submitted by a Bidder, whether signed or not, and the Bid Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Bid/ Issue Closing Date;

11. The Eligible QIB agrees that although the Bid Amount is required to be paid by it along with the Application Form within the Issue Period in terms of provisions of the Companies Act, our Company reserves the right to Allocate and Allot Equity Shares pursuant to this Issue on a discretionary basis in consultation with the BRLM. The Eligible QIB further acknowledges and agrees that the payment of Bid Amount does not guarantee Allocation and/or Allotment of Equity Shares Bid for in full or in part;

12. The Eligible QIB acknowledges that in terms of the requirements of the Companies Act, upon Allocation, our Company will be required to disclose names as "proposed Allottees" and percentage of post-Issue shareholding of the proposed Allottees in the Placement Document and such QIB consents of such disclosure, if any Equity Shares are Allocated to it. However, the Eligible QIB further acknowledges and agrees that, disclosure of such details as "proposed Allottees" in the Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the BRLM;

13. The Eligible QIB confirms that the number of Equity Shares Allotted to it pursuant to the Issue, together with other Allottees that belong to the same group or are under common control, shall not exceed 50% of the Issue. For the purposes of this representation:

(a) QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and Independent Directors, amongst an Bidder, its subsidiary(ies) or holding company and any other Bidder; and

(b) 'Control' shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the SEBI Takeover Regulations;

14. The Eligible QIB acknowledge that no Allocation shall be made to them if the price at which they have Bid for in the Issue is lower than the Issue Price;

15. The Eligible QIB confirms that it shall not undertake any trade in the Equity Shares credited to its beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges;

16. Each Eligible FPI, confirms that it will participate in the Issue only under and in conformity with Schedule II of FEMA Rules. Further, each Eligible FPI acknowledges that Eligible FPIs may invest in such number of Equity Shares such that the individual investment of the Eligible FPI or its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than fifty per cent or common control) in our Company does not exceed 10% of the post-Issue paid-up capital of our Company on a fully diluted basis. The Bidder confirms that it, individually or together with its investor group, is not restricted from making further investments in our Company through the portfolio investment route, in terms of Regulation 22(3) of the SEBI FPI Regulations; and

17. A representation that it is outside the United States, is acquiring the Equity Shares in an "offshore transaction" as defined in and in reliance on Regulation S and is not an affiliate of the Company or a person acting on behalf of such an affiliate and it has agreed to certain other representations set forth in the Application Form.

ELIGIBLE QIB MUST PROVIDE THEIR NAME, COMPLETE ADDRESS, PHONE NUMBER, EMAIL ID, BANK ACCOUNT DETAILS, BENEFICIARY ACCOUNT DETAILS, PAN OR PAN ALLOTMENT LETTER, DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. ELIGIBLE QIBs MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THEIR BENEFICIARY ACCOUNT IS HELD.

IF SO REQUIRED BY THE BRLM, THE ELIGIBLE QIBs SUBMITTING A BID, ALONG WITH THE APPLICATION FORM, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO THE BRLM TO EVIDENCE THEIR STATUS AS A "QIB" AS DEFINED HEREINABOVE.

IF SO REQUIRED BY THE BRLM, ESCROW BANK OR ANY STATUTORY OR REGULATORY AUTHORITY IN THIS REGARD, INCLUDING AFTER BID/ISSUE CLOSING DATE, THE ELIGIBLE QIBs SUBMITTING A BID AND/OR BEING ALLOTTED EQUITY SHARES IN THE ISSUE, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE APPLICABLE KNOW YOUR CUSTOMER (KYC) NORMS.

Demographic details such as address and bank account will be obtained from the Depositories as per the Depository Participant account details provided in the Application Form. However, for the purposes of refund of all or part of the Bid Amount submitted by the Bidder, the bank details as mentioned in the Application Form from which the Bid Amount shall be remitted for the Equity Shares applied for in the Issue, will be considered.

The submission of an Application Form and payment of the Bid Amount pursuant to the Application Form by a Bidder shall be deemed a valid, binding and irrevocable offer for such Bidder and becomes a binding contract on a Successful Bidder upon issuance of the CAN and the Placement Document (when dispatched) by our Company (by itself or through the BRLM) in favour of the Successful Bidder.

Submission of Application Form

All Application Forms must be duly completed with information including the number of Equity Shares applied for along with proof of payment and a copy of the PAN card or PAN allotment letter (as applicable). The Bid Amount shall be deposited in the Escrow Account as is specified in the Application Form and the Application Form shall be submitted to the BRLM either through electronic form or through physical delivery at the following address:

Name	Address	Contact person	E-mail	Contact number
Systematix Corporate Services Limited	The Capital, A-Wing 6th Floor, No. 603-606, Plot No. C-70 G Block, Bandra Kurla Complex Bandra East, Mumbai 400051	Jinal Sanghvi/ Kuldeep Singh	projectmarina@systematixgroup.in	+91 22 6704 8000

The BRLM shall not be required to provide any written acknowledgement of the receipt of the Application Form and the Bid Amount.

All Application Forms shall be duly completed, and Bidders Bidding in the Issue shall pay the entire Bid Amount along with the submission of the Application Form, within the Issue Period.

Bank account for Payment of Bid Amount

Our Company has opened the Escrow Account in the name of "*Pondy Oxides and Chemicals Limited QIP Escrow Account*" with the Escrow Bank, in terms of the Escrow Agreement. Each Bidder will be required to deposit the Bid Amount payable for the Equity Shares Bid by it along with the submission of the Application Form and during the Bidding Period. Bidders can make payment of the Bid Amount only through electronic transfer of funds from their own bank account.

Note: Payments are to be made only through electronic fund transfer. Payments made through cash, demand draft or cheques are liable to be rejected. Further, if the payment is not made favouring the Escrow Account, the Application Form is liable to be rejected.

Pending Allotment, our Company undertakes to utilise the amount deposited in "*Pondy Oxides and Chemicals Limited QIP Escrow Account*" only for the purposes of (i) adjustment against Allotment of Equity Shares in the Issue; or (ii) repayment of Bid Amount if our Company is not able to Allot Equity Shares in the Issue.

Permanent Account Number or PAN

Each Bidder is required to mention its PAN allotted under the Income Tax Act in the Application Form. Applications without this information are considered to be incomplete and are liable to be rejected. Bidders are not to submit the GIR number instead of the PAN as the Application Form is liable to be rejected on this ground.

Pricing and Allocation

There is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares quoted on the Stock Exchanges during the two weeks preceding the Relevant Date. However, our Company may offer a discount of not more than 5% of the Floor Price in accordance with the approval of our Shareholders by way of a special resolution dated October 25, 2024 in terms of Regulation 176(1) of the SEBI ICDR Regulations.

Our Company, in consultation with the BRLM, shall determine the Issue Price, which shall be at or above the Floor Price.

The "Relevant Date" referred to above will be the date of the meeting in which the Board (or a duly constituted committee thereof) decides to open the Issue and "stock exchange" means any of the recognized stock exchanges in India on which the Equity Shares are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date. After finalisation of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file the Placement Document with the Stock Exchanges.

Build-up of the Book

The Bidders shall submit their Bids (including any revision thereof) through the Application Forms within the Issue Period to the BRLM. Such Bids cannot be withdrawn or revised downwards after the Bid/ Issue Closing Date. The book shall be maintained by the BRLM.

Method of Allocation

Our Company shall determine the Allocation in consultation with the BRLM on a discretionary basis and in compliance with Chapter VI of the SEBI ICDR Regulations.

Bids received from the Eligible QIBs at or above the Issue Price shall be grouped together to determine the total demand. The Allocation to all such Eligible QIBs will be made at the Issue Price. Allocation to Mutual Funds for up to a minimum of 10% of the Issue Size shall be undertaken subject to valid Bids being received at or above the Issue Price.

In case of cancellations or default by the Bidders, our Company in consultation with BRLM has the right to reallocate the Equity Shares at the Issue Price among existing or new Bidders at their sole and absolute discretion subject to the applicable laws.

THE DECISION OF OUR COMPANY IN CONSULTATION WITH THE BRLM IN RESPECT OF ALLOCATION SHALL BE FINAL AND BINDING ON ALL ELIGIBLE QIBs. ELIGIBLE QIBs MAY NOTE THAT ALLOCATION OF EQUITY SHARES IS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR COMPANY IN CONSULTATION WITH THE BRLM AND ELIGIBLE QIBs MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AND PAID THE ENTIRE BID AMOUNT AT OR ABOVE THE ISSUE PRICE WITHIN THE ISSUE PERIOD. NEITHER OUR COMPANY NOR THE BRLM ARE OBLIGED TO ASSIGN ANY REASON FOR ANY NON-ALLOCATION.

Confirmation of Allotment Notice or CAN

Based on receipt of the serially numbered Application Forms and Bid Amount, our Company, in consultation with the BRLM, in their sole and absolute discretion, shall decide the Successful Bidders. Our Company will dispatch a serially numbered CAN to all the Bidders pursuant to which the details of the Equity Shares Allocated to them (if any), the Issue Price and the Bid Amount for the Equity Shares Allocated to them shall be notified to such Successful Bidders. The CAN shall also include details of amount to be refunded, if any, to such Bidders. Additionally, the CAN will include the probable Designated Date, being the date of credit of the Equity Shares to the Bidders' account, as applicable to the respective Bidder.

The Successful Bidders would also be sent a serially numbered Placement Document (which will include the names of the proposed Allottees along with the percentage of their post-Issue Shareholding in our Company) either in electronic form or by physical delivery.

The dispatch of the serially numbered CAN and the Placement Document (when dispatched), to the Eligible QIBs shall be deemed a valid, binding and irrevocable contract for the Eligible QIBs to subscribe to the Equity Shares Allocated to such Successful Bidders. Subsequently, our Board/ its committee will approve the Allotment of the Equity Shares to the Allottees in consultation with the BRLM.

Eligible QIBs are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to the Issue.

By submitting the Application Form, an Eligible QIB would have deemed to have made the representations and warranties as specified in section "*Notice to Investors*" on page 1 and further that such Eligible QIB shall not undertake any trade on the Equity Shares credited to its Depository Participant account pursuant to the Issue until such time as the final listing and trading approval is issued by Stock Exchanges.

Designated Date and Allotment of Equity Shares

1. Subject to the satisfaction of the terms and conditions of the Placement Agreement, our Company will ensure that the Allotment of the Equity Shares is completed by the Designated Date provided in the CAN.

2. In accordance with the SEBI ICDR Regulations, Equity Shares will be issued and Allotment shall be made only in the dematerialized form to the Allottees. Allottees will have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act. However, transfer of securities of listed companies in physical form is not permitted pursuant to Regulation 40 of the SEBI Listing Regulations.

3. Our Company, at its sole discretion, reserves the right to cancel the Issue at any time up to Allotment without assigning any reasons whatsoever.

4. Following the Allotment of the Equity Shares pursuant to the Issue, our Company shall apply to the Stock Exchanges for listing approvals and post receipt of the listing approvals from the Stock Exchanges, our Company shall credit the Equity Shares into the beneficiary accounts of the Eligible QIBs.

5. Following the credit of Equity Shares into the Successful Bidders' beneficiary accounts with the Depository Participants, our Company will apply for the final listing and trading approvals from the Stock Exchanges.

6. The monies lying to the credit of the Escrow Account shall not be released until the final listing and trading approvals for the listing and trading of the Equity Shares issued pursuant to this Issue are received by our Company from the Stock Exchanges and our Company files the return of Allotment in connection with the Issue with the RoC within the prescribed timelines under the Companies Act.

7. After finalization of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file it with the Stock Exchanges as the Placement Document, which will include names of the proposed Allottees and the percentage of their post-Issue shareholding in the Company. Pursuant to a circular dated March 5, 2010 issued by the SEBI, Stock Exchanges are required to make available on their websites the details of those Allottees in Issue who have been allotted more than 5% of the Equity Shares offered in the Issue, namely, names of the Allottees, and number of Equity Shares Allotted to each of them, pre and post Issue shareholding pattern of our Company along with the Placement Document.

8. Our Company shall make the requisite filings with the RoC within the stipulated period as required under the Companies Act, 2013 and the PAS Rules. Further, as required in terms of the PAS Rules, names of the proposed Allottees, and the percentage of their post-Issue shareholding in our Company is required to be disclosed in the Placement Document.

Refunds

In the event that the number of Equity Shares Allocated to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, or the Bidder has deposited the Bid Amount arrived at using a price higher than the Issue Price or Equity Shares are not Allocated to a Bidder for any reasons or the Issue is cancelled prior to Allocation, or a Bidder lowers or withdraws the Bid prior to the Bid/ Issue Closing Date, any excess Bid Amount paid by such Bidder will be refunded to the same bank account from which Bid Amount was remitted as set out in the Application Form. The Refund Amount will be transferred to the relevant Bidders within two Working Days from the issuance of the CAN.

In the event that we are unable to issue and Allot the Equity Shares offered in the Issue or if the Issue is cancelled within 60 days from the date of receipt of Bid Amount, our Company shall repay the Bid Amount within 15 days from the expiry of 60 days, failing which our Company shall repay that monies with interest at the rate of 12% p.a. from expiry of the sixtieth day. The Bid Amount to be refunded by us shall be refunded to the same bank account from which Bid Amount was remitted by the Bidders, as mentioned in the Application Form.

In accordance with the SEBI ICDR Regulations, Equity Shares will be issued and Allotment shall be made only in dematerialized form to the Allottees. Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act, 2013, the Depositories Act and other applicable laws.

We, at our sole discretion, reserve the right to cancel the Issue at any time up to Allotment without assigning any reason whatsoever.

Following the Allotment and credit of Equity Shares into the Eligible QIBs' Depository Participant accounts, we will apply for final trading and listing approvals from the Stock Exchanges. In the event of any delay in the Allotment or credit of Equity Shares, or receipt of trading or listing approvals or cancellation of the Issue, no interest or penalty would be payable by us.

Release of Funds to our Company

The monies lying to the credit of the Escrow Account shall not be released until receipt of notice from the BRLM's the final listing and trading approvals of the Stock Exchanges and our Company files the return of Allotment in connection with the Issue with the RoC, whichever is later.

Other Instructions

Submission of Documents

A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted with the Company/ BRLM as soon as practicable.

Permanent Account Number or PAN

Each Bidder should mention its PAN allotted under the Income Tax Act. A copy of PAN card is required to be submitted with the Application Form. However, this requirement may not apply to certain Bidders who are exempted from the requirement of obtaining a PAN under the Income Tax Act. Further, the Application Forms without this information will be considered incomplete and are liable to be rejected. It is to be specifically noted that applicants should not submit the GIR number instead of the PAN as the Application Form is liable to be rejected on this ground.

Bank account details

Each Bidder shall mention the details of the bank account from which the payment of Bid Amount has been made along with confirmation that such payment has been made from such account.

Right to Reject Applications

Our Company, in consultation with the BRLM, may reject Bids, in part or in full, without assigning any reason whatsoever. The decision of our Company, in consultation with the BRLM, in relation to the rejection of Bids shall be final and binding. In the event the Bid is rejected by our Company, the Bid Amount paid by the Bidder shall be refunded to the same bank account from which the Bid Amount was remitted by such Bidder as set out in the Application Form. For details, see "– *Bid Process*" and "– *Refunds*" on pages 240 and 245 respectively.

Equity Shares in dematerialised form with NSDL or CDSL

The Allotment of the Equity Shares in this Issue shall be only in dematerialised form (i.e., not in physical certificates but be fungible and be represented by the statement issued through the electronic mode).

An Eligible QIB applying for Equity Shares to be issued pursuant to the Issue must have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the Bid. Equity Shares Allotted to a Successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Successful Bidder, as indicated in the Application Form.

Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges have electronic connectivity with NSDL and CDSL.

The trading of the Equity Shares to be issued pursuant to the Issue would be in dematerialised form only for all QIBs in the demat segment of the respective Stock Exchanges.

Our Company and the BRLM shall not be responsible or liable for the delay in the credit of Equity Shares to be issued pursuant to the Issue due to errors in the Application Form or otherwise on the part of the Bidders.

PLACEMENT AND LOCK-UP

Placement Agreement

The BRLM has entered into the Placement Agreement dated December 17, 2024 with our Company, pursuant to which the BRLM has agreed, subject to certain conditions, to manage this Issue and to act as placement agents in connection with the proposed Issue and procure subscription to Equity Shares to be placed with the Eligible QIBs, pursuant to Chapter VI of the SEBI ICDR Regulations, Section 42 of the Companies Act read with Rule 14 of the PAS Rules, to the extent applicable, as amended and other applicable provisions of the Companies Act and the rules made thereunder. The Placement Agreement contains customary representations, warranties and indemnities from our Company, and it is subject to satisfaction of certain conditions and subject to termination in accordance with the terms contained therein.

This Preliminary Placement Document has not been, and will not be, registered as a prospectus with the RoC and, no Equity Shares offered pursuant to the Issue will be offered in India or overseas to the public or any members of the public or any other class of prospective investors, other than Eligible QIBs.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. The Equity Shares offered in this Issue are being offered and sold only outside the United States in “offshore transactions” as defined in and in reliance on Regulation S and in accordance with the applicable laws of the jurisdiction where those offers and sales are made. For a description of the restrictions applicable to the offer and sale of the Equity Shares in the Issue in certain other jurisdictions, see “*Selling Restrictions*” on page 250. See “*Purchaser Representations and Transfer Restrictions*" on page 257 for information about transfer restrictions that apply to the Equity Shares sold in the Issue.

Applications shall be made to list the Equity Shares issued pursuant to the Issue and admit them to trading on the Stock Exchanges.

No assurance can be given as to the liquidity or sustainability of the trading market for the Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares.

Relationship with the Book Running Lead Manager

In connection with the Issue, the BRLM (or its affiliates) may, for their own account, subscribe to the Equity Shares or enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares to be offered pursuant to the Issue at the same time as the offer and subscription or sale of the Equity Shares, or in secondary market transactions. As a result of such transactions, the BRLM may hold long or short positions in such Equity Shares. These transactions may comprise a substantial portion of the Issue and no specific disclosure will be made of such positions. The Affiliates of the BRLM may purchase Equity Shares and be Allotted Equity Shares for proprietary purposes and not with a view to distribute or in connection with the issuance of P-Notes. For further details, see “*Offshore Derivative Instruments*” on page 9.

From time to time, the BRLM, its affiliates and its associates have been engaged in or may in the future engage in transactions with and perform services, including but not limited to investment banking, advisory, commercial banking, trading services for our Company, our Subsidiary, affiliates and the Shareholders, as well as to their respective associates and affiliates, pursuant to which fees and commissions have been paid or will be paid to the BRLM and its respective affiliates and associates.

Lock-up

In terms of the Placement Agreement, our Promoters and members of the Promoter Group shall not, for a period of 60 days from the date of Allotment under the Issue, without the prior written consent of the Lead Managers, directly or indirectly: (a) directly or indirectly, issue, offer, lend, sell, contract to sell, pledge, encumber, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, make any short sale, or otherwise transfer or dispose of, any Promoter and Promoter Group Shares, including but not limited to any options or warrants to purchase any Promoter and Promoter Group Shares, or any securities convertible into or exercisable for, or that represent the right to receive, any Promoter and Promoter

Group Shares or file any registration statement under the Securities Act with respect to any of the foregoing (regardless of whether any of the transactions described in this clause (a) is to be settled by the delivery of the Promoter and Promoter Group Shares or such other securities, in cash or otherwise); or (b) enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, any of the economic consequences associated with the ownership of any of the Promoter and Promoter Group Shares or any securities convertible into or exercisable or exchangeable for any of the Promoter and Promoter Group Shares (regardless of whether any of the transactions described in (b) is to be settled by the delivery of the Promoter and Promoter Group Shares or such other securities, in cash or otherwise); or (c) deposit any of the Promoter and Promoter Group Shares, or any securities convertible into or exercisable or exchangeable for the Promoter and Promoter Group Shares or which carry the rights to subscribe for or purchase the Promoter Shares, with any depositary in connection with a depositary receipt facility; or (d) publicly announce any intention to enter into any transaction falling within (a) to (c) above or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that a sale or deposit of the Promoter and Promoter Group Shares in any depositary receipt facility or publicly announce any intention to enter into any transaction falling within (a) to (c) above.

Provided, however, that the foregoing restrictions shall not apply to: (i) any sale, transfer or disposition of any of the Promoter and Promoter Group Shares by the undersigned with prior notice to the Lead Managers to the extent such sale, transfer or disposition is required by Indian law; and (ii) any bona fide pledge or non-disposal undertaking of any of the Promoter and Promoter Group Shares held by the undersigned as collateral for loans on normal commercial terms entered or to be entered into in the ordinary course of business of the undersigned, the Company or transfer of any of the Promoter Shares to any third party pursuant to the invocation of any pledge in relation to the Promoter and Promoter Group Shares; and (iii) any inter group transfer made to any entities promoted by the Promoter ("**Promoter Group Entities**"), subject to compliance with applicable laws and subject to observance by the transferee Promoter Group Entities of the foregoing restrictions on transfer of Promoter Shares until the expiry of the Lock-up Period.

SELLING RESTRICTIONS

General

The Issue is being made only to Eligible QIBs through a QIP, in reliance upon Chapter VI of the SEBI ICDR Regulations and the Companies Act.

The distribution of this Preliminary Placement Document and the offer and sale of the Equity Shares offered in the Issue is restricted by law in certain jurisdictions. This Preliminary Placement Document may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised. Except for in India, no action has been taken or will be taken that would permit the offer and sale of the Equity Shares offered in the Issue to occur in any jurisdiction other than India, or the possession, circulation or distribution of this Preliminary Placement Document or any other material relating to the Issue in any jurisdiction where action for such purpose is required, except in India. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Preliminary Placement Document nor any other material relating to the Issue may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. Therefore, persons who may come into possession of this Preliminary Placement Document are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions.

Each purchaser of the Equity Shares in this Issue will be deemed to have made the representations, warranties, acknowledgments and agreements as described in this section and under "*Notice to Investors*", "*Representations by Investors"* and "*Purchaser Representations and Transfer Restrictions*" beginning on pages 1, 3 and 257, respectively.

Republic of India

This Preliminary Placement Document may not be distributed directly or indirectly in India or to residents of India and any Equity Shares may not be offered or sold directly or indirectly in India to, or for the account or benefit of, any resident of India except as permitted by applicable Indian laws and regulations, under which an offer is strictly on a private and confidential basis and is limited to Eligible QIBs and is not an offer to the public. This Preliminary Placement Document has not been and will not be filed as a prospectus with the RoC and will not be circulated or distributed to the public in India or any other jurisdiction and will not constitute a public offer in India or any other jurisdiction.

Bahrain

All marketing and offering of the Equity Shares in the Issue has been made and will be made outside the Kingdom of Bahrain. This Preliminary Placement Document and the Equity Shares that shall be offered pursuant to this Preliminary Placement Document have not been registered, filed, approved or licensed by the Central Bank of Bahrain ("**CBB**"), the Bahrain Bourse, the Ministry of Industry, Commerce and Tourism ("**MOICT**") or any other relevant licensing authorities in the Kingdom of Bahrain.

The CBB, the Bahrain Bourse and the MOICT of the Kingdom of Bahrain takes no responsibility for the accuracy of the statements and information contained in this Preliminary Placement Document, nor shall they have any liability to any person, investor or otherwise for any loss or damage resulting from reliance on any statements or information contained herein. This Preliminary Placement Document is only intended for Accredited Investors as defined by the CBB and the Equity Shares offered by way of private placement may only be offered in minimum subscriptions of USD 100,000 (or equivalent in other currencies). No invitation to the public in the Kingdom of Bahrain to subscribe to the Equity Shares is being made and this Preliminary Placement Document will not be issued to, passed to, or made available to the public generally in the Kingdom of Bahrain. The CBB has not reviewed, nor has it approved this Preliminary Placement Document and any related offering documents or the marketing thereof in the Kingdom of Bahrain. The CBB is not and will not be responsible for the performance of the Equity Shares.

Cayman Islands

No offer or invitation to subscribe for Equity Shares may be made to the public in the Cayman Islands to subscribe for any of the Equity Shares but an invitation or offer may be made to sophisticated persons (as defined in the Cayman Islands Securities Investment Business Law (the "**SIBL**"), high net worth persons (as defined in the

SIBL) or otherwise in accordance with the SIBL. This Preliminary Placement Document does not constitute an invitation or offer to the public in the Cayman Islands of the Equity Shares, whether by way of sale or subscription. The Equity Shares are not being offered or sold, and will not be offered or sold, directly or indirectly, to the public in the Cayman Islands.

Dubai International Financial Centre

This Preliminary Placement Document relates to an Exempt Offer in accordance with the Markets Rules Module of the Dubai Financial Services Authority ("**DFSA**") Rulebook. This Preliminary Placement Document is intended for distribution only to persons of a type specified in the Markets Rules Module. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this Preliminary Placement Document nor taken steps to verify the information set forth herein and has no responsibility for this Preliminary Placement Document. The securities to which this Preliminary Placement Document relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the securities offered should conduct their own due diligence on the securities. If you do not understand the contents of this Preliminary Placement Document you should consult an authorized financial advisor.

In relation to its use in the DIFC, this Preliminary Placement Document is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The interests in the securities may not be offered or sold directly or indirectly to the public in the DIFC.

European Economic Area

In relation to each Member State of the European Economic Area (each a "**Member State**"), no Equity Shares have been offered or will be offered pursuant to the Issue to the public in that Member State prior to the publication of a prospectus in relation to the Equity Shares which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, all in accordance with the Prospectus Regulation), except that offers of Equity Shares may be made to the public in that Member State at any time under the following exemptions under the Prospectus Regulation:

- to any legal entity which is a qualified investor as defined under the Prospectus Regulation;

- to fewer than 150 natural or legal persons (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of the Book Running Lead Manager for any such offer; or

- in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Equity Shares shall result in a requirement for the publication by the Company or the Book Running Lead Manager of a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this section, the expression an "offer of Equity Shares to the public" in relation to any Equity Shares in any Relevant State means a communication to persons in any form and by any means presenting sufficient information on the terms of the offer and the Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Equity Shares.

Except for each person who is not a qualified investor and who has notified the Book Running Lead Manager of such fact in writing and has received the consent of the Book Running Lead Manager in writing to subscribe for or purchase Equity Shares in the Issue, each person in a Relevant State who acquires Equity Shares in the Issue or to whom any offer is made shall be deemed to have represented that it is a "qualified investor" as defined in the Prospectus Regulation.

In the case of any Equity Shares being offered to a financial intermediary, as that term is used in Article 5 of the Prospectus Regulation, such financial intermediary will also be deemed to have represented, acknowledged and agreed that the Equity Shares subscribed for or acquired by it in the Issue have not been subscribed for or acquired on a non-discretionary basis on behalf of, nor have they been subscribed for or acquired with a view to their offer or resale to persons in circumstances which may give rise to an offer of any Equity Shares to the public other than their offer or resale in a Relevant State to qualified investors (as so defined) or in circumstances in which the prior consent of the Book Running Lead Manager has been obtained to each such proposed offer or resale.

Our Company, the Book Running Lead Manager and their affiliates and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements.

Hong Kong

The Equity Shares have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**") and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O.

No advertisement, invitation or document relating to the Equity Shares, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO has been or will be issued, whether in Hong Kong or elsewhere.

Japan

The Equity Shares offered hereby have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**Financial Instruments and Exchange Act**"). The Preliminary Placement Document is not an offer of shares for sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used in the Preliminary Placement Document means any person resident in Japan, including any corporation or entity organized under the laws of Japan) or to others for reoffer or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

Republic of Korea

The Equity Shares have not been and will not be registered under the Financial Investments Services and Capital Markets Act of Korea and the decrees and regulations thereunder (the "**FSCMA**"), and the Equity Shares have been and will be offered in Korea as a private placement under the FSCMA. None of the Equity Shares may be offered, sold or delivered directly or indirectly, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to the applicable laws and regulations of Korea, including the FSCMA and the Foreign Exchange Transaction Law of Korea and the decrees and regulations thereunder (the "**FETL**"). Furthermore, the purchaser of the Equity Shares shall comply with all applicable regulatory requirements (including but not limited to requirements under the FETL) in connection with the purchase of the Equity Shares. By the purchase of the Equity Shares, the relevant holder thereof will be deemed to represent and warrant that if it is in Korea or is a resident of Korea, it purchased the Equity Shares pursuant to the applicable laws and regulations of Korea.

Kuwait

This document and does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, the Equity Shares in the State of Kuwait. The Equity Shares have not been licensed for offering, promotion, marketing, advertisement or sale in the State of Kuwait by the Capital Markets Authority or any other relevant Kuwaiti government agency. The offering, promotion, marketing, advertisement or sale of the Equity Shares in State of Kuwait on the basis of a private placement or public offering is, therefore, prohibited in accordance with Law No. 7 of 2010 and the Executive Bylaws for Law No. 7 of 2010, as amended, which govern the issue, offer, marketing and sale of financial services/products in the State of Kuwait. No private or public offering of the Equity Shares is or will be made in the State of Kuwait, and no agreement relating to the sale of the Equity Shares will be concluded in the State of Kuwait and no marketing or solicitation or inducement activities are being used to offer or market the Equity Shares in the State of Kuwait.

Mauritius

The public of the republic of Mauritius is not invited to subscribe for the interests offered hereby. This memorandum relates to a private placement and does not constitute an offer to the public in Mauritius to subscribe for the interests offered hereby. the interests are only being offered to a limited number of sophisticated investors meeting the eligibility criteria. no regulatory approval has been sought for the offer in Mauritius and it must be distinctly understood that the Mauritius financial services commission does not accept any responsibility for the financial soundness of or any representations made in connection with the issue. The memorandum is for the use only of the named addressee and should not be given or shown to any other person.

Qatar (excluding the Qatar Financial Centre)

This Preliminary Placement Document did not, and was not intended to, constitute an invitation or an offer of securities in the State of Qatar (including the Qatar Financial Centre) and accordingly should not be construed as such. The Equity Shares have not been, and shall not be, offered, sold or delivered at any time, directly or indirectly, in the State of Qatar. Any offering of the Equity Shares shall not constitute a public offer of securities in the State of Qatar.

By receiving this document, the person or entity to whom it has been provided to understands, acknowledges and agrees that: (a) neither this Preliminary Placement Document nor the Equity Shares have been registered, considered, authorised or approved by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority or any other authority or agency in the State of Qatar; (b) neither the Company nor the Book Running Lead Manager are authorised or licensed by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority, or any other authority or agency in the State of Qatar, to market or sell the Equity Shares within the State of Qatar; (c) this Preliminary Placement Document may not be provided to any person other than the original recipient and is not for general circulation in the State of Qatar; and (d) no agreement relating to the sale of the Equity Shares shall be consummated within the State of Qatar.

No marketing of the Equity Shares has been or will be made from within the State of Qatar and no subscription to the Equity Shares may or will be consummated within the State of Qatar. Any applications to invest in the Equity Shares shall be received from outside of Qatar. This Preliminary Placement Document shall not form the basis of, or be relied on in connection with, any contract in Qatar. The persons representing the Book Running Lead Manager are, by distributing this document, not advising individuals resident in the State of Qatar as to the appropriateness of investing in or purchasing or selling securities or other financial products. Nothing contained in this Preliminary Placement Document is intended to constitute investment, legal, tax, accounting or other professional advice in, or in respect of, the State of Qatar.

Qatar and Qatar Financial Centre

Nothing in this Preliminary Placement Document is intended to constitute, shall be treated as constituting or shall be deemed to constitute, any offer or sale of securities in the State of Qatar or in the Qatar Financial Centre or the inward marketing of securities or an attempt to do business, as a bank, an investment company or otherwise in the State of Qatar or in the Qatar Financial Centre other than in compliance with any laws applicable in the State of Qatar or in the Qatar Financial Centre governing the issue, offering and sale of securities under the laws of the State of Qatar and the Qatar Financial Centre.

This Preliminary Placement Document and any underlying instruments or securities have not been and will not be filed with, reviewed or approved by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Exchange or any other relevant Qatar governmental body or securities exchange. The Company has not been authorised or licenced by any Qatari governmental body or regulator to market, offer or sell the Equity Shares in the State of Qatar or in the Qatar Financial Centre.

This Preliminary Placement Document is strictly private and confidential. This Preliminary Placement Document is provided on an exclusive basis to the specifically intended recipient of such document, upon that person's request and initiative, and for the recipient's personal use only. It is being distributed to a limited number of qualified investors and must not be provided to any person other than the original recipient. It is not for general circulation in the State of Qatar or the Qatar Financial Centre and may not be reproduced or used for any other purpose. Any distribution of this document by the recipient to third parties in the State of Qatar or the Qatar Financial Centre is not authorised and shall be at the liability of such recipient.

Recourse against the Company and/or its affiliates may be limited or difficult and may have to be pursued in a jurisdiction outside the State of Qatar and/or the Qatar Financial Centre.

Saudi Arabia

This Preliminary Placement Document may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority ("**CMA**"). The CMA does not make any representation as to the accuracy or completeness of this Preliminary Placement Document and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Preliminary Placement Document. Prospective purchasers of the Equity Shares offered hereby should conduct their own due diligence on the accuracy of the information relating to the Equity Shares. If you do not understand the contents of this Preliminary Placement Document, you should consult an authorised financial adviser.

Singapore

This Preliminary Placement Document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Preliminary Placement Document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Equity Shares may not be circulated or distributed, nor may the Equity Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Equity Shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

i. a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
ii. a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Equity Shares pursuant to an offer made under Section 275 of the SFA except:

    (a) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
    (b) where no consideration is or will be given for the transfer;
    (c) where the transfer is by operation of law;
    (d) as specified in Section 276(7) of the SFA; or
    (e) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Notification under Sections 309B(1)(a) and 309B(1)(c) of the SFA: We have determined, and hereby notify all relevant persons (as defined in Section 309A of the SFA) that the Equity Shares are: (A) prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and (B) Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment: Notice on Recommendations on Investment Products).

Singapore SFA Product Classification: In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Company has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Equity Shares are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Sultanate of Oman

The information contained in this Preliminary Placement Document does not constitute a public offer of securities in Oman as contemplated by the Oman Commercial Companies Law (Sultani Decree 18/2019, as amended) or Article 3 of the Capital Market Authority Law (Sultani Decree 80/98, as amended). This Preliminary Placement Document will only be made available to investors in Oman in accordance with the provisions of Article 139 of the Executive Regulations of the Capital Markets Law (Capital Markets Law Decision No. 1/2009, as amended) (the "**Executive Regulations**") by an entity duly licenced by the Capital Market Authority of Oman to market non-Omani securities in Oman.

This Preliminary Placement Document is strictly private and confidential. It is being provided to a limited number of sophisticated investors solely to enable them to decide whether or not to invest in the Equity Shares outside of Oman, upon the terms and subject to the restrictions set out herein and may not be reproduced or used for any other purpose or provided to any person other than the original recipient. Additionally, this Preliminary Placement Document is not intended to lead to the making of any contract within the territory or under the laws of Oman.

This Preliminary Placement Document has not been (and will not be) filed with the Capital Market Authority of Oman (except in accordance with Article 139 of the Executive Regulations) or any other regulatory authority in Oman and the Capital Market Authority of Oman neither assumes responsibility for the accuracy and adequacy of the statements and information contained in this Preliminary Placement Document nor shall have any liability to any person for damage or loss resulting from reliance on any statements or information contained herein.

Switzerland

The Equity Shares may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act ("**FinSA**") and no application has or will be made to admit the Equity Shares to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Preliminary Placement Document nor any other offering or marketing material relating to the Equity Shares constitutes a prospectus pursuant to the FinSA, and neither this Preliminary Placement Document nor any other offering or marketing material relating to the Equity Shares may be publicly distributed or otherwise made publicly available in Switzerland.

The Equity Shares may, however, be offered in Switzerland to professional clients within the meaning of the FinSA, without any public offer and only to investors who do not purchase the Equity Shares with the intention to distribute them to the public. The investors will be individually approached from time to time. This Preliminary Placement Document may only be used by those investors to whom it has been handed out in connection with the Offer described herein and may neither directly nor indirectly be distributed or made available to other persons without our express consent.

United Arab Emirates (excluding the Dubai International Financial Centre)

This Preliminary Placement Document does not constitute or contain an offer of securities to the general public in the UAE. No offering, marketing, promotion, advertising or distribution (together, "Promotion") of this document or the Equity Shares may be made to the general public in the United Arab Emirates (the "**UAE**") unless: (a) such Promotion has been approved by the UAE Securities and Commodities Authority (the "**SCA**") and is made in accordance with the laws and regulations of the UAE, including SCA Board of Directors' Chairman Decision no. (3/R.M.) of 2017 (the "**Promotion and Introduction Regulations**"), and is made by an entity duly licensed to conduct such Promotion activities in the UAE; or (b) such Promotion is conducted by way of private placement made: (i) only to "Qualified Investors" (excluding "**High Net Worth Individuals**") (as such terms are defined in the Promotion and Introduction Regulations); or (ii) otherwise in accordance with the laws and regulations of the UAE; or (c) such Promotion is carried out by way of reverse solicitation only upon an initiative made in writing by an investor in the UAE. None of the SCA, the UAE Central Bank, the UAE Ministry of Economy or any other regulatory authority in the UAE has reviewed or approved the contents of this document nor does any such entity accept any liability for the contents of this document.

United Kingdom

No Shares have been offered or will be offered pursuant to the Offering to the public in the United Kingdom prior to the publication of a prospectus in relation to the Shares which is to be treated as if it had been approved by the

Financial Conduct Authority in accordance with the transitional provisions in Article 74 (transitional provisions) of the Prospectus Amendment etc (EU Exit) Regulations 2019/1234, except that it may make an offer to the public in the United Kingdom of any Shares at any time:

(a) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;
(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the Book Running Lead Manager for any such offer; or
(c) in any other circumstances falling within Article 1(4) of the UK Prospectus Regulation,

provided that no such offer of the Shares shall require the Company or any Book Running Lead Manager to publish a prospectus pursuant to Article 3 of the UK Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation. For the purposes of this provision, the expression an "offer to the public" in relation to the Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Shares and the expression "UK Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

The Preliminary Placement Document may not be distributed or circulated to any person in the United Kingdom other than to (i) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Financial Promotion Order"); and (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Financial Promotion Order (all such persons together being referred to as "relevant persons"). The Preliminary Placement Document is directed only at relevant persons. Other persons should not act on the Preliminary Placement Document or any of its contents. The Preliminary Placement Document is confidential and is being supplied to you solely for your information and may not be reproduced, redistributed or passed on to any other person or published, in whole or in part, for any other purpose.

United States of America

The Equity Shares have not been and will not be registered under the U.S. Securities Act, or the securities laws of any state of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in '*offshore transactions*', as defined in and in reliance on Regulations S and the applicable laws of the jurisdiction where such offers and sales are made. For further information, see "*Purchaser Representations and Transfer Restrictions"* on page 257.

Other Jurisdictions

The distribution of this Preliminary Placement Document and the offer and sale of the Equity Shares may be restricted by law in certain jurisdictions. Persons into whose possession this Preliminary Placement Document comes are required to inform themselves about, and to observe, any such restrictions to the extent applicable.

PURCHASER REPRESENTATIONS AND TRANSFER RESTRICTIONS

Due to the following restrictions, investors are advised to consult their legal counsel prior to subscribing for Equity Shares offered in the Issue or making any resale, pledge or transfer of the Equity Shares purchased in the Issue.

Pursuant to Chapter VI of the SEBI ICDR Regulations, the Equity Shares Allotted in the Issue are not permitted to be sold for a period of one year from the date of Allotment, except on floor of the BSE or the NSE. In addition to the above, allotments made to Eligible QIBs, including VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirements. VCFs and AIFs should independently consult their own counsel and advisors as to an investment in the Equity Shares and related matters concerning the Issue.

The Equity Shares Allotted in the Issue are also subject to the resale restrictions in "*Selling Restrictions*" beginning on page 250 and the following resale restrictions.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws.

By accepting delivery of this Preliminary Placement Document, submitting a bid to purchase the Equity Shares and/or accepting delivery of Equity Shares, you will be deemed to have represented and agreed as follows:

- It is authorised to consummate the purchase of the Equity Shares in compliance with all applicable laws and regulations.

- It acknowledges (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer acknowledges) that the Equity Shares are being issued in reliance upon Regulation S and such Equity Shares have not been and will not be registered under the U.S. Securities Act

- It certifies that either (A) it is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, is located outside the United States (within the meaning of Regulation S), and it has not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States, or (B) it is a broker-dealer acting on behalf of its customer and its customer has confirmed to it that (i) such customer is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, and (ii) such customer is located outside the United States (within the meaning of Regulation S), and such customer has not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States.

- It is aware of the restrictions of the offer, sale and resale of the Equity Shares pursuant to Regulation S.

- It agrees (or it is a broker-deal acting on behalf of a customer that has confirmed to it that such customer agrees) that neither it, nor any of its affiliates, nor any person acting on its behalf, will make any "directed selling efforts" as defined in Regulation S. It acknowledges and agrees that it is not purchasing any Equity Shares as a result of any "directed selling efforts" as defined in Regulation S

- It understands that the Equity Shares are being offered in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act, that the Equity Shares have not been and will not be registered under the U.S. Securities Act and that if in the future it decides to offer, resell, pledge or otherwise transfer any of the Equity Shares, such Equity Shares may be offered, resold, pledged or otherwise transferred only outside the United States in a transaction complying with the provisions of Rule 903 or Rule 904 of Regulation S or in a transaction otherwise exempt from the registration requirements of the U.S. Securities Act and other applicable U.S. state securities laws.

- It is a sophisticated investor and has such knowledge and experience in financial, business and investments as to be capable of evaluating the merits and risks of the investment in the Equity Shares. It is experienced in investing in private placement transactions of securities of companies in a similar stage of development and in similar jurisdictions. It and any accounts for which it is subscribing to the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to the Company or any of the Book Running Lead Manager for all or part of any such loss or losses that may be suffered, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) are seeking to subscribe to the Equity Shares in this Issue for investment purposes and not with a view to resell or distribute them and it has no reason to anticipate any change in its circumstances, financial or otherwise, which may cause or require any sale or distribution by it of all or any part of the Equity Shares and (v) have no need for liquidity with respect to the investment in the Equity Shares. It acknowledges that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment.

- It has been provided access to this Preliminary Placement Document and will be provided access to the Placement Document which it has read in its entirety.

- It agrees to indemnify and hold our Company and the Book Running Lead Manager harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations and warranties. It will not hold our Company or the Book Running Lead Manager liable with respect to its investment in the Equity Shares. It agrees that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares.

- Where it is subscribing to the Equity Shares for one or more managed accounts, it represents and warrants that it is authorised in writing, by each such managed account to subscribe to the Equity Shares for each managed account and to make (and it hereby makes) the acknowledgements and agreements herein for and on behalf of each such account, reading the reference to “it” to include such accounts.

- It agrees that any resale or other transfer, or attempted resale or other transfer, of the Equity Shares made other than in compliance with the above-stated restrictions shall not be recognised by our Company.

It acknowledges that the Company and the BRLM and their affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations or agreements is no longer accurate, it will promptly notify the Company and the BRLM. It agrees that the terms and provisions of the foregoing acknowledgements, representations and agreements shall inure to the benefit of and any document incorporating such acknowledgements, representations and agreements shall be enforceable by the Company, its successors and its permitted assigns, and the terms and provisions hereof shall be binding on its permitted successors in title, permitted assigns and permitted transferees. It understands that these acknowledgments, representations and undertakings are required in connection with United States securities laws and irrevocably authorizes the Company to produce these acknowledgments, representations and undertakings (or any document incorporating them) to any interested party in any administrative or legal proceedings or official enquiry with respect to the matters covered herein.

THE SECURITIES MARKET OF INDIA

The information in this section has been extracted from documents available on the website of SEBI and the Stock Exchanges and has not been prepared or independently verified by our Company, or the BRLM or any of their respective affiliates or advisors.

The Indian Securities Market

India has a long history of organised securities trading. In 1875, the first stock exchange was established in Mumbai. BSE and the NSE are the significant stock exchanges in terms of the number of listed companies, market capitalisation and trading activity.

Stock Exchanges Regulation

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Capital Markets Division, under the SCRA and the SCRR. On October 3, 2018, SEBI, in exercise of its powers under the SCRA and the SEBI Act, notified the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (the "**SECC Regulations**"), which regulate *inter alia* the recognition, ownership and internal governance of stock exchanges and clearing corporations in India together with providing for minimum net worth requirements for stock exchanges. The SCRA, the SCRR and the SECC Regulations along with various rules, bye-laws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges.

The SEBI Act empowers SEBI to regulate the Indian securities markets, including stock exchanges and intermediaries in the capital markets, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations and guidelines concerning minimum disclosure requirements by public companies, rules and regulations concerning investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buy-backs of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, foreign portfolio investors, credit rating agencies and other capital market participants have been notified by the relevant regulatory authority.

BSE

Established in 1875, it is the oldest stock exchange in India and was the first stock exchange in India to obtain permanent recognition from the Government under the SCRA. Pursuant to the BSE (Corporatization and Demutualization) Scheme 2005 of SEBI, the BSE was incorporated as a company under the Companies Act, 1956. BSE was listed on NSE with effect from February 3, 2017.

NSE

The NSE was established by financial institutions and banks to provide nationwide online, satellite-linked, screen-based trading facilities with market-makers and electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. The NSE was recognised as a stock exchange under the SCRA in April 1993 and commenced operations in the wholesale debt market segment in June 1994. The capital market (equities) segment commenced operations in November 1994 and operations in the derivatives segment commenced in June 2000. NSE launched the NSE 50 Index, now known as S&P CNX NIFTY, on April 22, 1996 and the Mid-cap Index on January 1, 1996.

Listing and delisting of Securities

The listing of securities on a recognised Indian stock exchange is regulated by the applicable Indian laws including the Companies Act, the SCRA, the SCRR, the SEBI Act, and various guidelines and regulations issued by SEBI including the SEBI ICDR Regulations, SEBI Listing Regulations. The SCRA and the SCRR empowers the governing body of each recognised stock exchange to suspend trading of or withdraw admission to dealings in a listed security for breach of or non-compliance with any conditions or breach of company's obligations under the SEBI Listing Regulations or for any reason, subject to the issuer receiving prior written notice of the intent of the exchange and upon granting of a hearing in the matter. SEBI also has the power to amend the SEBI Listing Regulations and bye-laws of the stock exchanges in India, to overrule a stock exchange's governing body and withdraw recognition of a recognized stock exchange.

Further, the SEBI has notified the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, to govern the voluntary and compulsory delisting of equity shares from the stock exchanges. In addition, certain amendments to the SCRR have also been notified in relation to delisting.

Minimum Level of Public Shareholding

All listed companies (except public sector undertakings) are required to maintain a minimum public shareholding at 25%. In this regard, SEBI has provided several mechanisms to comply with this requirement. Where the public shareholding in a listed company falls below 25% (except public sector undertakings) at any time, such company is required to bring the public shareholding to 25% within a maximum period of 12 months from the date of such fall. Consequently, a listed company may be delisted from the Stock Exchanges for not complying with the above-mentioned requirements. Our Company is in compliance with this minimum public shareholding requirement.

Index-Based Market-Wide Circuit Breaker System

In order to restrict abnormal price volatility in any particular stock, the SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index-based market-wide circuit breaker system (equity and equity derivatives) applies at four stages of the index movement, at 5%, 10%, 15% and 20%. The stock exchanges on a daily basis translate the circuit breaker limits based on previous day's closing level of the index. These circuit breakers, when triggered, bring about a co-ordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of the BSE or the S&P CNX NIFTY of the NSE, whichever is breached earlier. If any of these circuit breaker thresholds are reached, trading in all equity and equity derivatives markets nationwide is halted. The markets are required to re-open, after a circuit breaker threshold is hit, with a pre-open call auction session. The timing of the halt and the pre-open call auction session varies depending on the time of day and the circuit breaker breached.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise circuit breakers. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available.

The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

Internet-based Securities Trading and Services

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. Stockbrokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated by SEBI. The NSE became the first exchange to grant approval to its members for providing internet-based trading services. Internet trading is possible on both the "equities" as well as the "derivatives" segments of the NSE.

Trading Hours

Trading on both the NSE and the BSE occurs from Monday to Friday, between 9:15 a.m. and 3:30 p.m. IST (excluding the 15 minutes pre-open session from 9:00 a.m. to 9:15 a.m.). The BSE and the NSE are closed on public holidays. The recognised stock exchanges have been permitted to set their own trading hours (in the cash and derivatives segments) subject to the condition that (i) the trading hours are between 9.00 a.m. and 5.00 p.m.; and (ii) the stock exchange has in place a risk management system and infrastructure commensurate to the trading hours.

Trading Procedure

In order to facilitate smooth transactions, the BSE replaced its open outcry system with BSE On-line Trading ("**BOLT**") facility in 1995. This totally automated screen based trading in securities was put into practice nation-wide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work. In the year 2014, BSE introduced its new generation trading platform, BOLT Plus

NSE has introduced a fully automated trading system called National Exchange for Automated Trading ("**NEAT**"), which operates on strict time/price priority besides enabling efficient trade. NEAT has provided depth in the market by enabling large number of members all over India to trade simultaneously, narrowing the spreads.

SEBI Listing Regulations

Public listed companies are required under the SEBI Listing Regulations to inter alia prepare and circulate to their shareholders audited annual accounts which comply with the disclosure requirements and regulations governing their manner of presentation and which include sections relating to corporate governance, related party transactions and management's discussion and analysis as required under the SEBI Listing Regulations. In addition, a listed company is subject to, *inter alia*, continuing disclosure requirements pursuant to the terms of the SEBI Listing Regulations.

SEBI Takeover Regulations

Disclosure and mandatory bid obligations for listed Indian companies are governed by the SEBI Takeover Regulations which provide specific regulations in relation to substantial acquisition of shares and takeover. Once the equity shares of a company are listed on a stock exchange in India, the provisions of the SEBI Takeover Regulations will apply to any acquisition of the company's shares/voting rights/control. The SEBI Takeover Regulations prescribe certain thresholds or trigger points in the shareholding a person or entity has in the listed Indian company, which give rise to certain obligations on part of the acquirer. Acquisitions up to a certain threshold prescribed under the SEBI Takeover Regulations mandate specific disclosure requirements, while acquisitions crossing particular thresholds may result in the acquirer having to make an open offer of the shares of the target company. The SEBI Takeover Regulations also provide for the possibility of indirect acquisitions, imposing specific obligations on the acquirer in case of such indirect acquisition. The SEBI Takeover Regulations also provides certain general exemptions which exempt certain acquisitions from the obligation to make an open offer. The SEBI Takeover Regulations were further amended on June 22, 2020 to exempt any acquisitions by way of preferential issue from the obligation to make an open offer.

SEBI Insider Trading Regulations

SEBI had earlier notified the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 to prohibit and penalise insider trading in India. The regulations, among other things, prohibited an 'insider' from dealing in the securities of a listed company when in possession of unpublished price sensitive information ("**UPSI**").

The SEBI Insider Trading Regulations were notified on January 15, 2015 and came into effect on May 15, 2015, which repealed the erstwhile regulations of 1992. The SEBI Insider Trading Regulations, *inter alia,* impose certain restrictions on the communication of information by listed companies. Under the SEBI Insider Trading Regulations, (i) no insider shall communicate, provide or allow access to any UPSI relating to such companies and securities to any person including other insiders; and (ii) no person shall procure or cause the communication by any insider of UPSI relating to such companies and securities, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. However, UPSI may be communicated, provided or allowed access to or procured, under certain circumstances specified in the SEBI Insider Trading Regulations.

The SEBI Insider Trading Regulations make it compulsory for listed companies and certain other entities that are required to handle UPSI in the course of business operations to establish an internal code of practices and procedures for fair disclosure of UPSI and to regulate, monitor and report trading by insiders. To this end, the SEBI Insider Trading Regulations provide principles of fair disclosure for purposes of code of practices and procedures for fair disclosure of UPSI and minimum standards for code of conduct to regulate, monitor and report trading by insiders. There are also initial and continuing shareholding disclosure obligations under the SEBI Insider Trading Regulations. The SEBI Insider Trading Regulations also provide for disclosure obligations for promoters, employees, and directors, with respect to their shareholding in the company, and the changes therein.

Further, the board of directors or head(s) of the listed entities are required to maintain a structured digital database containing, inter alia, the nature of UPSI, the names of such persons who have shared the UPSI and the names of persons with whom such UPSI is shared under the SEBI Insider Trading Regulations.

Depositories

The Depositories Act provides a legal framework for the establishment of depositories to record ownership details and effect transfer in book-entry form. Further, SEBI framed regulations in relation to the formation and registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners. The depository system has significantly improved the operation of the Indian securities markets.

Derivatives (Futures and Options)

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivatives contracts were included within the term "securities", as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organisation under the supervision of SEBI.

DESCRIPTION OF THE EQUITY SHARES

The following is the information relating to the Equity Shares including a brief summary of the Memorandum of Association and Articles of Association and the Companies Act. Bidders are urged to read the Memorandum of Association and Articles of Association carefully, and consult with their advisers, as the Memorandum of Association and Articles of Association and applicable Indian law, and not this summary, govern the rights attached to the Equity Shares.

Share Capital

The authorised share capital of our Company is ₹ 20,15,00,000 comprising of 4,03,00,000 Equity Shares of face value of ₹ 5 each. As on the date of this Preliminary Placement Document, the issued, subscribed and paid-up share capital of our Company is ₹ 13,02,51,790 comprising of 2,60,50,358 Equity Shares of face value of ₹ 5 each. The Equity Shares are listed on BSE and NSE. For further details, see *"Capital Structure"* beginning on page 87.

Dividends

Under the Companies Act, 2013, an Indian company pays dividend upon a recommendation by its board of directors and subject to approval by a majority of the shareholders. The dividend on equity shares can be declared/ paid only after declaration/ payment of applicable dividend on preference shares. Subject to certain conditions laid down by Section 123 of the Companies Act, 2013, no dividend can be declared or paid by a company for any fiscal except, among other things, out of the profits of the company for that year, calculated in accordance with the provisions of the Companies Act, 2013 or out of the profits of the company for any previous fiscal arrived at as laid down by the Companies Act, 2013. Further, under the Companies Act, 2013, a company is not permitted to declare any dividends unless carried over previous losses and depreciation not provided in previous year or years are set off against the profit of the company for the current year.

Further, as per the Companies Act read with the Companies (Declaration and Payment of Dividend) Rules, 2014, in the event of inadequacy or absence of profits in any year, a company may declare dividend out of free reserves, provided: (a) the rate of dividend declared shall not exceed the average of the rates at which dividend was declared by it in the three years immediately preceding that year; provided, this shall not apply to a company, which has not declared any dividend in each of the three preceding financial years; (b) the total amount to be drawn from such accumulated profits shall not exceed one-tenth of the sum of the paid up share capital of the company and free reserves of the company as per the most recent audited financial statement; (c) the amount so drawn shall be first utilised to set off the losses incurred by the company in the financial year in which the dividend is declared before any dividend in respect of equity shares is declared; and (d) the balance of reserves of the company after such withdrawal shall not fall below 15.00% of the company's paid up share capital as per the most recent audited financial statement of the company.

According to the Articles of Association, the Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board. In addition, subject to the provisions of the Companies Act, 2013, the Board may from time to time pay to the members such interim dividend as appear to it to be justified by the profits of the Company. The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, thinks fit.

Capitalisation of profits and issue of bonus shares

In addition to permitting dividends to be paid as described above, the Companies Act permits the Board, subject to the approval of the Shareholders of our Company, to distribute to the Shareholders, in the form of fully paid-up bonus shares, an amount transferred from the company's free reserves, securities premium account or the capital redemption reserve account. These bonus equity shares must be distributed to the Shareholders in proportion to the number of equity shares owned by them.

Bonus shares can only be issued if the company has not defaulted in payments of statutory dues of the employees, such as, contribution to provident fund, gratuity and bonus or principal/interest payments on fixed deposits or debt securities issued by it. Bonus shares shall not be issued in lieu of dividend.

Pre-Emptive Rights and Alteration of share capital

Subject to the provisions of the Companies Act, our Company may increase its share capital by issuing new shares on such terms and with such rights as it, by action of its shareholders in a general meeting may determine. According to Section 62(1)(a) of the Companies Act such new shares shall be offered to existing shareholders in proportion to the amount paid-up on those shares at that date. The offer shall be made by notice specifying the number of shares offered and the date (being not less than 15 days and not exceeding 30 days from the date of the offer or as may be permitted by applicable law) within which the offer, if not accepted, will be deemed to have been declined. After such date, the board may dispose of the shares offered in respect of which no acceptance has been received which shall not be disadvantageous to the Shareholders. The offer is deemed to include a right exercisable by the person concerned to renounce the shares offered to him in favour of any other person.

Our Articles of Association provide that our Company may, from time to time, by ordinary resolution, undertake any of the following:

- consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

- convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;

- sub-divide its shares, or any of them, into shares of smaller amount, such that the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in case of the Share from which the reduced share is derived; or

- cancel any shares which, at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person.

Issuance of Preference Shares

Subject to Section 55 of the Companies Act, any new shares may be issued as preference shares or convertible preference shares which are liable to be redeemed in any manner permissible under the Companies Act.

General meetings of shareholders

There are two types of general meetings of shareholders: (i) AGM; and (ii) EGM. Our Company must hold its AGM within six months after the expiry of each Fiscal provided that not more than 15 months shall elapse between the AGM and next one, unless extended by the RoC at its request for any special reason for a period not exceeding three months. Our Board may convene an EGM when necessary or at the request of a shareholder or shareholders holding in the aggregate not less than one tenth of our Company's issued paid-up capital carrying a right to vote on such date.

As per the provisions of the Companies Act and the Articles of Association, all general meetings other than Annual General Meetings shall be called Extraordinary General Meetings. The Board may, whenever it thinks fit, call an Extraordinary General Meeting. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. The quorum for a general meeting shall be a provided in the Companies Act. The Chairperson of the Company shall preside as Chairperson at every general meeting of the Company.

Voting rights

Subject to provisions of the Companies Act and in accordance with the Articles of Association, subject to any rights or restrictions for the time being attached to any class or classes of shares, on a show of hands, every member present in personal shall have one vote and on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the Company. A member may exercise his vote at a meeting by electronic means in accordance with the Companies Act and shall vote only once. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

Transfer of shares

Shares held through depositories are transferred in the form of book entries or in electronic form in accordance with the regulations laid down by the SEBI. These regulations provide the regime for the functioning of the depositories and the participants and set out in the manner in which the records are to be kept and maintained and the safeguards to be followed in this system. We have entered into an agreement for such depository services with NSDL and CDSL. SEBI requires that our shares for trading and settlement purposes be in book-entry form for all investors, except for transactions that are not made on a stock exchange and transactions that are not required to be reported to the stock exchange. The registrar and transfer agent shall maintain a register in which every transfer or transmission of shares will be entered. In addition to complying with the Companies Act, 2013 and the other applicable laws, our Company is also required to comply with the provisions of the SEBI Listing Regulations for effecting the transfer of shares. In terms of the SEBI Listing Regulations, except in case of transmission or transposition of shares, requests for effecting transfer of shares shall not be processed unless the shares are held in the dematerialized form with a depository and that transmission or transposition of securities held in physical or dematerialised form shall be effected only in dematerialised form. The Equity Shares shall be freely transferable, subject to applicable laws.

Winding up

Our Articles of Association provide that subject to the provisions of the Companies Act and the Rules made thereunder: (i) if the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not; (ii) for the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members; (iii) the liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

STATEMENT OF POSSIBLE TAX BENEFITS

To,

The Board of Directors
Pondy Oxides and Chemicals Limited
KRM Centre, 4th Floor
#2, Harrington Road
Chetpet, Chennai 600031

Systematix Corporate Services Limited
The Capital, A- Wing
6th Floor, No. 603-606, Plot No. C-70
G Block, Bandra Kurla Complex
Bandra (East), Mumbai 400051

(Systematix Corporate Services Limited, and any other book running lead manager appointed in connection with the Placement are collectively referred to hereinafter as the "**Book Running Lead Managers**" or "**BRLMs**")

Sub: Subject: Statement of tax benefits ("Statement") available to Pondy Oxides and Chemicals Limited (the "Company") and its shareholders prepared in accordance with the Securities Exchange and Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations")

Dear Sirs,

We, L Mukundan & Associates were appointed as the Statutory Auditors ("the **Auditors"**) of the Company in its Annual General Meeting held on 21st September 2022 for a period of five years to hold office from the conclusion of that Annual General Meeting until the conclusion of the 32nd Annual General Meeting to be held for the financial year 2027.

We, L Mukundan & Associates , the statutory auditors of the Company, hereby consent to the use of the Statement of Tax Benefits dated December 17, 2024 to be included in the Preliminary Placement Document and Placement Document (together referred to as "**Offering Documents**") of the Company to be filed with National Stock Exchange of India Limited (**"NSE"**) and BSE Limited (**"BSE"**) (collectively, the "**Stock Exchanges**"), in relation to the qualified institutions placement of equity shares of face value of ₹ 5.00 of the Company (the "**Placement**").

Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act which are based on business imperatives the Company may face in the future and accordingly, the Company may or may not choose to fulfil.

The benefits discussed in the enclosed **Annexure I** are not exhaustive. We were informed that this statement covers the possible tax benefits available to the Company and its shareholders and is only intended to provide general information to the investors for the Placement and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Placement.

We confirm that **Annexure I** provides, in all material respects, the possible tax benefits available to the Company, subsidiaries or its shareholders, in accordance with the applicable tax laws as on the date of this certificate.

We do not express any opinion or provide any assurance as to whether:

1. The Company, subsidiaries or its shareholders will continue to obtain these benefits in future; or

2. The conditions prescribed for availing the benefits have been/ would be met with.

3. The revenue authorities/courts will concur with the views expressed therein.

The contents of the enclosed Annexures are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

We hereby confirm that the enclosed statement is in connection with the possible tax benefits available to the Company, the shareholders of the Company, under the Income Tax Act, 1961, as amended (the "Act"), presently in force in India, the Finance Act, 2024, Goods and Service Tax Act, 2017, Customs Act 1962, each as amended, presently in force in India as on the date of this certificate in the enclosed statement at Annexure I.

We also consent to include our name as "Expert" as described under Section 2(38) and Section 26 of the Companies Act, 2013, as amended, in the Offering Documents and all the other related documents pertaining to the transaction, for the purpose of issuance of the Statement of Tax Benefit referred above.

We have conducted our examination in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes' issued by the Institute of Chartered Accountants of India ("**ICAI**") which requires that we comply with ethical requirements of the Code of Ethics issued by the ICAI. We hereby confirm that while providing this certificate we have complied with the Code of Ethics issued by the ICAI.

We hereby confirm that while providing this certificate we have complied with the Code of Ethics and 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, issued by the Institute of Chartered Accountants of India.

Capitalized terms used herein, unless otherwise specifically defined, shall have the same meaning as ascribed to them in the Preliminary Placement Document and Placement Document prepared in connection with the Placement to be filed with National Stock Exchange of India Limited (**"NSE"**) and BSE Limited (**"BSE"**) (collectively, the "**Stock Exchanges**").

The consent has been issued at the request of the Company for use in connection with the Placement and may accordingly be furnished as required to the Stock Exchanges or any other regulatory authorities as required. The aforesaid information may be relied upon by the Company, the Book Running Lead Managers, legal counsel and other advisors or intermediaries appointed pursuant to the Placement, and we undertake to immediately intimate the Book Running Lead Managers, legal counsel and other advisors or intermediaries in case of any changes to the above. In the absence of any such communication, you may assume that there is no change in respect of the matters covered in this certificate.

For L Mukundan & Associates
ICAI Firm Registration Number: 010283S

Partner: L Mukundan
Membership No. 204372
Place: Chennai
UDIN: 24204372BKGDRW6849

Cc:

Domestic Legal Counsel to the Company
Chandhiok and Mahajan, Advocates and Solicitors
C-524, Defence Colony,
New Delhi,
Delhi 110024

Domestic Legal Counsel to the Book Running Lead Manager
Rajani Associates, Advocates and Solicitors
204-207, Krishna Chambers
59 New Marine Lines
Mumbai 400020

Annexure I

STATEMENT OF TAX BENEFITS AVAILABLE TO THE COMPANY, SHAREHOLDERS OF THE COMPANY AND ITS SUBSIDARIES UNDER THE APPLICABLE DIRECT TAX LAWS IN INDIA

I. Special Direct tax benefits available to the Company

The statement of tax benefits enumerated below is as per the Income-tax Act, 1961 ("Act") as amended from time to time and applicable for financial year 2024-25 relevant to assessment year 2025-26.

Lower corporate tax rate under section 115BAA

A new section 115BAA has been inserted in the Act by the Taxation Laws (Amendment) Act, 2019 ("the Amendment Act, 2019") w.e.f. April 1, 2020 (A.Y. 2020-21). Section 115BAA grants an option to a domestic company to be governed by the section from a particular assessment year. If a company opts for section 115BAA of the Act, it can pay corporate tax at a reduced rate of 25.168% (22% plus surcharge of 10% and education cess of 4%). Section 115BAA of the Act further provides that domestic companies availing the option will not be required to pay Minimum Alternate Tax (MAT) on their 'book profits' under section 115JB of the Act. However, such a company will no longer be eligible to avail specified exemptions/ incentives under the Act and will also need to comply with the other conditions specified in section 115BAA. Also, if a company opts for section 115BAA, the tax credit (under section 115JAA), if any, which it is entitled to on account of MAT paid in earlier years, will no longer be available. Further, it shall not be allowed to claim set-off of any brought forward loss arising to it on account of additional depreciation and other specified incentives.

The Company has decided to opt for the lower corporate tax rate of 25.168% (prescribed under section 115BAA of the Act) with effect from AY 2020-21.

Deductions from Gross Total Income

Deduction in respect of employment of new employees

Subject to the fulfilment of prescribed conditions, the Company is entitled to claim deduction of an amount equal to thirty per cent of additional employee cost (relating to specified category of employees) incurred in the course of business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided under section 80JJAA.

Deduction in respect of inter-corporate dividends - Section 80M of the Act

Subject to the fulfilment of prescribed conditions, the dividend received by the Company from any other domestic company, or a foreign company or a business trust shall be eligible for deduction while computing its total income for the relevant year. The amount of such deduction would be restricted to the amount of dividend distributed by the Company up to one month prior to the due date for furnishing the return of income under sub-section (1) of section 139 of the Act. Where the Company has investments in Indian subsidiaries and other companies, if any, it can avail of the above-mentioned benefit under Section 80M of the Act.

Amortization of preliminary expenses

As per the provisions of Section 35D of the Act, the Company is entitled to amortize preliminary expenditure, being specific expenditure incurred in connection with the issue for public subscription or being other expenditure as prescribed under this Section. This is subject to the specified limit under the Act i.e maximum 5% of the cost of the project or 5% of the capital employed in the business of the company. The deduction is allowable for an amount equal to one-fifth of such expenditure for each of five successive previous years beginning with the previous year in which the business commences or as the case may be, the previous year in which the extension of the undertaking is completed, or the new unit commences production or operation.

II. Special Direct tax benefits available to the Shareholders

1. Section 112A of the Act any income, exceeding Rs. 1,25,000 arising from the transfer of a long-term capital asset (i.e. capital asset held for the period of 12 months or more) being an equity share in a company or a unit of an equity oriented fund wherein Securities Transaction Tax ('STT') is paid on both acquisition and transfer, income tax is charged at a rate of 12.5% (plus applicable surcharge and cess) without giving effect to indexation.

Section 111A of the Act provides tax rate@ 20% (plus applicable surcharge and cess) in respect of short-term capital gains (provided the short-term capital gains exceed the basic threshold limit of exemption, where applicable) arising from the transfer of a short-term capital asset (i.e. capital asset held for the period of less than 12 months) being an equity share in a company or a unit of an equity-oriented fund wherein STT is paid on both acquisition and transfer.

2. Separately, any dividend income received by the shareholders would be subject to tax deduction at source by the company under section 194 @ 10%. However, in case of individual shareholders, this would apply only if dividend income exceeds Rs 5,000. Further, dividend income is now taxable in the hands of the shareholders at normal rates applicable to them.

3. Dividend income earned by the shareholders would be taxable in their hands at the applicable rates. However, in case of domestic corporate shareholders, deduction under Section 80M of the Act would be available on fulfilling the conditions (as discussed above). Further, in case of shareholders who are individuals, Hindu Undivided Family, Association of Persons, Body of Individuals, whether incorporated or not and every artificial juridical person, surcharge would be restricted to 15%, irrespective of the amount of dividend.

4. In respect of non-residents, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.

5. Further, any income by way of capital gains or dividend accruing to non-residents may be subject to withholding tax per the provisions of the Act or under the relevant DTAA, whichever is beneficial to such non-resident. However, where such non-resident has obtained a lower withholding tax certificate from the tax authorities, the withholding tax rate would be as per the said certificate. The non-resident shareholders can also avail credit of any taxes paid by them, subject to local laws of the country in which such shareholder is resident.

Notes:

a) These special tax benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company or its shareholders may or may not choose to fulfil.
b) The above views are based on the existing provisions of laws and its interpretation, which are subject to change from time to time.

III.Special Direct tax benefits available to Subsidiaries

A new section 115BAB has been inserted in the Act by the Taxation Laws (Amendment) Act, 2019 ("the Amendment Act, 2019") w.e.f. April 1, 2020 (A.Y. 2020-21). Section 115BAB grants an option to a domestic company to be governed by the section from a particular assessment year. If a company opts for section 115BAB of the Act, Income derived from or incidental to manufacturing or production of any article or thing on or before the 31st day of March 2024,it can pay corporate tax at a reduced rate of 17.16% (15% plus surcharge of 10% and education cess of 4%). Section 115BAB of the Act further provides that domestic companies availing the option will not be required to pay Minimum Alternate Tax (MAT) on their 'book profits' under section 115JB of the Act. However, such a company will no longer be eligible to avail specified exemptions/ incentives under the Act and will also need to comply with the other conditions specified in section 115BAB. Further, it shall not be allowed to claim set-off of any brought forward loss arising to it on account of additional depreciation and other specified incentives. One of the subsidiary company has decided to opt for the lower corporate tax rate of 17.16% (prescribed under section 115BAB of the Act) with effect from FY 2022-23.

For and on behalf of Pondy Oxides and Chemicals Limited

Name: K Kumaravel
Designation: Director Finance & Company Secretary
Date: December 17, 2024

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY, SHAREHOLDERS OF THE COMPANY UNDER THE APPLICABLE INDIRECT TAX LAWS IN INDIA

Outlined below are the possible special tax benefits available to the Company and its Shareholders under the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, Goods and Service Tax (compensation to states) Act 2017 and applicable state Goods and service tax Act 2017,The Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act"), as amended by the Finance Act, 2024 and Foreign Trade Policy 2023, read with relevant Rules, Notifications and Circulars, each as amended and presently in force in India (collectively referred as "Indirect Tax Laws").

I. Special Indirect tax benefits available to the Company

a) Benefit of Export Promotion Capital Goods scheme (EPCG) under The Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2023):

The Company is availing benefit under the export promotion capital goods scheme covered under chapter 5 of the FTP wherein it is eligible to undertake duty free import of capital goods which are used in manufacturing of goods. Under the scheme, the Company is required to fulfill an export obligation i.e. undertake export of goods within a prescribed time period.

b) Benefit of Advance Authorisation under The Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2023):

The Company is availing benefit under the Advance Authorisation scheme covered under chapter 4 of the FTP wherein it is eligible to undertake duty free import of inputs which is physically incorporated in export products (making normal allowance for wastage). In addition, fuel, oil, catalyst which is consumed /utilized in the process of production of export products may also allowed. Under the scheme, the Company is required to fulfill an export obligation i.e. undertake export of goods within a prescribed time period and value addition criteria i.e 15% value addition.

c) Benefits of Duty Drawback scheme under Section 75 of the Customs Act, 1962:

As per Section 75 of the Customs Act, the Central Government is empowered to allow duty drawback on goods manufactured in India and exported. The Company avails duty drawback benefit as per the All Industry Rate (AIR) in the duty drawback schedule.

d) Benefits of Remission of duties and Taxes on Export Products ("RoDTEP") Scheme under The Foreign Trade (Development and regulations Act 1992 (read with Foreign Trade Policy 2023)

This scheme provides rebate of duties/ taxes / levies (which are not refunded under any other existing schemes), at the Central, State and local level, borne on the exported product, including prior stage cumulative indirect taxes on goods and services used in the production of the exported product and such indirect duties/ taxes / levies in respect of distribution of exported product. The Company avails RoDTEP benefit as notified, on exported products. Under the Scheme, a rebate would be granted to eligible exporters at a notified rate as a percentage of FOB value with a value cap per unit of the exported product, wherever required, on export of items which are categorized under the notified 8 digit HS Code. However, for certain export items, a fixed quantum of rebate amount per unit may also be notified.

e) Benefits under the Central Goods and Services Act, 2017, respective State / Union Territory Goods andServices Tax Act, 2017, Integrated Goods and Services Tax Act, 2017 (read with relevant rules prescribed thereunder):

Under GST regime, the exporter has the option to either undertake exports under cover of a Bond/ Letter of undertaking ("LUT") without payment of IGST and Claim refund of accumulated input tax credit subject to fulfilment of conditions prescribed for export or exporter may export with payment of IGST and claim refund of IGST on such exports as per provision of section 54 of CGST Act 2017.

II. Special tax benefits available to the shareholders of the Company

There are no special indirect tax benefits available to the shareholders of the Company.

Notes:

a) This Annexure sets out only the special tax benefits available to the Company and its shareholders the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, Goods and Service Tax (compensation to states) Act 2017 and applicable state Goods and service tax Act 2017,The Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act"), as amended by the Finance Act, 2024 and Foreign Trade Policy 2023, read with relevant Rules, Notifications and Circulars, each as amended and presently in force in India (collectively referred as "Indirect Tax Laws")

b) The special tax benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of various Indirect Tax law provisions listed above. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company or its shareholders may or may not choose to fulfill.

   This Annexure is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for a professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Proposed QIP.

c) This Annexure covers only indirect tax laws benefits and does not cover any income tax law benefits or benefit under any other law.

d) The above views are based upon the provisions of the specified indirect tax laws, and judicial interpretation thereof prevailing in the country, as on the date of this Annexure.

e) No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

For and on behalf of Pondy Oxides and Chemicals Limited

Name: K Kumaravel
Designation: Director Finance & Company Secretary
Date: December 17, 2024

LEGAL PROCEEDINGS

We are involved in various legal proceedings from time to time, mostly arising in the ordinary course of business. These legal proceedings are primarily in the nature of tax disputes, criminal and civil proceedings, which are pending before various adjudicating forums.

*In terms of our Company's "Policy for Determination of Materiality of Events/information" ("**Materiality Policy**") framed in accordance with Regulation 30 of the SEBI Listing Regulations, there are no outstanding litigations involving our Company that have been disclosed to the Stock Exchanges, and accordingly, there is no such outstanding litigation involving our Company that requires disclosure in this Preliminary Placement Document.*

However, solely for the purpose of the Issue, our Company has disclosed in this section, to the extent applicable (i) all outstanding criminal proceedings involving our Company, our Subsidiaries, our Directors and our Promoters; (ii) all outstanding actions by statutory or regulatory authorities against our Company, our Subsidiaries, our Directors and our Promoters; (iii) outstanding civil proceedings against our Company, our Subsidiaries, our Promoters and our Directors which involve an amount equivalent to or above ₹ 258.61 lakhs, which is 5% of average of profit after tax of the Audited Financial Statements ("Materiality Threshold"); (iv) consolidated disclosure of the direct and indirect tax matters involving the Company and our Subsidiaries; and (v) any other outstanding litigation involving our Company , our Subsidiaries, our Directors and our Promoters wherein the amount involved cannot be determined or is below the Materiality Threshold, but an adverse outcome of which could materially and adversely affect the reputation, operations or financial position of our Company.

Except as disclosed below, (i) there is no litigation or legal action pending or taken by any ministry or department of the government or a statutory authority against any of our Promoters during the last three years immediately preceding the year of circulation of this Preliminary Placement Document and no directions have been issued by such Ministry or Department or statutory authority; (ii) there are no inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or the Companies Act, 1956 in the last three years immediately preceding the year of circulation of this Preliminary Placement Document involving our Company or our Subsidiaries, nor are there any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of this Preliminary Placement Document involving our Company or our Subsidiaries; (iii) there are no defaults in repayment of (a) statutory dues; (b) debentures and interests thereon; (c) deposits and interests thereon; and (d) loan obtained from any bank or financial institution and interest thereon by our Company, as of the date of this Preliminary Placement Document; (iv) there are no material frauds committed against us in the last three years; (v) there are no defaults in the annual filing of our Company under the Companies Act, 2013 and the rules made thereunder; (vi) there are no significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations; and (vii) there are no reservations, qualifications or adverse remarks of auditors in the last five Fiscal Years immediately preceding the year of circulation of this Preliminary Placement Document.

It is clarified that for the purposes of the above, pre-litigation notices received by any of our Company, our Subsidiaries, our Directors and/or our Promoters from third parties (excluding statutory / regulatory /governmental authorities or notices threatening criminal action) shall, not be considered as litigation proceedings till such time that any of our Company, our Subsidiaries, our Directors and/or our Promoters, are impleaded as parties in any such litigation proceedings before any court, tribunal or governmental authority, or is notified by any governmental, statutory or regulatory authority of any such proceeding that may be commenced.

Capitalised terms used herein shall, unless otherwise specified, have the meanings ascribed to such terms in this section.

1. Litigation involving our Company

Material civil proceedings involving our Company

A. Civil Proceedings filed by our Company

As on date of this Preliminary Placement Document, there are no outstanding material civil proceedings initiated by our Company.

B. Civil Proceedings filed against our Company

As on date of this Preliminary Placement Document, there are no outstanding material civil proceedings initiated against our Company.

Criminal Proceedings involving our Company

A. Criminal Matters filed by our Company

As on date of this Preliminary Placement Document, there are no outstanding criminal proceedings initiated by our Company.

B. Criminal Matters filed against our Company

As on date of this Preliminary Placement Document, there are no outstanding criminal proceedings initiated against our Company.

Actions taken by statutory or regulatory authorities against our Company

(i) Our Company received G.O.Ms. No. 7 dated April 8, 2022 ("**Notice**"), from the Energy (Power-III) Department, Government of Andhra Pradesh regarding disconnection of electricity services for non-payment of electricity duty. Subsequently, on July 7, 2023, the Company filed a Writ Petition No. 16434 of 2023 in the High Court of Andhra Pradesh against the 'State of Andhra Pradesh and the Southern Power Distribution Company of Andhra Pradesh Limited' (collectively referred to as the "**Respondents**") under Section 151 of the Civil Procedure Code, seeking to suspend the Notice. The Court issued a notice to the respondents to show cause regarding the application of the Notice. As an interim measure, it ordered that the Respondents could not take coercive actions as per the Notice. The Petitioner was directed to pay a reduced electricity duty rate of ₹0.06 per unit and clear any pending dues at the same rate. Thereafter, our Company replied to the Notice *via* a letter on February 29, 2024, requesting the implementation of the High Court order and refund of the excess amount paid. The matter is currently pending.

Tax proceedings involving our Company

We have set out below the claims relating to direct and indirect taxes involving our Company in a consolidated manner giving details of number of cases and total amount involved in such claims:

(*in ₹ lakhs*)

Nature of Case	Number of Cases	Amount Involved
Direct Tax	Nil	Nil
Indirect Tax	1	632.40

2. Litigation involving our Subsidiaries

Material civil proceedings involving our Subsidiaries

A. Civil Proceedings filed by our Subsidiaries

(i) Harsha Exito Engineering Private Limited, our Subsidiary ("**Claimant**") filed an Arbitarion O.P. No. 264 of 2021 against Larsen and Toubro Limited ("**Respondent**"). Respondent has placed Work Order No. EI191WOD9000127 ("**Work Order**") with a value of Rs. 1,066.82 lakhs (without GST) pursuant to a contract entered between the Claimant and Respondent. In respect of the above Work Order, disputes arose between the parties and attempts to amicably settle the dispute failed. Accordingly, the Claimant invoked the arbitration clause of the Work Order. Thereafter, a sole arbitrator was appointed. Thereafter, to resolve the claims, entitlements and disputes, the Claimant approached the High Court of Madras under Section 11, Arbitration and Conciliation Act. The matter is currently pending.

B. Civil Proceedings filed against our Subsidiaries

(i) Pursuant to an order dated March 24, 2021, corporate insolvency resolution proceeding ("**CIRP**") was initiated against Harsha Exito Engineering Private Limited ("**Respondent**"). During insolvency proceedings, SMS Foundation & Investment LLP ("**Applicant**"), claiming to be a financial creditor of the Respondent, initiated a claim before the Resolution Professional for Rs. 1,572.18 lakhs along with interest. Upon scrutiny by the Resolution Professional, the claim was disallowed. Aggrieved by the dismissal, Applicant preferred an appeal in NCLT, Chennai *vide* an IA(IBC)/753/CHE/2021 seeking admission of its claim. Subsequently, the appeal by the Applicant was also dismissed. Thereafter, the Applicant *vide* company appeal (AT)(INS) No. 364 of 2022 challenged the said dismissal before NCLAT Chennai. The company appeal was also dismissed by NCLAT Chennai. In due course, the resolution plan dated January 12, 2023, was approved by the NCLT. After finalization of the resolution plan, our Company took control of the Respondent. Subsequently, the Applicant filed an appeal before NCLAT, Chennai against the Company pertaining to the resolution plan awarded in favour of the company. The matter is currently pending.

Criminal proceedings involving our Subsidiaries

A. Criminal Matters filed by our Subsidiaries

As on the date of this Preliminary Placement Document, there are no outstanding criminal proceedings by our Subsidiaries.

B. Criminal Matters filed against our Subsidiaries

As on the date of this Preliminary Placement Document, there are no outstanding criminal proceedings against our Subsidiaries.

Actions taken by statutory or regulatory authorities against our Subsidiaries

As on the date of this Preliminary Placement Document, there are no pending actions taken by statutory or regulatory authorities against our Subsidiaries.

Tax proceedings involving our Subsidiaries

We have set out below the claims relating to direct and indirect taxes involving our Subsidiaries in a consolidated manner giving details of the number of cases and total amount involved in such claims:

(*in ₹ lakhs*)

Nature of Case	Number of Cases	Amount Involved
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil

3. Litigation involving our Directors

Material civil proceedings involving our Directors

A. Civil Proceedings filed by our Directors

As on the date of this Preliminary Placement Document, there are no outstanding material civil proceedings by our Directors.

B. Civil Proceedings filed against our Directors

As on the date of this Preliminary Placement Document, there are no outstanding material civil proceedings against our Directors.

Criminal proceedings involving our Directors

A. Criminal Matters filed by our Directors

As on the date of this Preliminary Placement Document, there are no outstanding criminal proceedings by our Directors.

B. Criminal Matters filed against our Directors

As on the date of this Preliminary Placement Document, there are no outstanding criminal proceedings against our Directors.

Actions taken by statutory or regulatory authorities against our Directors

As on the date of this Preliminary Placement Document, there are no pending actions taken by statutory or regulatory authorities against our Directors.

4. Litigation involving our Promoters

Material civil proceedings involving our Promoters

A. Civil Proceedings filed by our Promoters

As on the date of this Preliminary Placement Document, there are no outstanding material civil proceedings by our Promoters.

B. Civil Proceedings filed against our Promoters

As on the date of this Preliminary Placement Document, there are no outstanding material civil proceedings against our Promoters.

Criminal proceedings involving our Promoters

A. Criminal Matters filed by our Promoters

As on the date of this Preliminary Placement Document, there are no outstanding criminal proceedings by our Promoters.

B. Criminal Matters filed against our Promoters

As on the date of this Preliminary Placement Document, there are no outstanding criminal proceedings against our Promoters.

Actions taken by statutory or regulatory authorities against our Promoters

As on the date of this Preliminary Placement Document, there are no pending actions taken by statutory or regulatory authorities against our Promoters.

5. Inquiries, inspections, or investigations under the Companies Act initiated or conducted in the last three years

There have been no inquiries, inspections or investigations initiated or conducted against our Company or our Subsidiaries under the Companies Act, 1956 or the Companies Act, 2013 in the last three years immediately preceding the year of issue of this Preliminary Placement Document, nor have there been any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of this Preliminary Placement Document involving our Company or our Subsidiaries.

6. Details of acts of material frauds committed against our Company in the last three years, if any, and if so, the action taken by our Company

There have been no material frauds committed against our Company in the last three years preceding the date of this Preliminary Placement Document.

7. Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of statutory dues; debentures and interests thereon; deposits and interest thereon; and loan from any bank or financial institution and interest thereon

As on the date of this Preliminary Placement Document, our Company has no outstanding defaults in repayment of statutory dues, dues payable to holders of any debentures and interest thereon, deposits and interest thereon and loans and interest thereon from any bank or financial institution.

8. Details of defaults in annual filing of our Company under the Companies Act, 2013 and the rules made thereunder

As on the date of this Preliminary Placement Document, our Company has not made any default in filings of our Company under the Companies Act, 2013 and the rules made thereunder.

9. **Details of significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operation.**

   There are no significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations.

10. **Reservations, qualifications or adverse remarks of auditors in the last five Fiscals immediately preceding the year of issue of this Preliminary Placement Document and their impact on the financial statements and financial positions of our Company and the corrective steps taken and proposed to be taken by our Company for each of the said reservations or qualifications or adverse remarks.**

    There are no reservations, qualifications or adverse remarks of our auditors in their respective reports on our audited financial statements for the last five Fiscals preceding the date of this Preliminary Placement Document, except the matter of emphasis as mentioned in "*Management's Discussion on Financial Condition and Results of Operations – Auditor's Observations*" on page 92.

STATUTORY AUDITORS

In term of the provisions of Section 139 of the Companies Act, L. Mukundan & Associates, Chartered Accountants, were re-appointed as the Statutory Auditors pursuant to a resolution adopted by our Shareholders at the AGM held on September 21, 2022 for a further period of five years, commencing from the conclusion of the 27^{th} AGM till the conclusion of the 32^{nd} AGM of the Company.

The Unaudited Consolidated Financial Results and the Audited Financial Statements have been audited by our Statutory Auditors, L. Mukundan & Associates, Chartered Accountants. See "*Financial Information*" beginning on page 281.

The peer review certificate of our Statutory Auditors is valid as of the date of this Preliminary Placement Document.

GENERAL INFORMATION

- Our Company was incorporated on March 21, 1995, as a public limited company, under the provisions of Companies Act, 1956 under the name "Pondy Oxides and Chemicals Limited", pursuant to a certificate of incorporation issued by the Registrar of Companies, Tamil Nadu at Madras. We received the commencement of business operations certificate on March 31, 1995, from the Registrar of Companies, Tamil Nadu at Madras.

- The address of the registered office of the Company is located at KRM Centre, 4th Floor, No. 2, Harrington Road, Chetpet, Chennai 600031, Tamil Nadu, India

- The authorised share capital of our Company is ₹ 20,15,00,000 comprising of 4,03,00,000 Equity Shares of face value of ₹ 5 each. As on the date of this Preliminary Placement Document, the issued, subscribed and paid-up share capital of our Company is ₹ 13,02,51,790 comprising of 2,60,50,358 Equity Shares of face value of ₹ 5 each.

- The CIN of our Company is L24294TN1995PLC030586.

- The website of our Company is www.pocl.com.

- The Equity Shares are listed on the BSE and the NSE since April 13, 2005 and March 6, 2023, respectively.

- The Issue was authorised and approved by our Board on September 23, 2024 and approved by the shareholders on October 25, 2024, in their extra-ordinary general meeting.

- Our Company has received the in-principle approvals from the BSE and the NSE both dated December 17, 2024, under Regulation 28(1) of the SEBI Listing Regulations to list the Equity Shares to be issued pursuant to the Issue.

- Our Company has obtained all necessary consents, approvals and authorisations as may be required in connection with the Issue.

- Except as disclosed in this Preliminary Placement Document, our Company has obtained necessary consents, approvals and authorizations required in connection with the Issue.

- No change in the control of the Company will occur consequent to the Issue.

- There has been no material change in the financial or trading position of our Company since September 30, 2024, the date of the Unaudited Consolidated Financial Results prepared in accordance with applicable accounting standards included in this Preliminary Placement Document, except as disclosed herein.

- Except as disclosed in this Preliminary Placement Document, there are no outstanding legal or arbitration proceedings against or affecting us or our assets or revenues, nor are we aware of any pending or threatened legal or arbitration proceedings, which are or might be material in the context of this Issue. For further details, see "*Legal Proceedings*" on page 273.

- There have been no defaults in the annual filings of our Company under the Companies Act or the rules made thereunder.

- In compliance with Regulation 173A of the SEBI ICDR Regulations, our Company has appointed CARE Ratings Limited as the Monitoring Agency, for monitoring the utilisation of the proceeds in relation to the Issue. The Monitoring Agency will submit its report to us on a quarterly basis in accordance with the SEBI ICDR Regulations.

- As on the date of this Preliminary Placement Document, L. Mukundan & Associates, Chartered Accountants firm registration no. 010283S is the statutory auditor of our Company.

- Copies of our Memorandum and Articles of Association will be available for inspection between 11.00 A.M. to 5.30 P.M. on all weekdays (except Saturdays and public holidays) at our Registered Office.

- Our Company confirms that it is in compliance with the minimum public shareholding requirements as provided under the SEBI Listing Regulations and Rule 19A of the SCRR.

- The Floor Price for the Equity Shares under the Issue is ₹ 902.93 per Equity Share which has been calculated in accordance with Chapter VI of the SEBI ICDR Regulations and has been certified by L. Mukundan & Associates, Chartered Accountants. Our Company may offer a discount of not more than 5% on the Floor Price in accordance with Regulation 176(1) of the SEBI ICDR Regulations.

- Our Company and the Book Running Lead Manager accept no responsibility for statements made otherwise than in this Preliminary Placement Document and anyone placing reliance on any other source of information, including our websites, would be doing it at his or her own risk.

- K Kumaravel is the Company Secretary and Compliance Officer of our Company. His details are as follows:

  K Kumaravel
  KRM Centre, 4th floor,
  No. 2, Harrington Road, Chetpet,
  Chennai 600031, India
  Telephone: +044 4296 5454
  E-mail: kk@pocl.com

FINANCIAL INFORMATION

L.MUKUNDAN & ASSOCIATES
Chartered Accountants

Flat No. 1, 2, Kamala Arcade.
669, Mount Road,
Thousand Lights, Chennai-600006
Ph: 044- 28291328, 9840145586
Email: lmaishere@gmail.com

Independent Auditor's Limited Review Report on the Quarterly and Year to date Unaudited Consolidated Quarterly Financial Results of Pondy Oxides and Chemicals Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).

To
The Board of Directors
Pondy Oxides and Chemicals Limited
KRM Centre, 2, Harrington Road,
Chetpet, Chennai 600 031.

1. We have reviewed the statement of unaudited consolidated financial results of Pondy Oxides and Chemicals Limited ("the Holding Co.") and its subsidiary POCL Future Tech Private Limited and Harsha Exito Engineering Private Limited (The Holding Company and its subsidiaries together referred as " The Group") for the Quarter and Half Year ended 30th September 2024 being submitted by the Holding Co. pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, as amended (the "Listing Regulations").

2. This Statement which is the responsibility of the Holding Company's Management and has been approved by the Holding Company's Board of Directors in their meeting held on 16th October 2024, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review

3. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying the analytical and other review procedures and thus provides less assurance than an audit. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the companies Act, 2013, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

   We also performed procedures in accordance with the circular No. CIR/CFD/CMDl/44/2019 dated 29th March, 2019 issued by the SEBI under regulations 33(8) of the Listing Regulations to the extent applicable

L.MUKUNDAN & ASSOCIATES
Chartered Accountants

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4. The consolidated unaudited financial results include the interim financial information of two subsidiaries, whose financial statement (before consolidation adjustments) reflect total assets of Rs. 6495.53 Lakhs as at 30th September 2024 and total revenues of Rs.758.50 Lakhs and Rs 1732.27 Lakhs for the quarter ended 30th September 2024 and for the period from 1st April 2024 to 30th September 2024 respectively, total net profit after tax of Rs. (213.48) Lakhs and Rs. (370.40) Lakhs and total comprehensive income of Rs. (213.48) Lakhs and Rs. (370.40) Lakhs, for the quarter ended 30th September 2024 and for the period 1st April 2024 to 30th September 2024 respectively, and cash flows (net) of Rs 20.39 Lakhs for the period from 1st April 2024 to 30th September 2024 as considered in the consolidated unaudited financial results. This financial information has been reviewed by us for consolidation purpose, adjustments have been made by the subsidiary company's management. Our opinion in so far relates to the affairs of the above mentioned subsidiary is based on consolidation adjustments prepared by the subsidiary company's management and reviewed by us.

5. Our conclusion on the statement in respect of the matters stated in paragraph 4 above is not modified with respect to the financial information certified by the Management.

6. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the management's certificates referred to in paragraph 4, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

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

Place : Chennai
Date : 16-10-2024

Partner
Membership No. 204372
UDIN:23204372BKGDQX7345

Pondy Oxides And Chemicals Limited

Regd. Office: KRM Centre, 4th Floor, # 2, Harrington Road, Chetpet, Chennai 600 031
Ph.044 42965454 Fax: 044 42965455 Email id: info@pocl.com Website: www.pocl.com
CIN: L24294TN1995PLC030586

POCL ®

Unaudited Statement of Consolidated Assets and Liabilities as at September 30,2024

Rs in Lakhs

	Particulars	As at September 30,2024	As at March 31, 2024
1	**Assets**		
	Non-current assets		
	(a) Property, plant and equipment	16,210.52	15,205.02
	(b) Capital work in progress	4,490.41	889.73
	(c) Goodwill	965.46	965.46
	(d) Intangible assets	47.31	52.00
	(e) Financial Assets		
	(i) Investments	28.52	15.21
	(ii) Other Financial Assets	357.63	371.54
	(f) Deferred Tax Assets (Net)	478.07	506.31
	(g) Other non-current assets	584.10	851.32
	Total Non-current assets	23,162.01	18,856.59
	Current assets		
	(a) Inventories	14,237.01	12,952.38
	(b) Financial Assets		
	(i) Trade receivables	13,650.20	10,448.41
	(ii) Cash and cash equivalents	25.98	1,071.17
	(iii) Bank balances other than above	700.93	1,926.97
	(iv) Other Financial assets	131.04	104.19
	(d) Other current assets	5,181.60	2,812.92
	Total Current Assets	33,926.76	29,316.04
	Total - Assets	57,088.77	48,172.63
2	**Equity and Liabilities**		
	Equity		
	(a) Equity share capital	1,302.52	1,261.10
	(b) Other Equity	38,127.72	34,463.34
	Total Equity	39,430.24	35,724.44
	Non current liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	300.00	300.00
	(ii) Lease Liability	-	66.69
	(b) Provisions	67.23	68.80
	(c) Other liabilities	7.38	10.69
	Total Non current Liabilities	374.61	446.18
	Current liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	14,246.79	9,759.32
	(ii) Lease Liability	153.03	172.19
	(iii) Trade payables		
	- Dues to Micro and Small enterprises	184.57	126.22
	- Dues to Creditors other than Micro and Small enterprises	1,162.52	905.83
	(iv) Other financial liabilities	172.10	328.22
	(b) Provisions	1,155.70	171.43
	(c) Other current liabilities	209.21	538.80
	Total Current Liabilities	17,283.92	12,002.01
	Total - Liabilities	17,658.53	12,448.19
	Total - Equity and Liabilities	57,088.77	48,172.63

Pondy Oxides And Chemicals Limited

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Statement of Unaudited Consolidated financial results for the quarter and half year ended September 30,2024 under Ind AS

Rs. in Lakhs

Sl No	Particulars	Quarter ended			Halfyear ended		Year ended
		September 30,2024 (Unaudited)	June 30, 2024 (Unaudited)	September 30,2023 (Unaudited)	September 30,2024 (Unaudited)	September 30,2023 (Unaudited)	March 31, 2024 (Audited)
1	**Income**						
	(a) Revenue from Operations	57,910.87	44,493.80	39,682.82	1,02,404.67	72,176.90	1,54,168.23
	(b) Other Income (Net)	69.22	77.73	109.50	146.95	224.02	302.52
	Total Income	57,980.09	44,571.53	39,792.32	1,02,551.62	72,400.92	1,54,470.75
2	**Expenses**						
	(a) Cost of materials consumed	52,024.46	39,896.62	32,202.77	91,921.08	59,805.53	1,31,995.50
	(b) Purchase of stock-in-trade - Traded goods	201.69	405.55	2,068.72	607.24	3,040.98	4,095.83
	(c) Changes in inventories of work-in-progress, stock-in-trade and finished goods	110.16	(578.16)	1,079.55	(468.00)	1,619.32	735.10
	(d) Employee benefit expenses	588.20	643.09	674.47	1,231.29	1,290.03	2,538.34
	(e) Finance costs	409.38	233.37	475.15	642.75	852.26	1,718.38
	(f) Depreciation and amortization expense	405.52	357.06	335.70	762.58	683.05	1,318.41
	(g) Other expenses	2,107.26	1,828.48	2,078.13	3,935.74	3,606.73	7,667.87
	Total Expenses	55,846.67	42,786.01	38,914.49	98,632.68	70,897.90	1,50,069.43
3	**Profit/ (loss) before exceptional items and tax (1-2)**	2,133.42	1,785.52	877.83	3,918.94	1,503.02	4,401.32
4	**Exceptional items**						-
5	**Profit/ (loss) before tax (3+4)**	2,133.42	1,785.52	877.83	3,918.94	1,503.02	4,401.32
6	**Tax expense**						
	(a) Current tax	603.14	466.12	288.17	1,069.26	511.13	1,330.42
	(b) Deferred tax charge/ (credit)	4.59	23.65	20.90	28.24	12.95	(116.32)
	Total Tax Expenses	607.73	489.77	309.07	1,097.50	524.08	1,214.10
7	**Net Profit for the period (5-6)**	1,525.69	1,295.75	568.76	2,821.44	978.94	3,187.22
8	**Other comprehensive income , net of income tax**						
	(a) items that will not be reclassified to profit or loss	-	-	-	-	-	3.01
	(b) income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	(0.76)
	Total other comprehensive income , net of income tax	-	-	-	-	-	2.25
9	**Total comprehensive income/ (loss) for the period (7+8)**	1,525.69	1,295.75	568.76	2,821.44	978.94	3,189.47
10	Paid-up equity share capital	1,302.52	1,261.10	1,162.48	1,302.52	1,162.48	1,261.10
	Face value per share (Rs)	10.00	10.00	10.00	10.00	10.00	10.00
11	Reserves (excluding Revaluation Reserve)						34,463.34
12	Earning per share (Rs 10 each) (not annualised)						
	- Basic	11.84	10.27	4.89	22.13	8.42	27.21
	- Diluted	11.35	9.92	4.89	21.09	8.42	27.13

Pondy Oxides And Chemicals Limited

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CIN: L24294TN1995PLC030586

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Unaudited statement of Consolidated cash flows for the half year ended September 30,2024

Rs. In Lakhs

	Particulars	As at September 30,2024	As at March 31, 2024
1	**Cash Flow From Operating Activities**		
	Profit before income tax	3,918.94	4,401.32
	Adjustments for		
	Depreciation and amortisation expense	762.58	1,318.41
	(Profit)/ loss on sale of fixed asset	(4.44)	(10.78)
	(Increase)/ decrease in fair value of investments	(13.31)	(3.63)
	Interest income	(13.04)	(7.61)
	Dividend income	(0.09)	(0.16)
	Finance costs	642.75	1,718.38
	Operating Profit before working capital changes	5,293.39	7,415.93
	Change in operating assets and liabilities		
	(Increase)/ decrease in other financial assets	(12.94)	(102.58)
	(Increase)/ decrease in inventories	(1,284.64)	3,130.01
	(Increase)/ decrease in trade receivables	(3,201.79)	(293.65)
	(Increase)/ decrease in other assets	(2,374.59)	1,014.14
	Increase/ (decrease) in provisions and other liabilities	81.28	(3,512.23)
	Increase/ (decrease) in trade payables	315.04	102.52
	Cash generated from operations	(1,184.25)	7,754.14
	Less : Income taxes paid (net of refunds)	(753.87)	(1,223.66)
	Net cash from operating activities (1)	(1,938.12)	6,530.48
2	**Cash Flows From Investing Activities**		
	Purchase of PPE (including changes in CWIP)	(5,112.23)	(3,682.11)
	Sale proceeds of PPE	20.54	313.51
	(Investments in)/ Maturity of fixed deposits with banks	1,226.04	(1,914.93)
	Dividend received	0.09	0.16
	Interest received	18.95	0.71
	Net cash used in investing activities (2)	(3,846.61)	(5,282.66)
3	**Cash Flows From Financing Activities**		
	Proceeds from issue of shares (Net of expenses)	(39.38)	4,650.68
	Proceeds from issue of shares warrants	1,575.00	2,062.50
	Proceeds from/ (repayment of) long term borrowings	-	(298.02)
	Proceeds from/ (repayment of) short term borrowings	4,487.47	(4,345.42)
	Finance costs	(632.30)	(1,674.28)
	Dividend paid	(651.26)	(581.24)
	Net cash from/ (used in) financing activities (3)	4,739.53	(185.78)
	Net increase/decrease in cash and cash equivalents (1+2+3)	(1,045.20)	1,062.04
	Cash and cash equivalents at the beginning of the financial year	1,071.17	9.13
	Cash and cash equivalents at end of the year	25.97	1,071.17

Notes:

1 The above unaudited Consolidated financial results were reviewed, recommended by the Audit Committee and approved by the Board of Directors at their meeting held on October 16, 2024. The limited review as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 has been completed by the Statutory Auditors.

2 The group is operating in segments namely - Lead & Lead alloys, other non-ferrous metals and plastics. However for the purpose of segment reporting Ind AS 108, the other non-ferrous metals segment and plastics does not meet the criteria laid down in the standard as a reportable segment, the operations are reported under one segment "lead and lead alloys".

3 During the quarter, the group has received Rs 15.75 crores towards the balance 75% consideration on 4,14,202 of share warrants exercised by the warrantholders and accordingly equity shares were alloted to them. As on 30th September 2024, the number of remaining warrants yet to be exercised by the warrantholders is 12,13,019.

4 Previous year figures are re grouped wherever necessary.

for ***Pondy Oxides and Chemicals Limited***

Ashish Bansal
Managing Director
DIN : 01543967

Place: Chennai
Date : October 16, 2024

Flat No. 1, 2, Kamala Arcade.
669, Mount Road,
Thousand Lights, Chennai-600006
Ph: 044- 28291328, 9840145586
Email: lmaishere@gmail.com

Independent Auditor's Limited Review Report on the Unaudited Consolidated Quarterly Financial Results and Year to date Financial Results of Pondy Oxides and Chemicals Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).

To
The Board of Directors
Pondy Oxides and Chemicals Limited
KRM Centre, 2, Harrington Road,
Chetpet, Chennai 600 031.

1. We have reviewed the statement of unaudited consolidated financial results of Pondy Oxides and Chemicals Limited ("the Holding Co.") and its subsidiary POCL Future Tech Private Limited and Harsha Exito Engineering Private Limited (The Holding Company and its subsidiaries together referred as " The Group") for the Quarter and Half Year ended 30th September 2023 being submitted by the Holding Co. pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, as amended (the "Listing Regulations").

2. This Statement which is the responsibility of the Holding Company's Management and has been approved by the Holding Company's Board of Directors in their meeting held on 7th November 2023, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review

3. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying the analytical and other review procedures and thus provides less assurance than an audit. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the companies Act, 2013, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

   We also performed procedures in accordance with the circular No. CIR/CFD/CMDl/44/2019 dated 29th March, 2019 issued by the SEBI under regulations 33(8) of the Listing Regulations to the extent applicable

L.MUKUNDAN & ASSOCIATES
Chartered Accountants

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Email: lmaishere@gmail.com

4. The consolidated unaudited financial results include the interim financial information of two subsidiaries, whose financial statement (before consolidation adjustments) reflect total assets of Rs. 7050.84 Lakhs as at 30th September 2023 and total revenues of Rs 451.54 Lakhs and Rs 1083.47 Lakhs for the quarter ended 30th September 2023 and for the period from 1st April 2023 to 30th September 2023 respectively, total net profit after tax of Rs. (248.71) Lakhs and Rs. (490.38) Lakhs and total comprehensive income of Rs. (248.71) Lakhs and Rs. (490.38) Lakhs, for the quarter ended 30th September 2023 and for the period 1st April 2023 to 30th September 2023 respectively, and cash flows (net) of Rs 0.32 Lakhs for the period from 1st April 2023 to 30th September 2023 as considered in the consolidated unaudited financial results. This financial information has been reviewed by us for consolidation purpose, adjustments have been made by the subsidiary company's management. Our opinion in so far relates to the affairs of the above mentioned subsidiary is based on consolidation adjustments prepared by the subsidiary company's management and reviewed by us.

5. Our conclusion on the statement in respect of the matters stated in paragraph 4 above is not modified with respect to the financial information certified by the Management.

6. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the management's certificates referred to in paragraph 4, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

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

Place : Chennai
Date : 07-11-2023

Partner
Membership No. 204372
UDIN: 23204372BGWBZR3112

Pondy Oxides And Chemicals Limited

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Unaudited Statement of Consolidated Assets and Liabilities for the half year ended September 30,2023

Rs. in Lakhs

	Particulars	As at September 30,2023 (Unaudited)	As at March 31, 2023 (Audited)
1	**Assets**		
	Non-current assets		
	(a) Property, plant and equipment	14,277.75	13,795.81
	(b) Capital work in progress	1,580.53	1,166.73
	(c) Goodwill	965.46	965.46
	(d) Intangible assets	55.83	61.22
	(e) Intangible assets under development	121.96	-
	(f) Financial Assets		
	(i) Investments	12.74	11.58
	(ii) Other Financial Assets	362.85	373.15
	(g) Deferred Tax Assets (Net)	377.80	390.76
	(h) Other non-current assets	9.10	396.24
	Total Non-current assets	17,764.02	17,160.95
	Current assets		
	(a) Inventories	18,644.13	16,082.39
	(b) Financial Assets		
	(i) Trade receivables	10,292.71	10,154.76
	(ii) Cash and cash equivalents	70.38	65.91
	(iii) Bank balances other than above	26.29	12.04
	(iv) Other financial assets	12.87	-
	(c) Other current assets	3,027.03	3,811.06
	(d) Asset Held for Sale	5.00	19.00
	Total Current Assets	32,078.41	30,145.16
	Total - Assets	49,842.43	47,306.11
2	**Equity and Liabilities**		
	Equity		
	(a) Equity share capital	1,162.48	1,162.48
	(b) Other Equity	25,711.06	25,313.37
	Total Equity	26,873.54	26,475.85
	Non current liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	500.00	598.02
	(ii) Lease Liability	702.08	764.92
	(b) Provisions	60.37	60.37
	(c) Other liabilities	17.32	17.32
	Total Non current Liabilities	1,279.77	1,440.63
	Current liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	19,182.16	14,104.74
	(ii) Lease Liability	119.69	113.72
	(iii) Trade payables		
	- Dues to Micro and Small enterprises	114.44	139.08
	- Dues to Creditors other than Micro and Small enterprises	505.74	790.45
	(iv) Other financial liabilities	12.04	25.29
	(b) Provisions	126.68	32.16
	(c) Other current liabilities	1,628.37	4,184.19
	Total Current Liabilities	21,689.12	19,389.63
	Total - Equity and Liabilities	49,842.43	47,306.11

Pondy Oxides And Chemicals Limited

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Statement of Unaudited Consolidated financial results for the quarter and half year ended September 30,2023 under Ind AS

Rs. in Lakhs

Sl No	Particulars	Quarter ended			Half Year Ended		Year Ended
		September 30,2023 (Unaudited)	June 30, 2023 (Unaudited)	September 30,2022 (Unaudited)	September 30,2023 (Unaudited)	September 30,2022 (Unaudited)	March 31, 2023 (Audited)
1	**Income**						
	(a) Revenue from Operations	39,682.82	32,494.08	30,114.15	72,176.90	66,514.71	1,47,618.09
	(b) Other Income (Net)	109.50	114.52	140.14	224.02	282.91	427.28
	Total Income	39,792.32	32,608.60	30,254.29	72,400.92	66,797.62	1,48,045.37
2	**Expenses**						
	(a) Cost of materials consumed	32,202.77	27,602.76	23,550.81	59,805.53	54,276.90	1,28,263.42
	(b) Purchase of stock-in-trade - Traded goods	2,068.72	972.26	811.13	3,040.98	1,809.97	2,314.57
	(c) Changes in inventories of work-in-progress, stock-in-trade and finished goods	1,079.55	539.77	1,779.22	1,619.32	2,439.30	(369.69)
	(d) Employee benefit expenses	674.47	615.56	546.97	1,290.03	1,073.31	2,272.93
	(e) Finance costs	475.15	377.11	93.75	852.26	247.82	684.25
	(f) Depreciation and amortization expense	335.70	347.35	244.16	683.05	458.34	1,109.17
	(g) Other expenses	2,078.13	1,528.60	1,670.97	3,606.73	3,385.67	7,434.41
	Total Expenses	38,914.49	31,983.41	28,697.01	70,897.90	63,691.31	1,41,709.06
3	**Profit/ (loss) before exceptional items and tax (1-2)**	877.83	625.19	1,557.28	1,503.02	3,106.31	6,336.31
4	**Exceptional items**	-	-	-	-	-	2,908.01
5	**Profit/ (loss) before tax (3+4)**	877.83	625.19	1,557.28	1,503.02	3,106.31	9,244.32
6	**Tax expense**						
	(a) Current tax	288.17	222.96	392.07	511.13	793.45	1,704.76
	(b) Deferred tax charge/ (credit)	20.90	(7.95)	(11.11)	12.95	(23.14)	(22.28)
	Total Tax Expenses	309.07	215.01	380.96	524.08	770.31	1,682.48
7	**Net Profit for the period (5-6)**	568.76	410.18	1,176.32	978.94	2,336.00	7,561.84
8	**Other comprehensive income , net of income tax**						
	(a) items that will not be reclassified to profit or loss	-	-	-	-	-	(6.15)
	(b) income tax relating to items that will not be reclassified to	-	-	-	-	-	1.55
	Total other comprehensive income , net of income tax	-	-	-	-	-	(4.60)
9	**Total comprehensive income/ (loss) for the period (7+8)**	568.76	410.18	1,176.32	978.94	2,336.00	7,557.24
10	Paid-up equity share capital	1,162.48	1,162.48	1,162.48	1,162.48	1,162.48	1,162.48
	Face value per share (Rs)	10.00	10.00	10.00	10.00	10.00	10.00
11	Reserves (excluding Revaluation Reserve)						25,313.37
12	Earning per share (Rs 10 each) (not annualised)						
	- Basic	4.89	3.53	10.12	8.42	20.09	65.05
	- Diluted	4.89	3.53	10.12	8.42	20.09	65.05

Pondy Oxides And Chemicals Limited
Regd. Office: KRM Centre, 4th Floor, # 2, Harrington Road, Chetpet, Chennai 600 031
Ph.044 42965454 Fax: 044 42965455 Email id: info@pocl.com Website: www.pocl.com
CIN: L24294TN1995PLC030586

POCL ®

Unaudited statement of cash flows of Consolidated for the half year ended September 30,2023

Rs. in Lakhs

	Particulars	As at September 30,2023 (Unaudited)	As at March 31, 2023 (Audited)
1	**Cash Flow From Operating Activities**		
	Profit before income tax	1,503.03	9,244.32
	Adjustments for		
	Depreciation and amortisation expense	683.05	1,109.17
	(Profit)/ loss on sale of fixed asset	(38.80)	38.83
	(Increase)/ decrease in fair value of investments	(1.16)	(0.85)
	Interest income	0.69	(6.51)
	Dividend income	-	(0.06)
	Finance costs	852.26	684.25
	Capital Reserve and CIRP Adjustment		(1,784.84)
	Operating Profit before working capital changes	2,999.07	9,284.31
	Change in operating assets and liabilities		
	(Increase)/ decrease in other financial assets	(2.56)	(297.04)
	(Increase)/ decrease in inventories	(2,561.74)	(1,479.79)
	(Increase)/ decrease in trade receivables	(137.94)	(1,420.07)
	(Increase)/ decrease in other assets	798.03	(1,153.61)
	Increase/ (decrease) in provisions and other liabilities	(2,610.47)	4,676.70
	Increase/ (decrease) in trade payables	(309.41)	144.76
	Cash generated from operations	(1,825.02)	9,755.26
	Less : Income taxes paid (net of refunds)	(432.06)	(1,906.77)
	Net cash from operating activities (1)	(2,257.08)	7,848.49
2	**Cash Flows From Investing Activities**		
	Purchase of PPE (including changes in CWIP)	(1,468.33)	(11,061.31)
	Sale proceeds of PPE	198.91	48.43
	(Investments in)/ Maturity of fixed deposits with banks	(14.25)	137.93
	Dividend received	-	0.06
	Interest received	(0.69)	7.34
	Net cash used in investing activities (2)	(1,284.36)	(10,867.55)
3	**Cash Flows From Financing Activities**		
	Proceeds from/ (repayment of) long term borrowings	(98.02)	(279.41)
	Proceeds from/ (repayment of) short term borrowings	5,077.42	4,264.29
	Finance costs	(852.26)	(684.25)
	Dividend paid	(581.24)	(290.62)
	Net cash from/ (used in) financing activities (3)	3,545.90	3,010.01
	Net increase/decrease in cash and cash equivalents (1+2+3)	4.46	(9.05)
	Cash and cash equivalents at the beginning of the financial year	65.92	74.96
	Cash and cash equivalents at end of the year	70.38	65.91

Notes:

1 The above unaudited financial results were reviewed, recommended by the Audit Committee and approved by the Board of Directors at their meetings held on November 07, 2023. The limited review as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 has been completed by the Statutory Auditors.

2 The Company is engaged in the manufacture and marketing of Metal and Alloys which in the context of Indian Accounting Standard (Ind AS) -108 Operating Segments, is considered as the operating segment of the Company.

3 Previous year figures are re grouped wherever necessary

for ***Pondy Oxides and Chemicals Limited***

Ashish Bansal
Managing Director
DIN : 01543967

Place: Chennai
Date : November 07, 2023

INDEPENDENT AUDITOR'S REPORT

To the Members of Pondy Oxides and Chemicals Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the Consolidated financial statements of **Pondy Oxides And Chemicals Limited** ("the Holding Company") and its subsidiaries (the holding Company and its subsidiaries together referred as 'the Group'), which comprise the Consolidated balance sheet as at 31stMarch 2024, the Consolidated statement of Profit and Loss (including Other Comprehensive Income), the Consolidated statement of cash flows, the Consolidated Statement of Changes in Equity for the year then ended and notes to consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the consolidated state of affairs (financial position) of the Group as at 31st March 2024, and their consolidated profit (financial performance including other comprehensive income), their Consolidated cash flows and their Consolidated changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Based on the examination of books of accounts and explanation provided to us, we are of the opinion that there are no materially significant key audit matters that requires disclosure in this report.

Information Other than the Consolidated Financial Statements and Auditor's Report thereon (Other *Information)

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

Flat No. 1,2, Kamala Arcade.
669, Mount Road,
Thousand Lights,
Chennai 600006
Ph: 044- 28291328, 9840145586
Email: lmaishere@gmail.com

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other Information identified above when it becomes available, and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of audit or otherwise appears to be materially misstated.

If, based on the work we have performed and based on the work done/audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for Financial Statements

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

The Holding company's Board of directors are also responsible for ensuring accuracy of records including financial information considered necessary for preparation and presentation of consolidated financial statements. Further, in terms of provision of the Act, the respective, Board of directors of companies included in the group are responsible for *maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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

Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

Auditor's Responsibilities for the Audit of the Financial Statements.

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

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

- Identify and assess the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of The Act, we are also responsible for expressing our opinion on whether the Holding Company and its subsidiaries has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

1. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management, we report that there are no qualifications or adverse remarks by the auditors in the CARO reports of the said companies included in the consolidated financial statements.

2. As required by Section 143(3) of the Act, to the extent applicable we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statement have been kept so far as it appears from our examination of those books and the reports of the other companies in the group except for that matter stated in paragraph 2(h)(vi) below on reporting under rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).

(c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss including Other Comprehensive Income, consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act. Read with relevant rules made thereunder;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024 taken on record by the Board of Directors of the Holding Company and the statutory auditors report of its subsidiary company issued by us, incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2024 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 with respect to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Group's internal financial controls over financial reporting.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company, to its directors during the year is in accordance with the provisions of section 197 of the Act read with Schedule V to the Act. However, no remuneration has been paid to the directors of subsidiary companies during the year under audit.

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

Flat No. 1,2, Kamala Arcade.
669, Mount Road,
Thousand Lights,
Chennai 600006
Ph: 044- 28291328, 9840145586
Email: lmaishere@gmail.com

i. The Group does not have any materially significant pending litigations which would impact its financial position.

ii. Provision has been made in the consolidated financial statements as on 31st March 2024, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended 31st march, 2024 in accordance with the relevant provisions of the Act and Rules made there under. Subsidiary companies are not required to transfer any money to the Investor Education and Protection Fund as they have not declared any dividends so far.

iv. (a) The respective management of holding company and its subsidiaries which are incorporated in India, whose financial statements have been audited under the act, have represented to us that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the holding company or its subsidiary companies ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective management of holding company and its subsidiaries which are incorporated in India, whose financial statements have been audited under the Act, have represented to us , that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the holding company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the holding company or any such subsidiaries shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries, and

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, performed by us and those performed by the auditors of subsidiaries, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) above, contain any material misstatement.

v. The dividend paid by the holding company during the year ended 31 March 2024 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

vi. Based on our examination which included test checks, the Group has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except:

a) The audit trail was not enabled at the database level to log any direct data changes for such accounting software used for maintaining the books of account by holding company.

b) In case of two subsidiary, the subsidiaries have used accounting software for maintaining its books of account which does not have the feature of recording audit trail (edit log) facility, and accordingly, we are unable to comment upon tampering and preservation of audit trail.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024

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

Place: Chennai
Date: 28.05.2024

L Mukundan
Partner
Membership No. 204372
UDIN: 24204372BKGDPD4200

Flat No. 1,2, Kamala Arcade.
669, Mount Road,
Thousand Lights,
Chennai 600006
Ph: 044- 28291328, 9840145586
Email: lmaishere@gmail.com

Annexure - A to the Independent Auditors' Report

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

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

We have audited the Internal Financial Controls over financial reporting of **PONDY OXIDES AND CHEMICALS LIMITED** ("the holding Company") and its subsidiaries (The Holding company and its subsidiaries are referred as 'Group') as of March 31, 2024 in conjunction with our audit of the Consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding company's internal financial controls system with reference to consolidated financial statements.

L.MUKUNDAN & ASSOCIATES
Chartered Accountants

Flat No. 1,2, Kamala Arcade.
669, Mount Road,
Thousand Lights,
Chennai 600006
Ph: 044- 28291328, 9840145586
Email: lmaishere@gmail.com

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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, to the best of our information and according to the explanation given to us and based on the reports of other auditors, the Holding Company and its subsidiary companies have, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at 31st March 2024, based on the internal control with reference to consolidated financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of holding company, insofar as it relates to the subsidiary companies, which are companies incorporated in India, is based on the corresponding report issued by us. Our opinion is not modified in respect of this matter.

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

Place: Chennai
Date: 28.05.2024

L Mukundan
Partner
Membership No. 204372
UDIN: 24204372BKGDPD4200

Pondy Oxides And Chemicals Limited

Consolidated Balance Sheet as at March 31,2024

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

	Notes	As at March 31,2024	As at March 31,2023
ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	15,205.02	13,795.81
(b) Capital work in progress	4	889.73	1,166.73
(c) Goodwill	5	965.46	965.46
(d) Intangible assets	4	52.00	61.22
(e) Financial assets			
(i) Investments	6	15.21	11.58
(ii) Other financial assets	7	371.54	373.15
(f) Deferred Tax Asset (net)	8	506.31	390.76
(g) Other non-current assets	9	851.32	387.14
Total non-current assets		**18,856.59**	**17,151.85**
Current assets			
(a) Inventories	10	12,952.38	16,082.39
(b) Financial assets			
(i) Trade receivables	11	10,448.41	10,154.76
(ii) Cash and cash equivalents	12	1,071.17	9.13
(iii) Bank balances other than above	13	1,926.97	12.04
(iv) Other Financial assets	13	104.19	-
(c) Asset held for sale	14	-	19.00
(d) Other current assets	15	2,812.92	3,820.16
Total current assets		**29,316.04**	**30,097.48**
Total Assets		**48,172.63**	**47,249.33**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	16	1,261.10	1,162.48
(b) Other equity	17	34,463.34	25,256.59
Total equity		**35,724.44**	**26,419.07**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	300.00	598.02
(ia) Lease Liability	19	66.69	764.92
(b) Provisions	20	68.80	60.37
(c) Other liabilities	21	10.69	17.32
Total non-current liabilities		**446.18**	**1,440.63**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	22	9,759.32	14,104.74
(ia) Lease Liability	23	172.19	113.72
(ii) Trade payables			
- Dues to Micro and Small enterprises	24	126.22	139.08
- Dues to Creditors other than Micro and Small enterprises		905.83	790.45
(iii) Other financial liabilities	25	29.21	25.29
(b) Provisions	26	171.43	32.16
(c) Other current liabilities	27	837.81	4,184.19
Total current liabilities		**12,002.01**	**19,389.63**
Total liabilities		**12,448.19**	**20,830.26**
Total Equity and Liabilities		**48,172.63**	**47,249.33**

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For and on behalf of the board

For M/s. L. Mukundan and Associates
Chartered Accountants
(FRN No.010283S)

Anil Kumar Bansal
Chairman
DIN: 00232223

Ashish Bansal
Managing Director
DIN: 01543967

L. Mukundan
Partner
M.No.204372

Vijay Balakrishnan
Chief Financial Officer

K.Kumaravel
Director Finance & Company Secretary

Place : Chennai
Date : May 28, 2024

Place : Chennai
Date : May 28, 2024

Pondy Oxides And Chemicals Limited

Consolidated Statement of profit and loss for the year ended March 31,2024

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

	Notes	As at March 31,2024	For the year ended March 31,2023
Continuing Operations			
A Income			
(a) Revenue from operations	28	1,54,059.67	1,47,618.09
(b) Other income	29	411.08	427.28
Total income		**1,54,470.75**	**1,48,045.37**
B Expenses			
(a) Cost of materials consumed	30	1,31,995.50	1,28,263.42
(b) Purchases of Stock in Trade	31	4,095.83	2,314.57
(c) Changes in inventories of finished goods and WIP	32	735.10	(369.69)
(d) Employee benefits expense	33	2,538.34	2,272.93
(e) Finance costs	34	1,718.38	684.25
(f) Depreciation and amortisation expense	35	1,318.41	1,109.17
(g) Other expenses	36	7,667.87	7,434.41
Total expenses		**1,50,069.43**	**1,41,709.06**
C Profit before exceptional items and tax		**4,401.32**	**6,336.31**
Exceptional items	37	-	2,851.23
D Profit before tax from continuing operations		4,401.32	9,187.54
Tax expense	38		
(a) Current tax		1,330.42	1,704.76
(b) Deferred tax charge/ (credit)		(116.32)	(22.28)
Profit for the year		**3,187.22**	**7,505.06**
E Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of post employment benefit obligations		3.01	(6.15)
Income tax (charge)/ credit relating to these items		(0.76)	1.55
Other comprehensive income for the year, net of tax		**2.25**	**(4.60)**
Total comprehensive income for the year		**3,189.47**	**7,500.46**
Profit for the year attributable to:			
Owners of the company		**3,187.22**	**7,505.06**
Other comprehensive income for the year attributable to:			
Owners of the company		**2.25**	**(4.60)**
Total comprehensive income for the year attributable to:			
Owners of the company		**3,189.47**	**7,500.46**
Earnings per share	39		
Basic earnings per share		27.21	64.56
Diluted earnings per share		27.13	64.56

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)

For and on behalf of the board

Anil Kumar Bansal
Chairman
DIN: 00232223

Ashish Bansal
Managing Director
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Partner
M.No.204372

Vijay Balakrishnan
Chief Financial Officer

K.Kumaravel
Director Finance & Company Secretary

Place : Chennai
Date : May 28, 2024

Place : Chennai
Date : May 28, 2024

Pondy Oxides And Chemicals Limited

Consolidated Statement of cash flows for the year ended March 31,2024

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

Particulars	For the year ended March 31,2024	For the year ended March 31,2023
Cash Flow From Operating Activities		
Profit before income tax	4,401.32	9,187.54
Adjustments for		
Depreciation and amortisation expense	1,318.41	1,109.17
(Profit)/ loss on sale of fixed asset	(10.78)	38.83
(Increase)/ decrease in fair value of investments	(3.63)	(0.85)
Interest income	(7.61)	(6.51)
Dividend income	(0.16)	(0.06)
Finance costs	1,718.38	684.25
Capital Reserve and CIRP Adjustment	-	(1,784.84)
Operating Profit before working capital changes	7,415.93	9,227.53
Change in operating assets and liabilities		
(Increase)/ decrease in other financial assets	(102.58)	(297.04)
(Increase)/ decrease in inventories	3,130.01	(1,479.79)
(Increase)/ decrease in trade receivables	(293.65)	(1,420.07)
(Increase)/ decrease in other assets	1,014.14	(1,153.61)
Increase/ (decrease) in provisions and other liabilities	(3,512.23)	4,676.70
Increase/ (decrease) in trade payables	102.52	144.76
Cash generated from operations	7,754.14	9,698.48
Less : Income taxes paid (net of refunds)	(1,223.66)	(1,906.77)
Net cash from operating activities (A)	**6,530.48**	**7,791.71**
Cash Flows From Investing Activities		
Purchase of PPE (including changes in CWIP)	(3,682.11)	(11,061.31)
Sale proceeds of PPE	313.51	48.43
(Purchase)/ Disposal proceeds of Investments	-	
(Investments in)/ Maturity of fixed deposits with banks	(1,914.93)	137.93
Dividend received	0.16	0.06
Interest received	0.71	7.34
Net cash used in investing activities (B)	**(5,282.66)**	**(10,867.55)**
Cash Flows From Financing Activities		
Proceeds from issue of shares (Net of expenses)	4,650.68	-
Proceeds from issue of shares warrants	2,062.50	-
Proceeds from/ (repayment of) long term borrowings	(298.02)	(279.41)
Proceeds from/ (repayment of) short term borrowings	(4,345.42)	4,264.29
Finance costs	(1,674.28)	(684.25)
Dividend paid	(581.24)	(290.62)
Net cash from/ (used in) financing activities (C)	**(185.78)**	**3,010.01**
Net increase/decrease in cash and cash equivalents (A+B+C)	**1,062.04**	**(65.83)**
Cash and cash equivalents at the beginning of the financial year	9.13	74.96
Cash and cash equivalents at end of the year	**1,071.17**	**9.13**

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	10.89	7.70
- in EEFC Account	559.56	-
Cash on hand	1.09	1.43
Other Cash Equivalent	499.64	
	1,071.18	9.13

As per our report of even date attached

For and on behalf of the board

For M/s. L. Mukundan and Associates
Chartered Accountants
(FRN No.010283S)

Anil Kumar Bansal
Chairman
DIN: 00232223

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Chief Financial Officer

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Director Finance & Company Secretary

Place : Chennai
Date : May 28, 2024

Place : Chennai
Date : May 28, 2024

Pondy Oxides And Chemicals Limited

Consolidated Statement of Changes in Equity for the year ended March 31,2024

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

(A) Equity Share Capital

Balance as at April 01, 2022	581.24
Changes in equity share capital during the year	581.24
Balance as at April 01, 2023	1162.48
Changes in equity share capital during the year	98.62
Balance as at March 31, 2024	1261.1

(B) Other Equity

Particulars	General Reserve	Securities Premium	Capital Reserve	Money Received Against Share Warrants	Other comprehensive income	Retained Earnings	Total
Balance as at April 01,2022	**1,785.92**	**1,092.52**	**-**	**-**	**-**	**17,354.99**	**20,233.43**
Additions/ (deductions) during the year	490.00	-581.24	-	-	4.60	-810.23	(896.87)
Additions/ (deductions) on account of Business Combination	-	-	1,303.52	-	-	-2,883.95	(1,580.43)
Total Comprehensive Income for the year	-	-	-	-	-4.60	7,561.84	7,557.24
Balance as at April 01,2023	**2,275.92**	**511.28**	**1,303.52**	**-**	**-**	**21,165.87**	**25,256.59**
Additions/ (deductions) during the year	395.00	4,552.06	-	2,062.50	(2.25)	(990.03)	6,017.28
Additions/ (deductions) on account of Business Combination	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	2.25	3,187.22	3,189.47
Balance as at March 31, 2024	**2,670.92**	**5,063.34**	**1,303.52**	**2,062.50**	**-**	**23,363.06**	**34,463.34**

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)

For and on behalf of the board

Anil Kumar Bansal
Chairman
DIN: 00232223

Ashish Bansal
Managing Director
DIN: 01543967

L. Mukundan
Partner
M.No.204372

Vijay Balakrishnan
Chief Financial Officer

K.Kumaravel
Director Finance & Company Secretary

Place : Chennai
Date : May 28, 2024

Place : Chennai
Date : May 28, 2024

1 Group Information

The Consolidated Financial Statements comprise financial statements of Pondy Oxides And Chemicals Limited (“the parent Company” or “the Company”) and its subsidiaries (collectively, “the Group”).

The Principle Activities of the Group are converting Scraps of various forms of various forms of Lead, Alumnium and Copper into Lead Metal, Aluminium Metal, Copper and its Alloys. Lead battery scrap is smelted by the company to produce secondary lead metal is then processed into pure lead and specific lead alloys.

2 Basis of preparation of financial statements

Statement of compliance

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

Use of estimates

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

Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is the Group’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 May 28, 2024.

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 Non-financial assets (PPE/ Intangible Assets/ Investment Properties/Investment in subsidiaries)

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.

Principles of Consolidation

The Consolidated financial statements relate to the Parent Company and its Subsidiaries. The Consolidated financial statements have been prepared on the following basis:

The financial statements of the Parent Company and its Subsidiaries have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating material intra-group balances, intragroup transactions and resulting unrealised profits or losses, unless cost cannot be recovered.

The Consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances are presented to the extent possible, in the same manner as the Parent Company's standalone financial statements.

The details of the companies considered in the preparation of the consolidated financial statements are given below

Subsidiary companies	Country of Incorporation	Ownership Interest as at March 31, 2024
POCL Future Tech Private Limited	India	100%
Harsha Exito Engineering Private Limited	India	100%

3 Material Accounting Policies

a) Current versus non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

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

b) Fair value measurement

The Group 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 Group.

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

c) Revenue Recognition
Sale of goods

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

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

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

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

Export entitlements
In respect of the exports made by the Group, 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 Group 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 Group's right to receive dividend is established by the reporting date, which is generally when shareholders approve the dividend.

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

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

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

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

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

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

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

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

e) Depreciation on property, plant and equipment

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

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

Depreciation for PPE on additions is calculated on pro-rata basis from the date of such additions. For deletion/ disposals, the depreciation is calculated on pro-rata basis up to the date on which such assets have been discarded/ sold. Additions to fixed assets, costing Rs.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.

Based on technical evaluation, the management believes that the useful lives as given below best represent the period over which the management expects to use the asse

Assets	Useful life in years
Buildings	5 - 60
Plant and Equipment	3 - 25
Electrical Fittings	3 - 10
Lab Equipment	3 - 10
Office Equipment	3 - 5
Furniture and Fixtures	3 - 10
Vehicles	3 - 10

f) Intangible assets

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

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

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

Useful life and amortisation of intangible assets

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

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

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

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

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

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

Derecognition
Gains or losses arising from derecognition of intangible assets 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.

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 Group 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.

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

Though the Group 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 Group'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) W**ork-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 initially recognised at fair value except for trade receivables which are intially measured at transaction price. 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.

The company offsets a financial asset and a financial liability when it currently has a legally enforceable right to set off the recognized amounts and the company intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

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 at amortised cost

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

When the Group 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 Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group 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 Group 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 Group could be required to repay.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity, if any, is recognised in profit or loss, except in case of equity instruments classified as FVOCI, where such cumulative gain or loss is not recycled to statement of profit and loss.

Impairment of financial assets

In accordance with Ind AS 109, the Group 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 Group 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 116

The application of simplified approach does not require the Group 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 Group 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 Group 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 Group 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 Group 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 Group 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.

Name of the financial asset	Impairment Testing Methodology
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 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 computation of EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

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 Group'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 Group 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 Group 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 Group 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 Group 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 Group 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 Group 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 Group 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 Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group 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 Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

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

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

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

j) Foreign currency transactions and translations

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group at the functional currency spot rates at the date at which the transaction first qualifies for recognition. However, for practical reasons, the Group 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 Group 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 Group 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 Group which are outstanding during the period, other than borrowings made specifically towards purchase of the qualifying asset. The amount of borrowing cost that the Group 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 Group 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 Group will pay normal Income tax and it is highly probable that future economic benefits associated with it will flow to the Group during the specified period. The Group 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 Group will pay normal Income tax during the specified period.

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

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

Deferred tax liabilities are recognised for all taxable temporary differences.

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

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

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

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

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

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

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 tax assets and deferred tax liabilities 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 Group has no obligation, other than the contribution payable to the provident fund. The Group 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 Group operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

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

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

Compensated absences

The Group 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 Group in respect of services provided by the employees up to the reporting date.

o) Leases

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets

(i) Right of Use Assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date when the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. The right-of-use assets are also subject to impairment.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

(ii) Lease Liability

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is generally not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are included in Other Financial Liabilities.

(iii) Short term leases and leases of low value assets

Short term leases and leases for which the underlying asset is of low value, the lease payment is recognised as an expense based on straight line basis over 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 Group 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 Group 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 Group discloses a brief description of the nature of the contingent assets at the end of the reporting period, and, where practicable, an estimate of their financial effect.

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

r) Cash and cash equivalents

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

s) Cash Flow Statement

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

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

t) Earnings per share

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

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

u) Business Combination

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

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

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

4 a) Property, plant and equipment

Particulars	Tangible Assets											Intangible Assets
	Owned Assets									Right of Use Asset	Total	
	Free hold Land	Buildings	Plant and Equipment	Lab Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Electrical Fittings	Sub Total	Leasehold Land		
Deemed Cost as at April 1, 2022	**719.10**	**2,993.10**	**3,343.28**	**119.14**	**179.51**	**324.32**	**191.70**	**405.31**	**8,275.46**	**237.82**	**8,513.28**	**160.36**
Additions	3,209.49	366.18	700.21	35.33	23.15	190.16	78.24	167.17	4,769.93	878.63	5,648.56	-
Acquisition through business combination (refer Note 51)		3,289.39	1,366.11	-	-	193.63	3.81	402.76	5,255.70	700.82	5,956.52	
Disposals	-	-	(316.73)	(3.38)	(1.77)	(139.91)	(20.83)	(5.68)	(488.30)	-	(488.30)	-
Cost as at March 31, 2023	**3,928.59**	**6,648.67**	**5,092.87**	**151.09**	**200.89**	**568.20**	**252.92**	**969.56**	**17,812.79**	**1,817.27**	**19,630.06**	**160.36**
Additions	1,723.35	224.64	1,218.19	17.40	4.17	90.23	32.33	48.26	3,358.57	153.40	3,511.97	1.98
Adjustments										(492.76)		
Disposals	-	-	(228.64)	-	-	(185.34)	(0.02)	(1.64)	(415.64)	-	(415.64)	-
Cost as at March 31, 2024	**5,651.94**	**6,873.31**	**6,082.42**	**168.49**	**205.06**	**473.09**	**285.23**	**1,016.18**	**20,755.72**	**1,477.91**	**22,233.63**	**162.34**
Depreciation/Amortisation												
As at March 31, 2022	**-**	**963.34**	**1,794.18**	**95.51**	**143.48**	**109.65**	**155.37**	**227.53**	**3,489.06**	**15.66**	**3,504.72**	**85.14**
Charge for the year	-	272.43	593.62	8.28	18.86	80.97	32.05	78.57	1,084.78	10.40	1,095.18	14.00
Disposals	-	-	(246.98)	(2.67)	(1.45)	(107.68)	(18.88)	(4.35)	(382.01)	-	(382.01)	-
As at March 31, 2023	**-**	**1,235.77**	**3,295.69**	**101.12**	**160.89**	**252.56**	**172.33**	**589.83**	**5,808.19**	**26.06**	**5,834.25**	**99.14**
Charge for the year	-	311.21	563.96	15.46	19.15	81.13	52.36	99.17	1,142.44	164.75	1,307.19	11.20
Disposals	-	-	(41.16)	-	-	(71.24)	(0.01)	(0.42)	(112.83)	-	(112.83)	-
As at March 31, 2024	**-**	**1,546.98**	**3,818.49**	**116.58**	**180.04**	**262.45**	**224.68**	**688.58**	**6,837.80**	**190.81**	**7,028.61**	**110.34**
Net Block												
As at April 1, 2022	719.10	2,029.76	1,549.10	23.63	36.03	214.67	36.33	177.78	4,786.40	222.16	5,008.56	75.22
As at March 31, 2023	3,928.59	5,412.90	1,797.18	49.97	40.00	315.64	80.59	379.73	12,004.60	1,791.21	13,795.81	61.22
As at March 31, 2024	5,651.94	5,326.33	2,263.93	51.91	25.02	210.64	60.55	327.60	13,917.92	1,287.10	15,205.02	52.00

Disposals during the current year include property, plant and equipment classified as assets held for sale. Refer note 14.

b) Capital work-in-progress

Capital work-in-progress as at March 31, 2024 is Rs. 889.73 Lakhs (Previous Year - Rs. 1166.73 Lakhs).

Ageing for capital work-in-progress groupwise as at March 31, 2024 is as follows

Particulars	Amount in work-in-progress for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	889.73	-	-	-	889.73
Projects temporarily suspended	-	-	-	-	-
Total	889.73	-	-	-	889.73

Ageing for capital work-in-progress groupwise as at March 31, 2023 is as follows

Particulars	Amount in work-in-progress for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	1,166.73	-	-	-	1,166.73
Projects temporarily suspended	-	-	-	-	-
Total	1,166.73	-	-	-	1,166.73

c) Title deeds of Immovable Properties not held in name of the Group as at March 31, 2024

Title deeds of Immovable Properties not held in name of the Group as at March 31, 2024

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the Group
Property, plant and equipment	Freehold land held at Plot 78C Industrial park, Gajulamandayam, Chittoor, Andhra Pradesh	293.15	Vedam Drugs Private Limited / Meloy Metals Private Limited	No	April 01, 2019	The said transfer was pursuant to the Amalgamation as approved by Honourable NCLT, Chennai vide order dated 21st February 2020.

		As at March 31,2024	As at March 31,2023
5	**Goodwill**		
	Acquisitions through business combination	965.46	965.46
		965.46	**965.46**
6	**Non-current investments**		
	i. Investments in Equity Instruments (Quoted)		
	2,000 equity shares (previous year 2,000) of Rs.10 each in Amararaja Batteries Ltd, fully paid	15.21	11.58
		15.21	**11.58**
	Total non-current investments		
	Aggregate amount of quoted investments	15.21	11.58
	Aggregate market value of quoted investments	15.21	11.58
7	**Other non-current financial assets**		
	(Unsecured, considered good)		
	Fixed Deposits (maturing after 12 months from end of reporting date)*	-	13.25
	Security deposits	371.54	359.90
		371.54	**373.15**
	* Lien marked with banks and are restricted from		
8	**Deferred Tax Asset / (Liability) - Net**		
	Deferred Tax Asset		
	On Fixed Assets	388.18	371.66
	On expenses allowed under Income Tax on payment basis	118.13	19.10
		506.31	390.76
9	**Other non-current assets**		
	Capital Advances	851.32	387.14
		851.32	**387.14**
10	**Inventories**		
	Raw materials*	7,763.89	10,171.10
	Work-in-progress	2,115.18	2,741.33
	Finished goods**	2,755.12	2,786.68
	Stock in trade	38.42	114.74
	Stores and spares	279.77	268.54
		12,952.38	**16,082.39**
	*Includes stock in transit of Rs 2644.27 Lakhs (3272.84 Lakhs)		
	**Includes stock in transit of Rs 340.99 Lakhs (Nil)		
	Inventory comprise of		
	Raw Materials		
	Lead in all forms	7,051.65	8,475.57
	Others	712.24	1,695.53
		7,763.89	**10,171.10**
	Work in progress		
	Lead in all forms	1,810.34	2,672.33
	Others	304.84	69.00
		2,115.18	**2,741.33**
	Finished Goods		
	Lead Ingots	1,059.51	365.83
	Lead Alloys	1,234.51	1,506.70
	Others	461.10	914.15
		2,755.12	**2,786.68**

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

		As at March 31,2024	As at March 31,2023
11	**Trade receivables**		
	Considered good - Secured	-	55.20
	Considered good - Unsecured	10,448.41	10,099.56
		10,448.41	**10,154.76**

Ageing for trade receivables – current outstanding as at March 31, 2024 is as follows :

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than Six Months	6 Months – 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) Undisputed Trade receivables – considered good	7,089.43	3,339.51	19.47	-	-	-	10,448.41
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	7,089.43	3,339.51	19.47	-	-	-	10,448.41

Ageing for trade receivables – current outstanding as at March 31, 2023 is as follows :

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than Six Months	6 Months – 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) Undisputed Trade receivables – considered good	9,369.56	785.08	-	0.12	-	-	10,154.76
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	9,369.56	785.08	-	0.12	-	-	10,154.76

		As at March 31,2024	As at March 31,2023
12	**Cash and cash equivalents**		
	Cash in hand	1.08	1.43
	Balances with banks		
	In current accounts	10.88	7.70
	In EEFC account	559.57	-
	Cash equivalents		
	Overnight Fund	499.64	-
		1,071.17	**9.13**
13	**Other Bank Balances**		
	Fixed deposits	1,913.78	-
	In earmarked accounts		
	Unpaid dividend accounts	13.19	12.04
		1,926.97	**12.04**
	* Rs 13.78 Lakhs Lien marked with banks and are restricted from being exchanged or used to settle a liability.		
	Other Financial assets		
	Others	104.19	-
		104.19	**-**
14	**Asset held for sale**		
	Vehicles	-	19.00
		-	**19.00**
15	**Other current assets**		
	Other advances		
	GST / Benefits Receivables	1,127.40	2,057.26
	Interest accrued on Deposits	9.99	3.09
	Income accrued on Investments	-	-
	Prepaid expenses	50.81	43.82
	Cenvat credit receivable	-	-
	Balances with government authorities	18.23	71.51
	Receivable from government DEPB/Duty draw back etc.,	-	-
	Due from related Parties	-	-
	Advances to Employees	17.39	12.58
	Others - Suppliers Advance (including for expenses)	1,587.22	1,627.20
	Other current assets	1.88	4.70
	Inter unit Balance - POCL		-
		2,812.92	**3,820.16**
16	**Capital**		
	Authorised Share Capital		
	2,01,50,000 (2,01,50,000) Equity shares of Rs. 10 each	2,015.00	2,015.00
		2,015.00	**2,015.00**
	Issued Share Capital		
	1,26,10,977 (1,16,24,780) Equity shares of Rs. 10 each	1,261.10	1,162.48
		1,261.10	**1,162.48**
	Subscribed and fully paid up share capital		
	1,26,10,977 (1,16,24,780) Equity shares of Rs. 10 each	1,261.10	1,162.48
		1,261.10	**1,162.48**

	As at March 31,2024	As at March 31,2023

Notes:

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

Balance as at the beginning of the year	1,16,24,780	58,12,390
Add: Issued on account of Preferential issue	9,86,197	-
Add: Issued on account of Bonus issue	-	58,12,390
Balance at the end of the year	**1,26,10,977**	**1,16,24,780**

During the year, the holding company has raised addtional share capital aggregating Rs 5000.02 Lakhs (includes share premium of Rs 4650.68 Lakhs net of expenses of Rs 349.34 Lakhs) (Refer Note 17 b) by way of preferential allotment of equity shares and alloted 9,86,197 fully paid up Equity shares of Rs. 10 each at a premium of Rs 497 per share through private placement to investors as per the approval of the members in the EGM held on 06-Feb-2024. Accordingly the holding company's paid up share capital have increased from 1,16,24,780 Equity Shares of Rs. 10/- each to 1,26,10,977 Equity Shares of Rs. 10/- each.

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

Name of the share holder	March 31,2024		March 31,2023	
	No of shares	%	No of shares	%
Ashish Bansal	17,19,183	13.63	17,17,924.00	14.78
Anil Kumar Bansal	12,53,622	9.94	12,53,622.00	10.78
Manju Bansal	10,95,254	8.68	10,95,254.00	9.42
Saroj Bansal	13,58,240	10.77	13,58,240.00	11.68

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

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

(d) **Disclosure of shareholding of promoters as at 31st March, 2024 is as follows**

Name of the share holder	March 31,2024		March 31,2023		% change during the year *
	No of shares	%	No of shares	%	
Ashish Bansal	17,19,183	13.63	17,17,924	14.78	(1.15)
Anil Kumar Bansal	12,53,622	9.94	12,53,622	10.78	(0.84)
Manju Bansal	10,95,254	8.68	10,95,254	9.42	(0.74)
Saroj Bansal	13,58,240	10.77	13,58,240	11.68	(0.91)
Pawankumar Bansal	2,46,580	1.96	2,46,580	2.12	(0.17)
Megha Choudhari	11,136	0.09	11,136	0.10	(0.01)
Total	56,84,015	45.07	56,82,756	48.88	(3.81)

*Reduction due to preferential allotment of shares and not on account sale

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

		As at March 31,2024	As at March 31,2023
17	**Other Equity**		
	a) General reserve	2,670.92	2,275.92
	b) Securities Premium	5,063.34	511.28
	c) Capital Reserve	1,303.52	1,303.52
	d) Money Received Against Share Warrants*	2,062.50	-
	e) Other comprehensive income	-	-
	f) Retained Earnings	23,363.06	21,165.87
		34,463.34	**25,256.59**

	As at March 31,2024	As at March 31,2023
a) General reserve		
Balance at the beginning of the year	2,275.92	1,785.92
Additions during the year	395.00	490.00
Deductions/Adjustments during the year	-	-
Balance at the end of the year	**2,670.92**	**2,275.92**
b) Securities Premium		
Balance at the beginning and end of the year	511.28	1,092.52
Additions on account of business combination	-	(581.24)
Additions on account of preferential allotment*	4,901.40	-
Deductions/Adjustments during the year	-	-
New Share Issue Charges	(349.34)	-
Balance at the end of the year	**5,063.34**	**511.28**
c) Capital Reserve		
Opening balance	1,303.52	1,303.52
Additions during the year*	-	-
Deductions/Adjustments during the year	-	-
Closing balance	**1,303.52**	**1,303.52**
d) Money Received Against Share Warrants		
Opening balance		
Additions during the year*	2,062.50	-
Deductions/Adjustments during the year	-	-
Closing balance	**2,062.50**	**-**
e) Other comprehensive income		
Opening balance	-	-
Additions during the year	2.25	(4.60)
Deductions/Adjustments during the year	(2.25)	4.60
Closing balance	**-**	**-**
f) Retained Earnings		
Opening balance	21,165.91	17,354.99
Net profit for the period	3,187.22	7,505.06
Additions/ (deductions) on account of Business Combination	-	(2,883.95)
Transfer from Other Comprehensive Income	2.25	(4.60)
Transfers to General Reserve	(395.00)	(490.00)
Excess/(Short) provision for taxes reversed	(16.04)	(25.01)
Dividend paid (including tax on dividends)	(581.24)	(290.62)
Closing balance	**23,363.10**	**21,165.87**

*Consequent to the approval of the Board of Directors of holding company in its meeting held on 12-January-2024 and subsequent approval by the shareholders through special resolution in general meeting held on 06th February 2024, the board on 28th February 2024 has allotted 9,86,197 equity shares and 16,27,221 convertible warrants carrying an entitlement to subscribe to an equivalent number of equity shares at face value of Rs. 10 each at a price of Rs. 507 per warrant (including a premium of Rs.497 per warrant) to promoter and non-promoter allottees.Each warrant is convertible into one equity share within a period of 18 months from the date of allotment at the option of warrant holder. As per the terms of allotment, the company has received subscription money equivalent to 25% of issue price and balance 75% shall be paid by the warrant holder at the time of allotment of equity share pursuant to exercise of option. None of the warrant holders have exercised their option till 31st March 2024.

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

		As at March 31,2024	As at March 31,2023
18	**Long Term Borrowings**		
	Secured *		
	From Banks	-	127.43
	Unsecured Loans		
	From Related Parties **	300.00	500.00
	Less: Current maturities of Long Term Debt (refer Note 22)	-	(29.41)
		300.00	**598.02**

* Refer Note 44 for repayment terms and security details
** Represents loan from Directors

		As at March 31,2024	As at March 31,2023
19	**Lease Liability**		
	Non Current	66.69	764.92
	Current		-
		66.69	**764.92**

The average incremental borrowing rate applied to lease liabilities during the year is 8.75%

		As at March 31,2024	As at March 31,2023
20	**Provisions (Non-current)**		
	Provision for Employee Benefits		
	Gratuity	35.19	19.93
	Compensated absences	33.61	40.44
		68.80	**60.37**
21	**Other non-current Liabilities**		
	Deferred Government Grants	10.69	17.32
		10.69	**17.32**
22	**Current liabilities - Financial Liabilities: Borrowings**		
	Secured		
	Loans repayable on Demand		
	From banks		
	Rupee Loans	5,356.82	12,550.59
	Foreign Currency Loans	3,792.95	887.19
	Current maturities of long-term debt	-	29.41
	Unsecured		
	Loans from directors	494.47	527.06
	Inter Corporate Deposits	115.08	110.49
		9,759.32	**14,104.74**

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. 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 10% payable annually, repayable as per the terms of repayment agreed.

		As at March 31,2024	As at March 31,2023
23	**Lease Liability**		
	Building	172.19	113.72
		172.19	**113.72**

The average incremental borrowing rate applied to lease liabilities during the year is 8.75%

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

		As at March 31,2024	As at March 31,2023
24	**Trade payables**		
	Dues to Micro and Small enterprises *	126.22	139.08
	Dues to Creditors other than Micro and Small enterprises	905.83	790.45
		1,032.05	**929.53**

* 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.

Ageing for trade payables – current outstanding as at March 31, 2024 is as follows :

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than one Year	1-2 Years	2-3 Years	More than 3 Years	
i) MSME	125.07	1.15	-	-	-	126.22
ii) Others	612.00	56.35	2.92	0.09	-	671.36
iii) Disputed dues– MSME	-	-	-	-	-	-
iv) Disputed dues– Others	-	-	-	-	-	-
v) Accrued Expenses	234.47	-	-	-	-	234.47
Total	971.54	57.50	2.92	0.09	-	1,032.05

Ageing for trade payables – current outstanding as at March 31, 2023 is as follows :

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than one Year	1-2 Years	2-3 Years	More than 3 Years	
i) MSME	101.11	37.97	-	-	-	139.08
ii) Others	496.13	227.22	3.93	1.56	-	728.84
iii) Disputed dues– MSME	-	-	-	-	-	-
iv) Disputed dues– Others	-	-	-	-	-	-
v) Accrued Expenses	61.61	-	-	-	-	61.61
Total	658.85	265.19	3.93	1.56	-	929.53

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

		As at March 31,2024	As at March 31,2023
25	**Other current financial liabilities**		
	Forward Contract Payable	16.02	13.25
	Unpaid/Unclaimed dividends	13.19	11.96
	Unclaimed Fractional Shares dividends	-	0.08
		29.21	**25.29**
26	**Provisions (Current)**		
	Provision for Tax (net of advance tax and TDS)	140.02	17.26
	Provision for employee benefits		
	Gratuity	6.00	6.20
	Compensated absences	25.41	8.70
		171.43	**32.16**
27	**Other current liabilities**		
	Statutory Dues Payable	374.05	100.75
	Employee benefits payable	135.40	140.86
	Advance and deposits from customers/suppliers	310.30	2,568.09
	Deferred Government Grants	6.62	6.62
	Current account credit balance	-	1,309.55
	Other payables	11.44	58.32
		837.81	**4,184.19**

		As at March 31,2024	For the year ended March 31,2023
28	**Revenue from operations**		
	Sale of Products		
	Manufactured Goods	1,48,320.72	1,43,576.15
	Traded Goods	4,249.18	2,377.52
	Sale of Services		
	Conversion Charges Received	1,420.17	1,593.31
		1,53,990.07	1,47,546.98
	Other Operating Revenue	69.60	71.11
		1,54,059.67	**1,47,618.09**
	Details of Manufactured and Traded Goods		
	i. Manufactured Goods:		
	Metals	1,46,075.70	1,42,641.31
	Others	2,245.02	934.84
		1,48,320.72	**1,43,576.15**
	ii. Traded Goods		
	Metals	3,791.32	1,876.88
	Others	457.86	500.64
		4,249.18	**2,377.52**
29	**Other income**		
	Interest receipts	7.61	6.51
	MTM gain on forward contacts	-	43.86
	Incomed from Subsidy	6.62	6.62
	Gain on foreign exchange fluctuation (net)	81.67	334.62
	Profit on fixed assets sold / scrapped / written off	37.37	-
	Miscellaneous income	277.81	35.67
		411.08	**427.28**
30	**Cost of materials consumed**		
	Opening inventory of raw materials*	6,898.26	6,741.04
	Add : Purchases*	1,30,786.02	1,28,623.81
	Less : Closing inventory of raw materials*	(5,119.61)	(6,898.26)
	Add: (Gain)/Deficit in Hedging operations of price of raw materials	(569.17)	(203.17)
		1,31,995.50	**1,28,263.42**
	*Excludes stock in transit of Rs 2644.27 Lakhs (3272.84 Lakhs)		
31	**Purchases of Stock in Trade**		
	Metals	4,095.83	1,737.63
	Others	-	576.94
		4,095.83	**2,314.57**
32	**Changes in inventories of work-in-progress, stock in trade and finished goods**		
	Opening Balance		
	Work-in-progress	2,741.33	1,787.64
	Finished goods*	2,787.75	3,486.49
	Stock in trade	114.74	-
		5,643.82	**5,274.13**
	Closing Balance		
	Work-in-progress	2,115.18	2,741.33
	Finished goods*	2,755.12	2,787.75

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

		For the year ended March 31,2024	For the year ended March 31,2023
33	**Employee benefits expense**		
	Salaries and wages	2,204.98	1,954.21
	Contribution to provident and other funds	140.27	128.11
	Staff welfare expenses	193.09	190.61
		2,538.34	**2,272.93**
34	**Finance Cost**		
	Interest on Bank Borrowings	1,544.76	544.37
	Interest on Others	129.52	139.88
	Interest on Lease Liabilty	44.10	-
		1,718.38	**684.25**
35	**Depreciation and amortisation expense**		
	Depreciation on Property, Plant and Equipment	1,152.86	1,095.16
	Amortisation of Intangible Assets	165.55	14.01
		1,318.41	**1,109.17**
36	**Other expenses**		
	Power and Fuel	3,477.99	3,127.42
	Consumption of Packing Materials	68.62	64.75
	Environmental Control Expenses	679.84	603.09
	Conversion Charges	112.64	62.66
	Contract Wages	492.08	390.19
	Repairs and Maintenance		
	Buildings	68.99	92.74
	Plant and Machinery	531.13	662.92
	Vehicles	36.37	25.40
	Others	38.18	35.45
	Factory expenses	246.27	216.38
	Freight and Forwarding	917.40	1,162.92
	Insurance	68.92	66.16
	Laboratory Expenses	18.50	19.74
	Legal and professional charges	90.84	87.23
	Payments to Auditors [refer note 36 (a)]	22.11	22.12
	Communication expenses	29.81	25.97
	Printing and Stationery	11.27	10.77
	Rates and Taxes	97.05	75.36
	Rent	135.12	117.94
	Advertisement and business promotion	13.43	36.36
	Sales Commission	180.93	166.60
	Travelling and Conveyance	94.36	77.13
	MTM loss on forward contract	2.77	-
	Loss on fixed assets sold / scrapped / written off	26.65	38.83
	Bank charges	44.05	142.23
	Expenditure on Corporate Social Responsibility [refer note 36 (b)]	96.03	65.70
	Miscellaneous Expenses	66.52	38.35
		7,667.87	**7,434.41**
36 (a)	**Payment to auditors**		
	Statutory Audit fees	16.00	16.00
	Taxation fee	3.00	3.00
	Limited Review Audit	2.00	1.30
	Other Certifications	2.00	1.82
		23.00	22.12

Pondy Oxides And Chemicals Limited

Notes to Consolidated Financial Statements for the year ended March 31,2024

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

	For the year ended March 31,2024	For the year ended March 31,2023

36 (b) Expenditure on Corporate Social Responsibility

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Amount required to be spent by the Group during the year	95.55	66.17
Excess amount spent in previous year	0.02	0.49
Total amount to be spent during the year	95.53	65.68
Amount of expenditure incurred on:	-	-
(i) Construction/ acquisition of any asset	-	-
(ii) On purposes other than (i) above	95.99	65.70
Excess spent during the year	0.46	0.02
Shortfall at the end of the year	-	-
Total of previous years shortfall	-	-
Reason for shortfall	NA	NA
Nature of CSR activities	Activities mentioned under Schedule VII of the Companies Act 2013 viz. Disaster management, Rural Infrastructure Development, reducing inequalities faced by socially and economically backward groups, etc.	Activities mentioned under Schedule VII of the Companies Act 2013 viz. Disaster management, Rural Infrastructure Development, reducing inequalities faced by socially and economically backward groups, etc.
Details of related party transactions in relation to CSR expenditure as per relevant	NA	NA

37 Exceptional items

Extinguishment of trade payables, current financial liabilities, non current liabilities and short term borrowings	-	(7,624.32)
Irrecoverable Advance/ deposits/ receivables/current assets	-	2,172.87
Property, Plant & Equipment written off	-	2,542.28
CIRP expenses	-	57.94
	-	(2,851.23)

38 Income tax expense

(a) Income tax expense

Current tax		
Current tax on profits for the year	1,330.42	1,704.76
Total current tax expense	**1,330.42**	**1,704.76**
Deferred tax		
Deferred tax adjustments	(116.32)	(22.28)
Total deferred tax expense/(benefit)	**(116.32)**	**(22.28)**
Income tax expense	**1,214.10**	**1,682.48**

b) The income tax expense for the

Profit before tax from continuing operations	4,401.31	9,187.54
Income tax expense calculated at 25.168% (2020-21: 25.168%)	1,107.72	2,326.53
Effect of expenses/income that are not deductible/taxable in determining taxable profit	222.70	(621.77)
Income tax expense	**1,330.42**	**1,704.76**

c) Income tax recognised in other comprehensive income

Deferred tax		
Remeasurement of defined benefit obligation	(0.76)	1.55
Total income tax recognised in other comprehensive income	(0.76)	1.55

	For the year ended March 31,2024	For the year ended March 31,2023

d) Movement of deferred tax expense for the year ended March 31,2024

Deferred tax (liabilities)/assets in relation to:	Opening balance	Additions/ (deductions) on account of Business Combination	Recognised in Other comprehensive income	Closing balance
Property, plant, and equipment and Intangible Assets	371.65			411.51
Expenses allowable on payment basis under the Income Tax Act	19.11	-	(0.76)	95.11
Total	390.76	-	(0.76)	506.62

e) Movement of deferred tax expense during the year ended March 31,2023

Deferred tax (liabilities)/assets in relation to:	Opening balance	Additions/ (deductions) on account of Business Combination	Recognised in Other comprehensive income	Closing balance
Property, plant, and equipment and Intangible Assets	158.93	204.41		371.65
Expenses allowable on payment basis under the Income Tax Act	3.58	-	1.55	19.11
Other temporary differences				-
Total*	162.51	204.41	1.55	390.76

39 Earnings per share

	For the year ended March 31,2024	For the year ended March 31,2023
Profit for the year attributable to owners of the Group	3,187.22	7,505.06
Weighted average number of ordinary shares outstanding	1,17,13,699	1,16,24,780
Basic earnings per share (Rs)	27.21	64.56
Weighted average of Dilutive Shares outstanding	1,17,49,270	-
Diluted earnings per share (Rs)	27.13	64.56

40 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 31,2024		Year ended March 31,2023	
	Rs. In Lakhs	Percentage (%)	Rs. In Lakhs	Percentage (%)
Raw Materials				
Imported	1,16,646.62	88.00	95,581.88	75.00
Others	15,348.88	12.00	32,681.54	25.00
	1,31,995.50	**100.00**	**1,28,263.42**	**100.00**

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

Particulars	Year ended March 31,2024	Year ended March 31,2023
(a) The principal amount remaining unpaid at the end of the year	126.22	139.08
(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 Group.

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

	For the year ended March 31,2024	For the year ended March 31,2023

42 Commitments and contingent liability

Particulars	Year ended March 31,2024	Year ended March 31,2023
Contingent Liability		
Performance/ Finance Guarantees		
Liability in respect of Letter of Credit/ Bank Guarantee Opened	-	13.25
Guanrantee given for Bank Loan to Subsidiary	2,800.00	2,800.00
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	3,096.93	261.81

43 Operating Segments

The operations of the Company falls under Lead & Lead alloys and other non-ferrous metals. However for the purpose of segment reporting Ind AS 108, the other non-ferrous metals segment does not meet the criteria laid down in the standard as a reportable segment, the operations are reported under one segment "lead and lead alloys".

Information relating to

(a) Revenue from external

Particulars	Year ended March 31,2024	Year ended March 31,2023
India	67,238.91	64,366.67
Rest of the world	86,820.76	83,251.42
Total	**1,54,059.67**	**1,47,618.09**

(b) Non current assets

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

(c) Information about major customers

Particulars	Year ended March 31,2024	Year ended March 31,2023
Number of external customers each contributing more than 10% of total revenue	3	3
Total revenue from the above customers	95,104	1,06,967.42

44 Terms and conditions of long term borrowings

Financial Institution	Loan Outstanding	Tenor	Repayment Commences from	Security	Guarantee
HDFC Bank	0.00 (154.93)	60 Months	March, 2022	First Charge on Vehicle Purchased	Nil

The above loans carry interest @ 6.75%
(Figures in brackets represent previous year numbers)

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

45 Financial instruments

Capital management

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

The Group 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 Group's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders.

Gearing Ratio:	**March 31,2024**	**March 31,2023**
Debt	300.00	627.43
Less: Cash and bank balances	2,998.14	77.95
Net debt	-	549.48
Total equity	35,724.44	26,419.07
Gearing ratio (%)	-	2.08%

Categories of Financial Instruments	**March 31,2024**
Financial assets	
a. Measured at amortised cost	
Other non-current financial assets	371.54
Trade receivables	10,448.41
Cash and cash equivalents	1,071.17
Bank balances other than above	1,926.97
b. Mandatorily measured at FVTPL	
Investments	15.21
Derivative instruments	-
Financial liabilities	
a. Measured at amortised cost	
Borrowings (non-current)	300.00
Borrowings (current)	9,759.32
Trade payables	1,032.05
Other financial liabilities	13.19
b. Mandatorily measured at FVTPL	
Derivative instruments	16.02

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 Group 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 Group'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 Group 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 Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Group 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 Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Group 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 Group to enter into forward foreign exchange contracts to cover (a) repayments of specific foreign currency borrowings; (b) the risk associated with anticipated sales and purchase transactions, taking into account the natural hedging on imports & exports and cost of currency to be recovered from the customers as per Sale Contract.

Disclosure of hedged and unhedged foreign currency exposure
The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

As on March 31,2024

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	2.15	2.06	0.09	66.70	66.70	-	(0.09)
In INR	179.14	171.37	7.77	5,559.75	5,559.75	-	(7.77)

As on March 31,2023

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	0.76		0.76	70.77		70.77	70.01
In INR	62.56		62.56	5,815.09		5,815.09	5,752.53

Foreign currency sensitivity analysis
Movement in the functional currencies of the various operations of the Group against major foreign currencies may impact the Group's revenues from its operations. Any weakening of the functional currency may impact the Group's cost of imports and cost of borrowings and consequently may increase the cost of financing the Group'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 Group is exposed to interest rate risk because it borrow funds at both fixed and floating interest rates. The risk is managed by the Group 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 Group 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 Rs. 51.51 Lakhs for the year (Previous INR 20.51 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 Group 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 Group has no significant concentration of credit risk with any counterparty.

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

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

The Group does not have higher concentration of credit risks to a single customer. As per simplified approach, the Group 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 Group 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 Group 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. Group 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 Group 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 Group invests its surplus funds in bank fixed deposit and mutual funds, which carry minimal mark to market risks. The Group 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 Group'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 Group can be required to pay.

March 31,2024	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
Trade payables	1,029.04	3.01	-	1,032.05
Borrowings (including interest accrued thereon upto the reporting date)	-	300.00	-	300.00
	1,029.04	**303.01**	**-**	**1,332.05**

March 31,2023	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
Trade payables	924.04	5.49		929.53
Borrowings (including interest accrued thereon upto the reporting date)	29.41	598.02		627.43
	953.45	**603.51**	**-**	**1,556.96**

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

46 Related party disclosure

a) List of parties having significant influence

Entities in which director/relatives are interested	Metier Enterprises (India) Privated Limited
Employees Trust where there is significant influence	Pondy Oxides and Chemicals Limited Group Gratuity Trust
Key management personnel (KMP)	
Mr. Anil Kumar Bansal	Chairman
Mr. Ashish Bansal	Managing Director
Mr. K Kumaravel	Director Finance & Company Secretary
Mr. Vijay Balakrishnan	Chief Financial Officer
Relative of Key Management personnel	
Ms. K Mahalakshmi	Wife of Mr. K.Kumaravel

b) Transactions during the year as at March 31, 2024 is as follows :

S.No.	Nature of transactions	KMP	Close member of the KMP	Companies in which Directors are interested	Other Related Parties
	Interest Paid	118.66	-	10.86	-
	Remuneration	460.41	-	-	-
	Professional Charges Paid	-	8.00	-	-
	Loan Given by POCL	-	-	-	-
	Loan Repaid to POCL	-	-	-	-
	Loan taken by POCL	723.50	-	-	-
	Loans repaid by POCL	1,062.89	-	5.17	-
	Sales	-	-	-	-
	Purchase	-	-	-	-
	Contribution to Gratuity Trust	-	-	-	0.15

*Represents short term benefit given to KMPs and does not include provisions made for Gratuity and Leave benefits as they are determined on an actuarial basis for the Company as a whole.

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

Transactions during the year as at March 31, 2023 is as follows :

S.No.	Nature of transactions	KMP	Close member of the KMP	Companies in which Directors are interested	Other Related Parties
	Investment in Subsidiary	-	-	-	-
	Interest Received	-	-	-	-
	Interest Paid	133.01	-	6.86	-
	Remuneration	411.51	-	-	-
	Professional Charges Paid	-	6.00	-	-
	Loan Given by POCL	-	-	-	-
	Loan Repaid to POCL	-	-	-	-
	Loan taken by POCL	567.00	-	119.27	-
	Loans repaid by POCL	1,597.52	-	128.23	-
	Sales	-	-	-	-
	Purchase	-	-	68.26	-
	Contribution to Gratuity Trust	-	-	-	11.60

c) Balances at the end of the year

	Particulars	As at March 31,2024	As at March 31,2023
	Loans		
	Mr. Anil Kumar Bansal	(555.21)	(825.93)
	Mr. Ashish Bansal	(217.31)	(201.13)
	Mr.K Kumaravel	(33.82)	-
	Metier Enterprises (India) Private Limited	(116.17)	(110.49)

47 Retirement benefit plans

Defined contribution plans

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

The total expense recognised in profit or loss of Rs 140.27 Lakhs (previous year Rs. 128.11 Lakhs) represents contribution paid to these plans by the Group 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 Group 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 31,2024	March 31,2023
Discount Rate	6.97%	7.25%
Rate of increase in compensation level	7.00%	7.00%
Expected Average Remaining Working Lives of Employees (years)	28.75	28.48

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 31,2024 Rs. Lakhs	March 31,2023 Rs. Lakhs
Amount recognised under Employee Benefits Expense in the Statement of profit and Loss:		
Current service cost	16.42	13.88
Net interest expense	10.69	9.74
Return on plan assets (excluding amounts included in net interest expense)	(8.89)	(9.08)
Components of defined benefit costs recognised in profit or loss	**18.22**	**14.54**
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	(3.01)	6.15
Components of defined benefit costs recognised in other comprehensive income	**(3.01)**	**6.15**
	15.21	**20.69**

The amount included in the balance sheet arising from the Group's obligation in respect of its defined benefit plans is as follows:	**March 31,2024 Rs. Lakhs**	**March 31,2023 Rs. Lakhs**
Present value of defined benefit obligation	160.88	158.27
Fair value of plan assets	(119.69)	(132.14)
Net liability/ (asset) arising from defined benefit	**41.19**	**26.13**
Funded	0.01	-
Unfunded	41.18	26.13
	41.19	**26.13**

The above provisions are reflected under 'Provision for employee benefits- gratuity' (long-term provisions) [Refer note 20 & 26].

Movements in the present value of the defined benefit obligation in the current year were as follows:		
Opening defined benefit obligation	158.27	135.96
Current service cost	16.42	13.88
Interest cost	10.69	9.74
Actuarial (gains)/losses	(3.01)	6.16
Benefits paid	(21.49)	(7.47)
Closing defined benefit obligation	**160.88**	**158.27**

Movements in the fair value of the plan assets in the current year were as follows:		
Opening fair value of plan assets	132.14	121.74
Return on plan assets	8.89	7.56
Contributions	0.15	10.31
Benefits paid	(21.49)	(7.47)
Actuarial gains/(loss)	-	-
Closing fair value of plan assets	**119.69**	**132.14**

Sensitivity analysis

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

(b) Compensated absences

The expected cost of accumulating compensated absences is determined at each balance sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date is Rs.59.02 Lakhs (previous year Rs. 49.14 Lakhs). Expense recognised during the year is Rs.15.45 Lakhs (previous year Rs. 13.53 Lakhs).

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

48 Disclosure of additional information pertaining to the Parent Company, Subsidiaries and Joint ventures as per Schedule III of Companies Act, 2013

Name of Entities	Net Assets (Total Assets minus Total Liabilities)		Share in Profit or (Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of Consolidation	Amount	As a % of Consolidation	Amount	As a % of Consolidation	Amount	As a % of Consolidation	Amount
Parent								
Pondy Oxides and Chemicals Limited	88.19%	31,506.79	123.98%	3,951.52	100.00%	2.25	123.96%	3,953.77
Wholly Owned Subsdiary								
POCL Future Tech Private Limited	0.02%	6.85	-17.05%	(543.50)	-	-	-17.04%	(543.50)
Harsha Exito Engineering Private Limited	11.79%	4,210.80	-6.93%	(220.80)	-	-	-6.92%	(220.80)
	100.00%	**35,724.44**	**100.00%**	**3,187.22**	**100.00%**	**2.25**	**100.00%**	**3,189.47**

Note: The balances and amounts presented above are net of intercompany eliminations and consolidation adjustments.

For and on behalf of the board

For M/s. L. Mukundan and Associates
Chartered Accountants
(FRN No.010283S)

Anil Kumar Bansal
Chairman
DIN: 00232223

Ashish Bansal
Managing Director
DIN: 01543967

L. Mukundan
Partner
M.No.204372

Vijay Balakrishnan
Chief Financial Officer

K.Kumaravel
Director Finance & Company Secretary

Place : Chennai
Date : May 28, 2024

Place : Chennai
Date : May 28, 2024

INDEPENDENT AUDITOR'S REPORT

To the Members of Pondy Oxides and Chemicals Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the Consolidated financial statements of **Pondy Oxides And Chemicals Limited** ("the Holding Company") and its subsidiaries (the holding Company and it's subsidiaries together referred as 'the Group'), which comprise the Consolidated balance sheet as at 31stMarch 2023, the Consolidated statement of Profit and Loss (including Other Comprehensive Income), the Consolidated statement of cash flows, the Consolidated Statement of Changes in Equity for the year then ended and notes to consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the consolidated state of affairs (financial position) of the Group as at 31st March 2023, and their consolidated profit (financial performance including other comprehensive income), their Consolidated cash flows and their Consolidated changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Based on the examination of books of accounts and explanation provided to us, we are of the opinion that there are no materially significant key audit matters that requires disclosure in this report.

Information Other than the Consolidated Financial Statements and Auditor's Report thereon (Other *Information)

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other Information identified above when it becomes available, and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of audit or otherwise appears to be materially misstated.

If, based on the work we have performed and based on the work done/audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for Financial Statements

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

The Holding company's Board of directors are also responsible for ensuring accuracy of records including financial information considered necessary for preparation of consolidated financial statements. Further, in terms of provision of the Act the respective, Board of directors of companies included in the group are responsible for *maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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

Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

Flat No. 1,2, Kamala Arcade.
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Auditor's Responsibilities for the Audit of the Financial Statements.

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

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

- Identify and assess the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of The Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

1. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management, we report that there are no qualifications or adverse remarks by the auditors in the CARO reports of the said companies included in the consolidated financial statements.

2. As required by Section 143(3) of the Act, to the extent applicable we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statement have been kept so far as it appears from our examination of those books and the reports of the other companies in the group.

(c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss including Other Comprehensive Income, consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on March 31, 2023 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 with respect to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Group's internal financial controls over financial reporting.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company, to its directors during the year is in accordance with the provisions of section 197 of the Act read with Schedule V to the Act. However no remuneration has been paid to the directors of subsidiary companies during the year under audit.

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

i. The Group does not have any materially significant pending litigations which would impact its financial position.

ii. Provision has been made in the consolidated financial statements as on 31st March 2023, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended 31st march, 2023 in accordance with the relevant provisions of the Act and Rules made there under. Subsidiary companies are not required to transfer any money to the Investor Education and Protection Fund as they have not declared any dividends so far.

iv. (a) The respective management of holding company and its subsidiaries which are incorporated in India, whose financial statements have been audited under the act, have represented to us that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the holding company or its subsidiary companies ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective management of holding company and its subsidiaries which are incorporated in India, whose financial statements have been audited under the Act, have represented to us , that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the holding company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in

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Email: lmaishere@gmail.com

writing or otherwise, that the holding company or any such subsidiaries shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries, and

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, performed by us and those performed by the auditors of subsidiaries, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) above, contain any material misstatement.

v. (a) The dividend paid by the holding company during the year ended 31 March 2023 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 1 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

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

Place: Chennai
Date: 29.05.2023

L Mukundan
Partner
Membership No. 204372
UDIN: 23204372BGWBXZ6836

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Annexure - A to the Independent Auditors' Report

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

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

We have audited the Internal Financial Controls over financial reporting of **PONDY OXIDES AND CHEMICALS LIMITED** ("the holding Company") and its subsidiaries (The Holding company and its subsidiaries are referred as 'Group') as of March 31, 2023 in conjunction with our audit of the Consolidated financial statements of the Company for the year ended on that date. Reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to consolidated financial statements is not applicable to one of its subsidiaries incorporated in India namely POCL Future Tech Private Limited.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding company's internal financial controls system with reference to consolidated financial statements.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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, to the best of our information and according to the explanation given to us and based on the reports of other auditors, the Holding Company and its subsidiary companies have, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at 31st March 2023, based on the internal control with reference to consolidated financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

L.MUKUNDAN & ASSOCIATES
Chartered Accountants

Flat No. 1,2, Kamala Arcade.
669, Mount Road,
Thousand Lights,
Chennai 600006
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Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to one subsidiary company, which is companies incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India. Our opinion is not modified in respect of this matter.

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

Place: Chennai
Date: 29.05.2023

L Mukundan
Partner
Membership No. 204372
UDIN: 23204372BGWBXZ6836

BRANCH: D. No: 7-48, Near Sai Baba Temple, Sector-1, Duvvada, Gajuwaka Mandal,
Vishakhapatnam – 530046 Mobile: +91 99123 90914, +91 63032 10183

Pondy Oxides And Chemicals Limited

Consolidated Balance Sheet as at March 31,2023

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

	Notes	As at March 31,2023
ASSETS		
Non-current assets		
(a) Property, plant and equipment	4	13,795.81
(b) Capital work in progress	4	1,166.73
(c) Goodwill	5	965.46
(d) Intangible assets	4	61.22
(e) Financial assets		
(i) Investments	6	11.58
(ii) Other financial assets	7	373.15
(f) Deferred Tax Asset (net)	8	390.76
(g) Other non-current assets	9	396.24
Total non-current assets		**17,160.95**
Current assets		
(a) Inventories	10	16,082.39
(b) Financial assets		
(i) Trade receivables	11	10,154.76
(ii) Cash and cash equivalents	12	65.91
(iii) Bank balances other than above	13	12.04
(c) Asset held for sale	14	19.00
(d) Other current assets	15	3,811.06
Total current assets		**30,145.16**
Total Assets		**47,306.11**
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	16	1,162.48
(b) Other equity	17	25,313.37
Total equity		**26,475.85**
Liabilities		
Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	18	598.02
(ia) Lease Liability	19	764.92
(b) Provisions	20	60.37
(c) Other liabilities	21	17.32
Total non-current liabilities		**1,440.63**
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	22	14,104.74
(ia) Lease Liability	23	113.72
(ii) Trade payables		
- Dues to Micro and Small enterprises		139.08
- Dues to Creditors other than Micro and Small enterprises	24	790.45
(iii) Other financial liabilities	25	25.29
(b) Provisions	26	32.16
(c) Other current liabilities	27	4,184.19
Total current liabilities		**19,389.63**
Total liabilities		**20,830.26**
Total Equity and Liabilities		**47,306.11**

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For and on behalf of the board

For M/s. L. Mukundan and Associates
Chartered Accountants
(FRN No.010283S)

Anil Kumar Bansal
Chairman
DIN: 00232223

Ashish Bansal
Managing Director
DIN: 01543967

L. Mukundan
Partner
M.No.204372

Vijay Balakrishnan
Chief Financial Officer

K.Kumaravel
Director Finance & Company Secretary

Place : Chennai
Date : May 29, 2023

Place : Chennai
Date : May 29, 2023

Pondy Oxides And Chemicals Limited

Consolidated Statement of profit and loss for the year ended March 31,2023

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

		Notes	For the year ended March 31,2023
Continuing Operations			
A	**Income**		
	(a) Revenue from operations	28	1,47,618.09
	(b) Other income	29	427.28
	Total income		**1,48,045.37**
B	**Expenses**		
	(a) Cost of materials consumed	30	1,28,263.42
	(b) Purchases of Stock in Trade	31	2,314.57
	(c) Changes in inventories of finished goods and WIP	32	(369.69)
	(d) Employee benefits expense	33	2,272.93
	(e) Finance costs	34	684.25
	(f) Depreciation and amortisation expense	35	1,109.17
	(g) Other expenses	36	7,434.41
	Total expenses		**1,41,709.06**
C	**Profit before exceptional items and tax**		**6,336.31**
	Exceptional items	37	2,908.01
D	**Profit before tax from continuing operations**		9,244.32
	Tax expense	38	
	(a) Current tax		1,704.76
	(b) Deferred tax charge/ (credit)		(22.28)
	Profit for the year		**7,561.84**
E	**Other comprehensive income**		
	Items that will not be reclassified to profit or loss		
	Remeasurement of post employment benefit obligations		(6.15)
	Income tax (charge)/ credit relating to these items		1.55
	Other comprehensive income for the year, net of tax		**(4.60)**
Total comprehensive income for the year			**7,557.24**
Profit for the year attributable to:			
Owners of the company			7,561.84
Other comprehensive income for the year attributable to:			
Owners of the company			(4.60)
Total comprehensive income for the year attributable to:			
Owners of the company			7,557.24
Earnings per share		39	
Basic earnings per share			65.05
Diluted earnings per share			65.05

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)

For and on behalf of the board

Anil Kumar Bansal
Chairman
DIN: 00232223

Ashish Bansal
Managing Director
DIN: 01543967

L. Mukundan
Partner
M.No.204372

Vijay Balakrishnan
Chief Financial Officer

K.Kumaravel
Director Finance & Company Secretary

Place : Chennai
Date : May 29, 2023

Place : Chennai
Date : May 29, 2023

Pondy Oxides And Chemicals Limited

Consolidated Statement of cash flows for the year ended March 31,2023

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

Particulars	**For the year ended March 31,2023**
Cash Flow From Operating Activities	
Profit before income tax	9,244.32
Adjustments for	
Depreciation and amortisation expense	1,109.17
(Profit)/ loss on sale of fixed asset	38.83
(Increase)/ decrease in fair value of investments	(0.85)
Interest income	(6.51)
Dividend income	(0.06)
Finance costs	684.25
Capital Reserve and CIRP Adjustment	(1,784.84)
Operating Profit before working capital changes	9,284.31
Change in operating assets and liabilities	
(Increase)/ decrease in other financial assets	(297.04)
(Increase)/ decrease in inventories	(1,479.79)
(Increase)/ decrease in trade receivables	(1,420.07)
(Increase)/ decrease in other assets	(1,153.61)
Increase/ (decrease) in provisions and other liabilities	4,676.70
Increase/ (decrease) in trade payables	144.76
Cash generated from operations	9,755.26
Less : Income taxes paid (net of refunds)	(1,906.77)
Net cash from operating activities (A)	**7,848.49**
Cash Flows From Investing Activities	
Purchase of PPE (including changes in CWIP)	(11,061.31)
Sale proceeds of PPE	48.43
(Investments in)/ Maturity of fixed deposits with banks	137.93
Dividend received	0.06
Interest received	7.34
Net cash used in investing activities (B)	**(10,867.55)**
Cash Flows From Financing Activities	
Proceeds from/ (repayment of) long term borrowings	(279.41)
Proceeds from/ (repayment of) short term borrowings	4,264.29
Finance costs	(684.25)
Dividend paid	(290.62)
Net cash from/ (used in) financing activities (C)	**3,010.01**
Net increase/decrease in cash and cash equivalents (A+B+C)	**(9.05)**
Cash and cash equivalents at the beginning of the financial year	74.96
Cash and cash equivalents at end of the year	**65.91**

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	64.48
- in EEFC Account	-
Cash on hand	1.43
	65.91

As per our report of even date attached

For and on behalf of the board

L. Mukundan and Associates
Chartered Accountants
(FRN No.010283S)

Anil Kumar Bansal
Chairman
DIN: 00232223

Ashish Bansal
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L. Mukundan
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Vijay Balakrishnan
Chief Financial Officer

K.Kumaravel
Director Finance & Company Secretary

Place : Chennai
Date : May 29, 2023

Place : Chennai
Date : May 29, 2023

Pondy Oxides And Chemicals Limited

Consolidated Statement of Changes in Equity for the year ended March 31,2023

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

(A) Equity Share Capital

Balance as at April 01, 2022	581.24
Changes in equity share capital during the year	581.24
Balance as at March 31, 2023	1,162.48

(B) Other Equity

Particulars	General Reserve	Securities Premium	Capital Reserve	Other comprehensive income	Retained Earnings	Total
Balance as at April 01,2022	**1,785.92**	**1,092.52**	**-**	**-**	**17,354.99**	**20,233.43**
Additions/ (deductions) during the year	490.00	(581.24)	-	4.60	(810.23)	(896.87)
Additions/ (deductions) on account of Business Combination	-	-	1,303.52	-	(2,883.95)	(1,580.43)
Total Comprehensive Income for the year	-	-	-	(4.60)	7,561.84	7,557.24
Balance as at March 31, 2023	**2,275.92**	**511.28**	**1,303.52**	**-**	**21,222.65**	**25,313.37**

The accompanying notes form an integral part of the financial statements

As per our Report of even date attached

For and on behalf of the board

For M/s. L. Mukundan and Associates
Chartered Accountants
(FRN No.010283S)

Anil Kumar Bansal
Chairman
DIN: 00232223

Ashish Bansal
Managing Director
DIN: 01543967

L. Mukundan
Partner
M.No.204372

Vijay Balakrishnan
Chief Financial Officer

K.Kumaravel
Director Finance & Company Secretary

Place : Chennai
Date : May 29, 2023

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Date : May 29, 2023

1 Group Information

The Consolidated Financial Statements comprise financial statements of Pondy Oxides And Chemicals Limited (“the parent Company” or “the Company”) and its subsidiaries (collectively, “the Group”).

The Principal Activities of the Group are converting scraps of various forms of Lead, Alumnium and Copper into Lead Metal, Aluminium Metal, Copper and its Alloys. The company carries out smelting of Lead Battery scrap to produce secondary lead metal which is further transformed into Pure lead and Specific Lead Alloys. Further the Group also manufactures Zinc metal and Zinc Oxide.

2 Basis of preparation of financial statements

Statement of compliance

These financial statements are the separate financial statements of the Company (also called Consolidated financial statements) prepared in accordance with Indian Accounting Standards (“Ind AS”) notified under Section 133 of the Companies Act, 2013 (“the Act”) read together with the Companies (Indian Accounting Standards) Rules, 2015 (as amended). The financial statements have also been prepared in accordance with the relevant resentation requirements of the Act.

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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 Group’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 May 29, 2023.

2A Critical accounting estimates and management judgments

In application of the accounting policies, which are described in note 2, the management of the Group 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 computations 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.

Principles of Consolidation
The Consolidated financial statements relate to the Parent Company and its Subsidiaries. The Consolidated financial statements have been prepared on the following basis:

The financial statements of the Parent Company and its Subsidiaries have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating material intra-group balances, intragroup transactions and resulting unrealised profits or losses, unless cost cannot be recovered.

The Consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances are presented to the extent possible, in the same manner as the Parent Company's standalone financial statements.

The details of the companies considered in the preparation of the consolidated financial statements are given below

Subsidiary companies	Country of Incorporation	Ownership Interest as at March 31, 2023
POCL Future Tech Private Limited	India	100%
Harsha Exito Engineering Private Limited	India	100%

3 Significant Accounting Policies

a) Current versus non-current classification
The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

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

All other assets are classified as non-current.

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

All other liabilities are classified as non-current.

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

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

b) Fair value measurement
The Group 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 Group.

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

c) Revenue Recognition
Sale of goods

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

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

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

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

Export entitlements
In respect of the exports made by the Group, 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 Group 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 Group's right to receive dividend is established by the reporting date, which is generally when shareholders approve the dividend.

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

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

Presentation
Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

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 Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

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

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

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

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

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

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

e) Depreciation on property, plant and equipment

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

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

Depreciation for PPE on additions is calculated on pro-rata basis from the date of such additions. For deletion/ disposals, the depreciation is calculated on pro-rata basis up to the date on which such assets have been discarded/ sold. Additions to fixed assets, costing Rs.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

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

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

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

Useful life and amortisation of intangible assets

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

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

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

Subsequent cost and measurement

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

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

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

g) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost, including related transaction costs. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

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 Group 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.

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

Though the Group 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 Group'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) W**ork-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 initially recognised 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 Group 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 Group 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 Group 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 Group 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 Group 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 under scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. Where the Group 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 Group 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 Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group 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 Group continues to recognise the transferred asset to the extent of the Group’s continuing involvement. In that case, the Group 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 Group 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 Group could be required to repay.

Impairment of financial assets
In accordance with Ind AS 109, the Group 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 115.

The Group 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 Group 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 Group 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 Group 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 Group 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 Group 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 Group 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.
Name of the financial asset	**Impairment Testing Methodology**
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 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 Group'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 Group 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 Group 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 Group 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 Group 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 Group 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 Group 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 profit or loss. 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 Group 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 Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group 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 Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

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

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

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

j) Foreign currency transactions and translations
Transactions and balances
Transactions in foreign currencies are initially recorded by the Group at the functional currency spot rates at the date at which the transaction first qualifies for recognition. However, for practical reasons, the Group 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 Group 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 Group 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 Group which are outstanding during the period, other than borrowings made specifically towards purchase of the qualifying asset. The amount of borrowing cost that the Group 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 Group 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 Group will pay normal Income tax and it is highly probable that future economic benefits associated with it will flow to the Group during the specified period. The Group 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 Group will pay normal Income tax during the specified period.

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

Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences.

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

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

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

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

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

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

n) Retirement and other employee benefits

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

Defined contribution plans
Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group 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 Group operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

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

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

Compensated absences
The Group 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 Group in respect of services provided by the employees up to the reporting date.

o) Leases

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

A lease that transfers substantially all the risks and rewards incidental to ownership to the Group 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 Group'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 Group 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 Group 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 Group 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 Group 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 to 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 Group 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 Group discloses a brief description of the nature of the contingent assets at the end of the reporting period, and, where practicable, an estimate of their financial effect.

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

r) Cash and cash equivalents

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

s) Cash Flow Statement

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

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

t) Earnings per share

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

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

u) Business Combination

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

The consideration transferred in the acquisition and the identifiable assets acquired and liabilities assumed are recognised at fair values on their acquisition date. Goodwill is initially measured at cost being the excess of aggregate consideration transferred over the net identifiable assets and liabilities. Any gain on a bargain purchase is recognised in the OCI and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, then gain on a bargain purchase is recognised directly in equity as capital reserve. Transaction costs are recognised in profit & loss account.

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

4 a) Property, plant and equipment

Particulars	Tangible Assets											Intangible Assets
	Owned Assets									Right of Use Asset	Total	
	Free hold Land	Buildings	Plant and Equipment	Lab Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Electrical Fittings	Sub Total	Leasehold Land		
Deemed Cost as at April 1, 2021	**719.10**	**2,575.18**	**2,558.20**	**119.14**	**164.66**	**130.67**	**172.13**	**313.82**	**6,752.90**	**237.82**	**6,990.72**	**159.06**
Additions	-	417.92	849.44	-	14.85	196.48	31.41	91.49	1,601.59	-	1,601.59	1.30
Disposals	-	-	(64.36)	-	-	(2.83)	(11.84)	-	(79.03)	-	(79.03)	-
Cost as at March 31, 2022	**719.10**	**2,993.10**	**3,343.28**	**119.14**	**179.51**	**324.32**	**191.70**	**405.31**	**8,275.46**	**237.82**	**8,513.28**	**160.36**
Additions	3,209.49	366.18	700.21	35.33	23.15	190.16	78.24	167.17	4,769.93	878.63	5,648.56	-
Acquisition through business combination (refer Note 51)	-	3,289.39	1,366.11	-	-	193.63	3.81	402.76	5,255.70	700.82	5,956.52	-
Disposals	-	-	(316.73)	(3.38)	(1.77)	(139.91)	(20.83)	(5.68)	(488.30)	-	(488.30)	-
Cost as at March 31, 2023	**3,928.59**	**6,648.67**	**5,092.87**	**151.09**	**200.89**	**568.20**	**252.92**	**969.56**	**17,812.79**	**1,817.27**	**19,630.06**	**160.36**
Depreciation/Amortisation												
As at March 31, 2021	**-**	**768.00**	**1,295.21**	**87.87**	**119.92**	**88.32**	**136.31**	**178.27**	**2,673.90**	**13.05**	**2,686.95**	**65.17**
Charge for the year	-	195.34	546.86	7.64	23.56	23.63	29.78	49.26	876.07	2.61	878.68	19.97
Disposals	-	-	(47.89)	-	-	(2.30)	(10.72)	-	(60.91)	-	(60.91)	-
As at March 31, 2022	**-**	**963.34**	**1,794.18**	**95.51**	**143.48**	**109.65**	**155.37**	**227.53**	**3,489.06**	**15.66**	**3,504.72**	**85.14**
Charge for the year	-	272.43	593.62	8.28	18.86	80.97	32.05	78.57	1,084.78	10.40	1,095.18	14.00
Acquisition through business combination (refer Note 51)	-	-	1,154.87	-	-	169.62	3.79	288.08	1,616.36	-	1,616.36	-
Disposals	-	-	(246.98)	(2.67)	(1.45)	(107.68)	(18.88)	(4.35)	(382.01)	-	(382.01)	-
As at March 31, 2023	**-**	**1,235.77**	**3,295.69**	**101.12**	**160.89**	**252.56**	**172.33**	**589.83**	**5,808.19**	**26.06**	**5,834.25**	**99.14**
Net Block												
As at April 1, 2021	719.10	1,807.18	1,262.99	31.27	44.74	42.35	35.82	135.55	4,079.00	224.77	4,303.77	93.89
As at March 31, 2022	719.10	2,029.76	1,549.10	23.63	36.03	214.67	36.33	177.78	4,786.40	222.16	5,008.56	75.22
As at March 31, 2023	3,928.59	5,412.90	1,797.18	49.97	40.00	315.64	80.59	379.73	12,004.60	1,791.21	13,795.81	61.22

Disposals during the current year include property, plant and equipment classified as assets held for sale. Refer note 14.

b) Capital work-in-progress

Capital work-in-progress as at March 31, 2023 is Rs. 1166.73 Lakhs

Ageing for capital work-in-progress groupwise as at March 31, 2023 is as follows

Particulars	Amount in work-in-progress for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	1,166.73	-	-	-	1,166.73
Projects temporarily suspended	-	-	-	-	-
Total	1,166.73	-	-	-	1,166.73

c) Title deeds of Immovable Properties not held in name of the Group as at March 31, 2023

Title deeds of Immovable Properties not held in name of the Group as at March 31, 2023

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the Group
Property, plant and equipment	Freehold land held at Plot 78C Industrial park, Gajulamandayam, Chittoor, Andhra Pradesh	293.15	Vedam Drugs Private Limited / Meloy Metals Private Limited	No	April 01, 2019	The said transfer was pursuant to the Amalgamation as approved by Honourable NCLT, Chennai vide order dated 21st February 2020.

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

		As at March 31,2023
5	**Goodwill**	
	Acquisitions through business combination	965.46
		965.46
6	**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 2,000) of Rs.10 each in Amararaja Batteries Ltd, fully paid	11.58
		11.58
	Total non-current investments	
	Aggregate amount of quoted investments	11.58
	Aggregate market value of quoted investments	11.58
	Aggregate cost of unquoted investments	-
	Aggregate amount of impairment in value of investments	-
7	**Other non-current financial assets**	
	(Unsecured, considered good)	
	Fixed Deposits (maturing after 12 months from end of reporting date)*	13.25
	Security deposits	359.90
		373.15

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

8	**Deferred Tax Asset / (Liability) - Net**	
	Deferred Tax Asset	
	On Fixed Assets	371.66
	On expenses allowed under Income Tax on payment basis	19.10
	Net deferred tax asset / (liability)	**390.76**
9	**Other non-current assets**	
	Advance income tax (net of provision for tax)	9.10
	Capital Advances	387.14
		396.24
10	**Inventories**	
	Raw materials	6,898.26
	Work-in-progress	2,741.33
	Finished goods	2,786.68

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

	As at March 31,2023
Inventory comprise of	
Raw Materials	
Lead in all forms	5,202.73
Others	1,695.53
	6,898.26
Work in progress	
Lead in all forms	2,672.33
Others	69.00
	2,741.33
Finished Goods	
Lead Ingots	365.83
Lead Alloys	1,506.70
Others	914.15
	2,786.68

11 Trade receivables

Considered good - Secured	55.20
Considered good - Unsecured	10,099.56
	10,154.76

Ageing for trade receivables – current outstanding as at March 31, 2023 is as follows :

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than Six Months	6 Months – 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) Undisputed Trade receivables – considered good	9,369.56	785.08	-	0.12	-	-	10,154.76
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	9,369.56	785.08	-	0.12	-	-	10,154.76

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

		As at March 31,2023
12	**Cash and cash equivalents**	
	Cash in hand	1.43
	Balances with banks	
	In current accounts	64.48
	In EEFC account	-
		65.91
13	**Other Bank Balances**	
	In earmarked accounts	
	Unpaid dividend accounts	12.04
		12.04
14	**Asset held for sale**	
	Vehicles	19.00
		19.00
15	**Other current assets**	
	GST / Rebate Receivables	2,057.26
	Interest accrued on Deposits	3.09
	Prepaid expenses	43.82
	Balances with government authorities	62.41
	Advances to Employees	12.58
	Others - Suppliers Advance (including for expenses)	1,627.20
	Other current assets	4.70
		3,811.06
16	**Capital**	
	Authorised Share Capital	
	2,01,50,000 (2,01,50,000) Equity shares of Rs. 10 each	2,015.00
		2,015.00
	Issued Share Capital	
	1,16,24,780 (58,12,390) Equity shares of Rs. 10 each	1,162.48
		1,162.48
	Subscribed and fully paid up share capital	
	1,16,24,780 (58,12,390) Equity shares of Rs. 10 each	1,162.48
		1,162.48

Notes:

(a)	**Reconciliation of number of equity shares subscribed**	
	Balance as at the beginning of the year	58,12,390
	Add: Issued on account of Bonus issue	58,12,390
	Balance at the end of the year	**1,16,24,780**

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

As at March 31,2023

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

Name of the share holder	March 31,2023	
	No of shares	%
Ashish Bansal	17,17,924	14.78%
Anil Kumar Bansal	12,53,622	10.78%
Manju Bansal	10,95,254	9.42%
R.P.Bansal #	-	0.00%
Saroj Bansal #	13,58,240	11.68%

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

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

During the current year, the Parent Company has issued and allotted 58,12,390 fully paid up Bonus Equity shares of Rs. 10 each in the ratio of 1:1 (i.e. 1 Bonus Equity share for every 1 existing equity share of the Company) to the shareholders who held shares on September 29, 2022 (Record date). Accordingly the Parent Company's paid up share capital have increased from 58,12,390 Equity Shares of Rs. 10/- each to 1,16,24,780 Equity Shares of Rs. 10/- each. These Bonus Equity Shares are ranking pari-passu in all respects and carry the same rights as that of the existing Equity Shares.

(d) **Disclosure of shareholding of promoters as at 31st March, 2023 is as follows**

Name of the share holder	March 31,2023	
	No of shares	%
Ashish Bansal	17,17,924	14.78%
Anil Kumar Bansal	12,53,622	10.78%
Manju Bansal	10,95,254	9.42%
Saroj Bansal #	13,58,240	11.68%
Pawankumar Bansal	2,46,580	2.12%
Megha Choudhari	11,136	0.10%
Total	56,82,756	

Transmission of shares to the family members due to the Demise of Shri. R.P. Bansal.

17 Other Equity

General reserve 2,275.92

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

	As at March 31,2023
Securities Premium	511.28
Capital Reserve	1,303.52
Retained Earnings	21,222.65
Other comprehensive income	-
	25,313.37
a) General reserve	
Balance at the beginning of the year	1,785.92
Additions during the year	490.00
Balance at the end of the year	**2,275.92**
b) Securities Premium	
Balance at the beginning and end of the year	1,092.52
Deductions/Adjustments during the year	(581.24)
Balance at the end of the year	**511.28**
c) Capital Reserve	
Balance at the beginning and end of the year	-
Additions/ (deductions) on account of Business Combination	1,303.52
Deductions/Adjustments during the year	-
Balance at the end of the year	**1,303.52**
d) Retained Earnings	
Opening balance	17,354.99
Net profit for the period	7,561.84
Additions/ (deductions) on account of Business Combination	(2,883.95)
Transfer from Other Comprehensive Income	(4.60)
Transfers to General Reserve	(490.00)
Excess/(Short) provision for taxes reversed	(25.01)
Dividend paid (including tax on dividends)	(290.62)
Closing balance	**21,222.65**
e) Other comprehensive income	
Opening balance	-
Additions during the year	(4.60)
Deductions/Adjustments during the year	4.60
Closing balance	**-**

18 Long Term Borrowings

Secured *	
From Banks	127.43

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

		As at March 31,2023
	Unsecured Loans	
	From Related Parties **	500.00
	Less: Current maturities of Long Term Debt (refer Note 22)	(29.41)
		598.02

* Refer Note 45 for repayment terms and security details
** Represents loan from Directors

19	**Lease Liability**	
	Building	764.92
		764.92

The average incremental borrowing rate applied to lease liabilities during the year is 8.75%

20	**Provisions (Non-current)**	
	Provision for Employee Benefits	
	Gratuity	19.93
	Compensated absences	40.44
		60.37
21	**Other non-current Liabilities**	
	Deferred Government Grants	17.32
		17.32
22	**Current liabilities - Financial Liabilities: Borrowings**	
	Secured	
	Loans repayable on Demand	
	From banks	
	Rupee Loans	12,550.59
	Foreign Currency Loans	887.19
	Current maturities of long-term debt	29.41
	Unsecured	
	Loans from directors	527.06
	Inter Corporate Deposits	110.49
		14,104.74

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. 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 10% payable annually, repayable as per the terms of repayment agreed.

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

		As at March 31,2023
23	**Lease Liability**	
	Building	113.72
		113.72

The average incremental borrowing rate applied to lease liabilities during the year is 8.75%

24	**Trade payables**	
	Dues to Micro and Small enterprises *	139.08
	Dues to Creditors other than Micro and Small enterprises	790.45
		929.53

* Dues to Micro and Small Enterprises have been

Ageing for trade payables – current outstanding as at March 31, 2023 is as follows :

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than one Year	1-2 Years	2-3 Years	More than 3 Years	
i) MSME	101.11	37.97	-	-	-	139.08
ii) Others	496.13	227.22	3.93	1.56	-	728.84
iii) Disputed dues– MSME	-	-	-	-	-	-
iv) Disputed dues– Others	-	-	-	-	-	-
v) Accrued Expenses	61.61	-	-	-	-	61.61
Total	658.85	265.19	3.93	1.56	-	929.53

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

		As at March 31,2023
25	**Other current financial liabilities**	
	Forward Contract Payable	13.25
	Unpaid/Unclaimed dividends	11.96
	Unclaimed Fractional Shares dividends	0.08
		25.29
26	**Provisions (Current)**	
	Provision for Tax (net of advance tax and TDS)	17.26
	Provision for employee benefits	
	Gratuity	6.20
	Compensated absences	8.70
		32.16
27	**Other current liabilities**	
	Statutory Dues Payable	100.75
	Employee benefits payable	140.86
	Advance and deposits from customers	2,568.09
	Deferred Government Grants	6.62
	Current account credit balance	1,309.55
	Other payables	58.32
		4,184.19

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

		For the year ended March 31,2023
28	**Revenue from operations**	
	Sale of Products	
	Manufactured Goods	1,43,576.15
	Traded Goods	2,377.52
	Sale of Services	
	Conversion Charges Received	1,593.31
		1,47,546.98
	Other Operating Revenue	71.11
		1,47,618.09
	Details of Manufactured and Traded Goods	
	i. Manufactured Goods:	
	Metals	1,42,641.31
	Others	934.84
		1,43,576.15
	ii. Traded Goods	
	Metals	1,876.88
	Others	500.64
		2,377.52
29	**Other income**	
	Interest receipts	6.51
	MTM gain on forward contacts	43.86
	Incomed from Subsidy	6.62
	Gain on foreign exchange fluctuation (net)	334.62
	Miscellaneous income	35.67
		427.28
30	**Cost of materials consumed**	
	Opening inventory of raw materials	6,741.04
	Add : Purchases	1,28,623.81
	Less : Closing inventory of raw materials	(6,898.26)
	Add: (Gain)/Deficit in Hedging operations of price of raw materials	(203.17)
		1,28,263.42
31	**Purchases of Stock in Trade**	
	Metals - with Hedging adjustment	1,737.63
	Others	576.94
		2,314.57
32	**Changes in inventories of work-in-progress, stock in trade and finished goods**	
	Opening Balance	
	Work-in-progress	1,787.64
	Finished goods	3,486.49
	Stock in trade	-
		5,274.13
	Closing Balance	
	Work-in-progress	2,741.33
	Finished goods	2,787.75
	Stock in trade	114.74
		5,643.82
	Net (increase)/decrease in inventories	**(369.69)**
33	**Employee benefits expense**	
	Salaries and wages	1,954.21
	Contribution to provident and other funds	128.11
	Staff welfare expenses	190.61
		2,272.93

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

		For the year ended March 31,2023
34	**Finance Cost**	
	Interest on Bank Borrowings	544.37
	Interest on Others	139.88
		684.25
35	**Depreciation and amortisation expense**	
	Depreciation on Property, Plant and Equipment	1,095.16
	Amortisation of Intangible Assets	14.01
		1,109.17
36	**Other expenses**	
	Power and Fuel	3,127.42
	Consumption of Packing Materials	64.75
	Environmental Control Expenses	603.09
	Conversion Charges	62.66
	Contract Wages	390.19
	Repairs and Maintenance	
	Buildings	92.74
	Plant and Machinery	662.92
	Vehicles	25.40
	Others	35.45
	Factory expenses	216.38
	Freight and Forwarding	1,162.92
	Insurance	66.16
	Laboratory Expenses	19.74
	Legal and professional charges	87.23
	Merger Expenses	-
	Payments to Auditors [refer note 36 (a)]	22.12
	Communication expenses	25.97
	Printing and Stationery	10.77
	Rates and Taxes	75.36
	Rent	117.94
	Advertisement and business promotion	36.36
	Sales Commission	166.60
	Travelling and Conveyance	77.13
	MTM loss on forward contract	-
	Loss on foreign exchange fluctuation (net)	-
	Loss on fixed assets sold / scrapped / written off	38.83
	Bank charges	142.23
	Expenditure on Corporate Social Responsibility [refer note 36 (b)]	65.70
	Miscellaneous Expenses	38.35
		7,434.41
36 (a)	**Payment to auditors**	
	Statutory Audit fees	16.00
	Taxation fee	3.00
	Limited Review Audit	1.30
	Other Certifications	1.82
		22.12

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

For the year ended March 31,2023

36 (b) Expenditure on Corporate Social Responsibility

Particulars	Year ended March 31, 2023
Amount required to be spent by the Group during the year	66.17
Excess amount spent in previous year	0.49
Total amount to be spent during the year	65.68
Amount of expenditure incurred on:	-
(i) Construction/ acquisition of any asset	-
(ii) On purposes other than (i) above	65.70
Excess spent during the year	0.02
Shortfall at the end of the year	-
Total of previous years shortfall	-
Reason for shortfall	NA
Nature of CSR activities	Activities menitoned under Schedule VII of the Companies Act 2013 viz. Disaster management, Rural Infrastructure Development, reducing inequalities faced by socially and economically backward groups, etc.
Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard	NA

37 Exceptional items

Extinguishment of trade payables, current financial liabilities, non current liabilities and short term borrowings	(7,681.10)
Irrecoverable Advance/ deposits/ receivables/current assets	2,172.87
Property, Plant & Equipment written off	2,542.28
CIRP expenses	57.94
	(2,908.01)

38 Income tax expense

(a) Income tax expense

Current tax	
Current tax on profits for the year	1,704.76
MAT Paid	-
Total current tax expense	**1,704.76**
Deferred tax	
Deferred tax adjustments	(22.28)
Total deferred tax expense/(benefit)	**(22.28)**
Income tax expense	**1,682.48**

b) The income tax expense for the

Profit before tax from continuing operations	9,244.32
Income tax expense calculated at 25.168%	2,326.61
Effect of expenses/income that are not deductible/taxable in determining taxable profit	(621.85)
Income tax expense	**1,704.76**

c) Income tax recognised in other comprehensive income

Deferred tax	
Remeasurement of defined benefit obligation	1.55
Total income tax recognised in other comprehensive income	1.55

For the year ended March 31,2023

d) Movement of deferred tax expense for the year ended March 31,2023

Deferred tax (liabilities)/assets in relation to:	**Opening balance**	**Additions/ (deductions) on account of Business Combination**	**Recognised in profit or loss**	**Recognised in Other comprehensive income**	**Closing balance**
Property, plant, and equipment and Intangible Assets	158.93	204.41	8.31	-	371.65
Expenses allowable on payment basis under the Income Tax Act	3.58	-	13.98	1.55	19.11
Total	162.51	204.41	22.29	1.55	390.76

39 Earnings per share

	For the year ended March 31,2023
Profit for the year attributable to owners of the Group	7,561.84
Weighted average number of ordinary shares outstanding	1,16,24,780
Basic earnings per share (Rs)	65.05
Diluted earnings per share (Rs)	65.05

40 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 31,2023**	
	Rs. In Lakhs	Percentage (%)
Raw Materials		
Imported	95,581.88	75.00
Others	32,681.54	25.00
	1,28,263.42	**100.00**

41 Remittance in foreign currency on account of dividend

Particulars	**For the year ended March 31,2023**
Amount Remitted as Dividend	-

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

Particulars	**Year ended March 31,2023**
(a) The principal amount remaining unpaid at the end of the year	139.08
(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 Group.

43 Commitments and contingent liability

Particulars	**Year ended March 31,2023**
Contingent Liability	
Performance/ Finance Guarantees	
Liability in respect of Letter of Credit/ Bank Guarantee Opened	13.25
Guanrantee given for Bank Loan to Subsidiary	2,800.00
Commitments	
Estimated amount of contracts remaining to be executed on capital account and not provided for	261.81

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

For the year ended March 31,2023

44 Operating Segments

The operations of the Group 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

Particulars	**Year ended March 31,2023**
India	64,366.67
Rest of the world	83,251.42
Total	**1,47,618.09**

(b) Non current assets

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

(c) Information about major customers

Particulars	**Year ended March 31,2023**
Number of external customers each contributing more than 10% of total revenue	3
Total revenue from the above customers	1,06,967.42

45 Terms and conditions of long term borrowings

Financial Institution	**Loan Outstanding**	**Tenor**	**Repayment Commences from**	**Security**	**Guarantee**
HDFC Bank	127.43 (154.93)	60 Months	March, 2022	First Charge on Vehicle Purchased	Nil

The above loans carry interest @ 6.75%
(Figures in brackets represent previous year numbers)

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

46 Financial instruments

Capital management

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

The Group 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 Group's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders.

Gearing Ratio:	**March 31,2023**
Debt	627.43
Less: Cash and bank balances	77.95
Net debt	549.48
Total equity	26,475.85
Gearing ratio (%)	2.08%

Categories of Financial Instruments	**March 31,2023**
Financial assets	
a. Measured at amortised cost	
Other non-current financial assets	373.15
Trade receivables	10,154.76
Cash and cash equivalents	65.91
Bank balances other than above	12.04
b. Mandatorily measured at FVTPL	
Investments	11.58
Derivative instruments	-
Financial liabilities	
a. Measured at amortised cost	
Borrowings (non-current)	598.02
Borrowings (current)	14,104.74
Trade payables	929.53
Other financial liabilities	12.04
b. Mandatorily measured at FVTPL	
Derivative instruments	13.25

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 Group 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 Group'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 Group 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 Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Group 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 Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Group 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 Group to enter into forward foreign exchange contracts to cover (a) repayments of specific foreign currency borrowings; (b) the risk associated with anticipated sales and purchase transactions, taking into account the natural hedging on imports & exports and cost of currency to be recovered from the customers as per Sale Contract.

Disclosure of hedged and unhedged foreign currency exposure
The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

As on March 31,2023

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	0.76	-	0.76	70.77	-	70.77	70.01
In INR	62.56	-	62.56	5,815.09	-	5,815.09	5,752.53

Foreign currency sensitivity analysis
Movement in the functional currencies of the various operations of the Group against major foreign currencies may impact the Group's revenues from its operations. Any weakening of the functional currency may impact the Group's cost of imports and cost of borrowings and consequently may increase the cost of financing the Group'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 Group is exposed to interest rate risk because it borrow funds at both fixed and floating interest rates. The risk is managed by the Group 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 Group 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 Rs. 20.51 Lakhs for the year (Previous INR 28.41 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 Group 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 Group 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 Group has credit evaluation policy for each customer and, based on the evaluation, credit limit of each customer is defined. Wherever the Group assesses the credit risk as high, the exposure is backed by either bank, guarantee/letter of credit or security deposits.

The Group does not have higher concentration of credit risks to a single customer. As per simplified approach, the Group 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.

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

(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 Group 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 Group 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. Group 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 Group 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 Group invests its surplus funds in bank fixed deposit and mutual funds, which carry minimal mark to market risks. The Group 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 Group'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 Group can be required to pay.

March 31,2023	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
Trade payables	924.04	5.49	-	929.53
Borrowings (including interest accrued thereon upto the reporting date)	29.41	598.02	-	627.43
	953.45	**603.51**	**-**	**1,556.96**

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

47 Related party disclosure

a) List of parties having significant influence

Entities in which directors/relatives are interested	Metier Enterprises (India) Private Limited
Employees Trusts where there is significant influence	Pondy Oxides and Chemicals Limited Group Gratuity Trust
Key management personnel (KMP)	
Mr. Anil Kumar Bansal	Chairman
Mr. Ashish Bansal	Managing Director
Mr. K Kumaravel	Director Finance & Company Secretary
Ms. Usha Sankar	Chief Financial Officer (upto August 09, 2022)
Mr. Vijay Balakrishnan	Chief Financial Officer (from August 10, 2022)
Relative of Key Management personnel	
Ms. K Mahalakshmi	Wife of Mr. K.Kumaravel
Mr. Sri Sabarish S	Son of Ms. Usha Sankar

b) Transactions during the year

S.No.	Nature of transactions	Year ended March 31,2023
1	Metier Enterprises (India) Private Limited	
	Interest Paid	6.86
	Loan taken	119.27
	Loans repaid	128.23
	Purchase	68.26
2	Mr. Anil Kumar Bansal	
	Interest Paid	73.31
	Remuneration paid	108.71
	Loans taken	368.00
	Loans repaid	51.12
3	Mr. Ashish Bansal	
	Interest Paid	59.70
	Remuneration paid	234.57
	Loans taken	199.00
	Loans repaid	1,546.41
4	Mr.K Kumaravel	
	Remuneration paid	40.94
5	Ms.Usha Sankar	
	Professional charges/remuneration paid	2.00
6	Mr. Sri Sabarish S	
	Remuneration paid	9.57
7	Ms. K Mahalakshmi	
	Professional charges paid	6.00
8	Mr. Vijay Balakrishnan	
	Remuneration paid	27.30
9	Pondy Oxides and Chemicals Limited Group Gratuity Trust	
	Contribution to Gratuity Trust	11.60

c) Balances at the end of the year

S.No.	Particulars	As at March 31,2023
	Loans	
1	Mr. Anil Kumar Bansal	825.93
2	Mr. Ashish Bansal	201.13
3	Metier Enterprises (India) Private Limited	110.49

48 Retirement benefit plans

Defined contribution plans

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

The total expense recognised in profit or loss of Rs 128.11 Lakhs (previous year Rs. 120.36 Lakhs) represents contribution paid to these plans by the Group 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 Group 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 31,2023**
Discount Rate	7.25%
Rate of increase in compensation level	7.00%
Expected Average Remaining Working Lives of Employees (years)	28.48

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 31,2023** **Rs. Lakhs**
Amount recognised under Employee Benefits Expense in the Statement of profit and Loss:	
Current service cost	13.88
Net interest expense	9.74
Return on plan assets (excluding amounts included in net interest expense)	(9.08)
Components of defined benefit costs recognised in profit or loss	**14.54**
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	6.15
Components of defined benefit costs recognised in other comprehensive income	**6.15**
	20.69

The amount included in the balance sheet arising from the Group's obligation in respect of its defined benefit plans is as follows:	**March 31,2023 Rs. Lakhs**
Present value of defined benefit obligation	158.27
Fair value of plan assets	(132.14)
Net liability/ (asset) arising from defined benefit	**26.13**
Funded	-
Unfunded	26.13
	26.13

The above provisions are reflected under 'Provision for employee benefits- gratuity' (long-term provisions) [Refer note 20 & 26].

Movements in the present value of the defined benefit obligation in the current year were as follows:	
Opening defined benefit obligation	135.96
Current service cost	13.88
Interest cost	9.74
Actuarial (gains)/losses	6.16
Benefits paid	(7.47)
Closing defined benefit obligation	**158.27**

Movements in the fair value of the plan assets in the current year were as follows:	
Opening fair value of plan assets	121.74
Return on plan assets	7.56
Contributions	10.31
Benefits paid	(7.47)
Actuarial gains/(loss)	-
Closing fair value of plan assets	**132.14**

Sensitivity analysis

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

(b) Compensated absences

The expected cost of accumulating compensated absences is determined at each balance sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date is Rs.49.14 Lakhs (previous year Rs. 40.16 Lakhs). Expense recognised during the year is Rs.13.53 Lakhs (previous year Rs. 33.05 Lakhs).

49 Business Combination - Summary of acquisition

Harsha Exito Engineering Private Limited has undergone proceedings under Corporate Insolvency Resolution Process (CIRP) as per the Insolvency and Bankruptcy Code, 2016 (IBC). Pursuant to the Resolution Plan submitted by Pondy Oxides and Chemicals Limited the Hon'ble National Company Law Tribunal, Chennai bench, in their order dated 12th January 2023 vide IA/248/CHE/2022 approved the Resolution Plan

Based on the above approval, CIRP of the Company has concluded and the said Resolution plan has been implemented by the Monitoring Committee and the management of the Company has been handed over to the RA (Pondy Oxides and Chemicals Limited) by the Monitoring Committee w.e.f. 12th March 2023

The following consequential impacts have been given effect in the books of accounts in accordance with approved resolution plan / Accounting Standards:

(i)The existing directors of the Corporate Debtor as on the date of NCLT order have stand replaced by the new Board of Directors from their office with effect from 12th January 2023 as detailed below:

(1) Mr. Ashish Bansal, Director

(2) Mr. K Kumaravel, Director

(3) Mr. Vijay Balakrishnan, Director

(ii) The Resolution Plan was approved by the Hon'ble NCLT based on the Expression of Interest given by the Resolution Applicant for a total consideration of Rs. 32.50 crores on the admitted claims as stated in tl Resolution Plan. Apart from the above, for acquiring 100% Equity Share Capital amounting to Rs. 50 Crores, the Resolution Applicant has paid a token amount of Rs. 100/- each to all four Shareholders (i.e. 50,00,000 Equity Shares @ Rs. 100/- each) as per the order of the NCLT.

As per the NCLT Order, post payment of the consideration of Rs. 32.50 crore to various stakeholders as approved in the Resolution plan, all the liabilities (secured/unsecured/operational creditors, etc.) shall stand

extinguished in the Financial Statements of Harsha Exito Engineering Private Limited and it has become wholly owned subsidiary of the Pondy Oxides and Chemicals Limited

Details of the purchase consideration, net assets acquired, and bargain purchase as on January 12, 2023 are as follows

Assets	Fair value as on acquisition date
Property, plant and equipment	4,321.14
Deferred Tax Asset (net)	204.41
Inventories	8.97
Asset classified as Held for sale	19.00
Total Assets (A)	4,553.52
Liabilities	
Liabilities & Payables	-
Total Liabilities (B)	-
Total identifiable net assets acquired at fair value (C) = (A) - (B)	4,553.52
Purchase Consideration (D)	3,250.00
Bargain purchase arising on acquisition (E) = (C) - (D)	1,303.52

50 Disclosure of additional information pertaining to the Parent Company, Subsidiaries and Joint ventures as per Schedule III of Companies Act, 2013

Name of Entities	Net Assets (Total Assets minus Total		Share in Profit or (Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of Consolidation	Amount	As a % of Consolidation	Amount	As a % of Consolidation	Amount	As a % of Consolidation	Amount
Parent								
Pondy Oxides and Chemicals Limited	80.95%	21,431.61	65.06%	4,920.12	100.00%	(4.60)	65.04%	4,915.52
Wholly Owned Subsdiary								
POCL Future Tech Private Limited	2.08%	550.35	-1.91%	(144.59)	-	-	-1.91%	(144.59)
Harsha Exito Engineering Private Limited	16.97%	4,493.89	36.85%	2,786.31	-	-	36.87%	2,786.31
Total	**100.00%**	**26,475.85**	**100.00%**	**7,561.84**	**100.00%**	**(4.60)**	**100.00%**	**7,557.24**

Note: The balances and amounts presented above are net of intercompany eliminations and consolidation adjustments.

51 Since POCL Future Tech Private Limited and Harsha Exito Engineering Private Limited has become subsidiaries only during this financial year, the corresponding consolidated figures were not reported for Year ended March 2022.

For and on behalf of the board

For M/s. L. Mukundan and Associates
Chartered Accountants
(FRN No.010283S)

Anil Kumar Bansal
Chairman
DIN: 00232223

Ashish Bansal
Managing Director
DIN: 01543967

L. Mukundan
Partner
M.No.204372

Vijay Balakrishnan
Chief Financial Officer

K.Kumaravel
Director Finance & Company Secretary

Place : Chennai
Date : May 29, 2023

Place : Chennai
Date : May 29, 2023

Flat No. 1,2, Kamala Arcade.
669, Mount Road,
Thousand Lights,
Chennai 600006
Ph: 044- 28291328, 9840145586
Email: lmaishere@gmail.com

INDEPENDENT AUDITOR'S REPORT

To the Members of Pondy Oxides and Chemicals Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Pondy Oxides And Chemicals Limited** ("the Company"), which comprise the balance sheet as at 31stMarch 2022, and the statement of Profit and Loss (including Other Comprehensive Income), the statement of cash flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31st March 2022, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

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

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Flat No. 1,2, Kamala Arcade.
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Based on the examination of books of account and explanations provided to us, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matters	How our audit addressed the key audit matter
Derivative financial instruments are used to manage and hedge foreign currency exchange risks and commodity risk. Derivatives are measured at fair value, and changes therein are generally recognized in profit or loss. The Company designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates. At inception of designated hedging relationships, the Company documents the risk management objective and strategy for undertaking the hedge. The Company also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other. We focused on this area on account of the number of contracts, their measurement, the complexity related to hedge accounting and the potential impact on the statement of profit and loss. As at 31 March 2022, the Company has net derivative financial liability at **fair value of Rs. 153.09 lakhs.** (Refer note no. 22)	Our procedures included: • We obtained an understanding of the risk management policies and testing key controls for the use, recognition and measurement of derivative financial instruments; • We reconciled derivative financial instruments data with third party confirmations; • We compared valuation of derivative financial instruments with market data; • We tested, on a sample basis, the applicability and accuracy of hedge accounting; and • We considered the appropriateness of disclosures in relation to financial risk management, derivative financial instruments and hedge accounting in **notes 22, 27 & 28** to the financial statements; Based on the procedures performed, the derivative financial instruments and hedge accounting are fairly stated in the financial statements.

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

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

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

In connection with our audit of the financial statements, our responsibility is to read the other Information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Responsibility of Management for Financial Statements

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of The Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act , we give in the **"Annexure A"**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on 31stMarch, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31stMarch, 2022 from being appointed as a director in terms of Section 164 (2) of the Act

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.

(g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

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

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

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

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) above, contain any material misstatement.

v. (a) The final dividend paid by the Company during the year ended 31 March 2022 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

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

Place: Chennai
Date: 27.05.2022

L Mukundan
Partner
Membership No. 204372
UDIN: 22204372AJTUII7718

Annexure – A to the Independent Auditor's Report

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

The annexure referred to in Para 1 under the heading of "Report on other Legal and Regulatory Requirements" of our report to the members of **PONDY OXIDES AND CHEMICALS LIMITED** of even date:

I. In respect of company's fixed assets:

a) (i) The Company has maintained proper records showing full particulars, including quantitative details and situation of Plant, property and equipment.

(ii) The Company has maintained proper records showing full particulars of intangible assets.

b) As per the information and explanation given to us, all the Property, plant and Equipment have been physically verified by the Company at reasonable intervals and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies as compared to book records were noticed on such verification.

c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered conveyance deed provided to us (other than properties where the company is the lessee and lease agreements are duly executed in favour of the lessee), we report that, the title deeds, comprising all the immovable properties of land and building which are freehold, are held in the name of the Company as at the balance sheet date, except the following: -

Description of the Property	**Gross Carrying value (Rs. In Lakhs)**	**Held in Name of**	**Whether promoter, director or their relative or employee**	**Period held- indicate range, where appropriate**	**Reason for not being held in the Name of the company**
Freehold land held at Plot 78C Industrial Park, Gajulamandayam, Chittoor, Andhra Pradesh	293.15	Vedam Drugs Private Limited / Meloy Metals Private Limited	No	Since April 01,2019	The title deeds are in the name of merged Company that yet to be transferred in the name of resulting Company pursuant to the amalgamation as approved by Honourable NCLT, Chennai vide order dated 21st February 2020.

d) According to information and explanation given to us and on basis of our examination of the records of the Company, the company has not revalued its property, plant and equipment (including Rights-of-use assets) or Intangible assets both during the year.

e) According to information and explanation given to us and on basis of our explanation of the records of the Company, there are no proceedings initiated or pending against the company for holding any benami property under the **"Prohibition of Benami Property Transaction Act 1988"** and rule made thereunder.

II. a) 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.

b) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has been sanctioned working capital limits in excess of five cores , in aggregate , from bank on the basis of security of current assets i.e. stocks and Debtors. In our opinion, the quarterly returns or statements filed by the Company with such bank are in agreement with the books of accounts of Company.

III. In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the company, the Company has not made any investments, provided guarantee or security or granted any advance in the nature of loans, secured or unsecured, to companies, firms, Limited liability partnership or any other parties during the year.

IV. In our opinion and according to the information and explanations given to us, the Company complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

V. The Company has not accepted any deposits or amounts which are deemed to be deposits during the year from the public, within the meaning of Section 73 to 76 or any other relevant provisions of the Act and Rules framed there under and does not have any unclaimed deposits as at March 31, 2022 and therefore, clause 3 (v) of the Order are not applicable to the Company.

VI. 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 Act in respect of its manufactured goods and services provided by it and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

VII. According to the information and explanations given to us, in respect of statutory dues:

a) In our opinion, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and service tax ("GST"), Provident fund, Employee's state Insurance, Income Tax, sales tax, service tax, Customs Duty, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities by the Company. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, **there are no statutory dues** referred in Sub-clause (a) which have not been deposited by the Company on account of disputes.

VIII. According to the information and explanation given to us and basis of our examination of the records, the Company has not surrendered or disclosed any transaction, previously unrecorded as income in the books of accounts, in tax assessments under the Income tax Act 1961 as income during the year.

IX. a) According to the information and explanation given to us and on basis of our examination of records, the Company has not defaulted in repayment of loans or borrowings or in the payment of interest thereon to any lender during the year.

b) According to the information and explanation given to us and representation received from the management of the Company, and on basis of our examination of records, the company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

c) In our opinion and according to the information and explanation given to us, the Company has utilized the money obtained by way of term loan during the year for the purpose for which they were obtained.

d) According to the information and explanation given to us, and the procedure performed by us, and on an overall examination of financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.

e) According to the information and explanation given to us and on an overall examination of the financial statements of the company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures. Company does not have any subsidiaries, associates or joint ventures.

f) According to the information and explanation given to us and procedures performed by us, we report that the company does not have any subsidiaries, associates or joint ventures, hence reporting under clause 3(ix)(f) of the order is not applicable.

X. a) The company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company

b) Accordingly, information and explanation given to us and on the basis of our examination of records, the company has not made any preferential allotments or private placement of shares or fully or partly convertible debentures during the year. Accordingly, reporting under clause 3(x) (b) of the order is not applicable to the Company.

XI. a) Based on examination of the books and records of the company and according to explanation given to us, considering the principles of materiality outlined in the standards of auditing, we report that no fraud by the company or on the company has been noticed or reported during the course of audit.

b) According to the information and explanation given to us, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by us in form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.

XII. The Company is not a Nidhi Company and hence, reporting under clause 3(xii) of the order is not applicable to the company.

XIII. In our opinion and according to the information and explanation given to us, the transactions with related parties are in compliance with section 177 and 188 of the Companies Act, 2013, where applicable and the details of the related party transaction have been disclosed in the financial statements as required Indian Accounting standards 24 "Related Party Disclosures" specified under section 133 of the Act.

XIV. a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

b) We have considered the internal audit reports of the Company issued till date for the period under audit.

XV. In our opinion and according to the information and explanation given to us, the company has not entered into any non-cash transaction with its directors or persons connected to it directors and hence, provision of section 192 of the companies Act, 2013 are not applicable to the company.

XVI. The company is not required to be registered under section 45-I of the Reserve Bank of India Act 1934 Accordingly, clause 3(xvi)(a), 3(xvi)(b) & 3(xvi)(c) of the Order is not applicable.

XVII. The Company has not incurred cash losses in the current and in the immediately preceding financial year.

XVIII. There is no resignation of statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

XIX. According to the information and explanations given to us and on basis of the financial ratios, ageing and expected dates of realisation of the financial assets and payment of financial liabilities , other information accompanying the financial statements , our knowledge of the Board of directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which cause us to believe that any material uncertainty exist as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of the balance sheet as and when they fall due within the period of one year from the balance sheet date. We, however, state that this not an assurance as to the future viability of the company, We further state that our reporting is based on the facts up to the date of audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the date of balance sheet date will get discharged by the Company as and when they fall due.

XX. In our opinion and according to information and explanation given to us, there is no unspent amount under the sub-section (5) of Section 135 pf the Companies Act 2013 pursuant to any project. Accordingly, clause 3(xx) (a) and 3(xx)(b) of the order are not applicable.

XXI. According to information and explanation given to us and based on our examination of books, the Company does not have any subsidiaries during the year under audit, hence the reporting under clause 3(xxi) of order is not applicable.

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

Place: Chennai
Date: 27.05.2022

L Mukundan
Partner
Membership No. 204372
UDIN: 22204372AJTUII7718

Flat No. 1,2, Kamala Arcade.
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Annexure - B to the Independent Auditors' Report

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

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

We have audited the Internal Financial Controls over financial reporting of **PONDY OXIDES AND CHEMICALS LIMITED** ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control over Financial Reporting issued by the ICAI.

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

Place: Chennai
Date: 27.05.2022

L Mukundan
Partner
Membership No. 204372
UDIN: 22204372AJTUII7718

Pondy Oxides And Chemicals Limited

Balance Sheet as at March 31,2022

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

	Notes	As at March 31,2022	As at March 31,2021
ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	5,008.56	4,303.77
(b) Capital work in progress	4	346.61	566.59
(c) Goodwill	5	965.46	965.46
(d) Intangible assets	4	75.22	93.89
(e) Financial assets			
(i) Investments	6	10.73	17.08
(ii) Other financial assets	7	76.11	78.47
(f) Deferred Tax Asset (net)	8	162.51	72.24
(g) Other non-current assets	9	124.76	114.33
Total non-current assets		**6,769.96**	**6,211.83**
Current assets			
(a) Inventories	10	14,602.60	12,355.27
(b) Financial assets			
(i) Trade receivables	11	8,734.69	10,881.02
(ii) Cash and cash equivalents	12	74.96	12.55
(iii) Bank balances other than above	13	149.97	73.11
(c) Other current assets	14	2,677.28	2,378.92
Total current assets		**26,239.50**	**25,700.87**
Total Assets		**33,009.46**	**31,912.70**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	15	581.24	581.24
(b) Other equity	16	20,233.43	15,551.05
Total equity		**20,814.67**	**16,132.29**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	877.43	1,966.38
(b) Provisions	18	42.30	35.17
(c) Other liabilities	19	21.42	30.57
Total non-current liabilities		**941.15**	**2,032.12**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	20	9,840.45	12,584.33
(ii) Trade payables			
- Dues to Micro and Small enterprises		59.95	98.63
- Dues to Creditors other than Micro and Small enterprises	21	724.82	694.44
(iii) Other financial liabilities	22	164.85	74.21
(b) Provisions	23	206.38	5.70
(c) Other current liabilities	24	257.19	290.98
Total current liabilities		**11,253.64**	**13,748.29**
Total liabilities		**12,194.79**	**15,780.41**
Total Equity and Liabilities		**33,009.46**	**31,912.70**

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For and on behalf of the board

For M/s. L. Mukundan and Associates
Chartered Accountants
(FRN No.010283S)

Anil Kumar Bansal
Chairman
DIN: 00232223

Ashish Bansal
Managing Director
DIN: 01543967

L. Mukundan
Partner
M.No.204372

Usha Sankar
Chief Financial Officer

K.Kumaravel
Director Finance & Company Secretary
DIN: 00664405

Place : Chennai
Date : May 27, 2022

Place : Chennai
Date : May 27, 2022

Pondy Oxides And Chemicals Limited

Statement of profit and loss for the year ended March 31,2022

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

	Notes	For the year ended March 31,2022	For the year ended March 31,2021
Continuing Operations			
A Income			
(a) Revenue from operations	25	1,45,480.10	1,00,427.16
(b) Other income	26	463.17	331.94
Total income		**1,45,943.27**	**1,00,759.10**
B Expenses			
(a) Cost of materials consumed	27	1,24,327.30	87,157.84
(b) Purchases of Stock in Trade	28	8,292.09	4,392.10
(c) Changes in inventories of finished goods and WIP	29	(3,082.99)	1,679.90
(d) Employee benefits expense	30	1,995.85	1,647.42
(e) Finance costs	31	844.32	451.49
(f) Depreciation and amortisation expense	32	898.66	839.22
(g) Other expenses	33	6,232.39	3,213.63
Total expenses		**1,39,507.62**	**99,381.60**
C Profit before exceptional items and tax		**6,435.65**	**1,377.50**
Exceptional items		-	-
D Profit before tax from continuing operations		6,435.65	1,377.50
Tax expense	34		
(a) Current tax		1,704.95	369.75
(b) Deferred tax charge/ (credit)		(94.06)	(70.03)
Profit for the year		**4,824.76**	**1,077.78**
E Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of post employment benefit obligations		15.06	36.80
Income tax (charge)/ credit relating to these items		(3.79)	(9.26)
Other comprehensive income for the year, net of tax		**11.27**	**27.54**
Total comprehensive income for the year		**4,836.03**	**1,105.32**
Earnings per share	35		
Basic earnings per share		83.01	18.54
Diluted earnings per share		83.01	18.54

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)

For and on behalf of the board

Anil Kumar Bansal
Chairman
DIN: 00232223

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Managing Director
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M.No.204372

Usha Sankar
Chief Financial Officer

K.Kumaravel
Director Finance & Company Secretary
DIN: 00664405

Place : Chennai
Date : May 27, 2022

Place : Chennai
Date : May 27, 2022

Pondy Oxides And Chemicals Limited

Statement of cash flows for the year ended March 31,2022

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

Particulars	For the year ended March 31,2022	For the year ended March 31,2021
Cash Flow From Operating Activities		
Profit before income tax	6,435.65	1,377.50
Adjustments for		
Depreciation and amortisation expense	898.66	839.22
(Profit)/ loss on sale of fixed asset	(8.61)	9.82
(Increase)/ decrease in fair value of investments	6.35	(7.52)
Interest income	(6.18)	(7.88)
Dividend income	(0.20)	(0.09)
Finance costs	844.32	451.49
Operating Profit before working capital changes	8,169.99	2,662.54
Change in operating assets and liabilities		
(Increase)/ decrease in other financial assets	2.36	27.66
(Increase)/ decrease in inventories	(2,247.33)	(5,304.83)
(Increase)/ decrease in trade receivables	2,146.33	(5,140.02)
(Increase)/ decrease in other assets	(299.25)	(803.04)
Increase/ (decrease) in provisions and other liabilities	76.29	(562.14)
Increase/ (decrease) in trade payables	(8.30)	321.66
Cash generated from operations	7,840.09	(8,798.17)
Less : Income taxes paid (net of refunds)	(1,518.74)	(260.86)
Net cash from operating activities (A)	**6,321.35**	**(9,059.03)**
Cash Flows From Investing Activities		
Purchase of PPE (including changes in CWIP)	(1,393.62)	(591.15)
Sale proceeds of PPE	26.73	4.89
(Investments in)/ Maturity of fixed deposits with banks	(76.86)	249.00
Dividend received	0.20	0.09
Interest received	7.07	3.56
Net cash used in investing activities (B)	**(1,436.48)**	**(333.61)**
Cash Flows From Financing Activities		
Proceeds from/ (repayment of) long term borrowings	(1,088.95)	1,282.08
Proceeds from/ (repayment of) short term borrowings	(2,743.88)	7,958.97
Finance costs	(844.32)	(451.49)
Dividend paid	(145.31)	-
Net cash from/ (used in) financing activities (C)	**(4,822.46)**	**8,789.56**
Net increase/decrease in cash and cash equivalents (A+B+C)	**62.41**	**(603.08)**
Cash and cash equivalents at the beginning of the financial year	12.55	615.63
Cash and cash equivalents at end of the year	**74.96**	**12.55**

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	40.81	3.61
- in EEFC Account	32.98	8.16
Cash on hand	1.17	0.78
	74.96	12.55

As per our report of even date attached

For and on behalf of the board

For M/s. L. Mukundan and Associates
Chartered Accountants
(FRN No.010283S)

Anil Kumar Bansal
Chairman
DIN: 00232223

Ashish Bansal
Managing Director
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M.No.204372

Usha Sankar
Chief Financial Officer

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Director Finance & Company Secretary
DIN: 00664405

Place : Chennai
Date : May 27, 2022

Place : Chennai
Date : May 27, 2022

Pondy Oxides And Chemicals Limited

Statement of Changes in Equity for the year ended March 31,2022

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

(A) Equity Share Capital

Balance as at April 01, 2020	581.24
Changes in equity share capital during the year	-
Balance as at March 31, 2021	581.24
Changes in equity share capital during the year	-
Balance as at March 31, 2022	581.24

(B) Other Equity

Particulars	General Reserve	Securities Premium	Other comprehensive income	Retained Earnings	Total
Balance as at April 01,2020	**1,195.92**	**1,092.52**	**-**	**12,175.30**	**14,463.74**
Additions/ (deductions) during the year	110.00	-	27.54	(100.47)	37.07
Total Comprehensive Income for the year	-	-	(27.54)	1,077.78	1,050.24
Balance as at March 31,2021	**1,305.92**	**1,092.52**	**-**	**13,152.61**	**15,551.05**
Additions/ (deductions) during the year	480.00	-	11.27	(622.38)	(131.11)
Total Comprehensive Income for the year	-	-	(11.27)	4,824.76	4,813.49
Balance as at March 31, 2022	**1,785.92**	**1,092.52**	**-**	**17,354.99**	**20,233.43**

The accompanying notes form an integral part of the financial statements

As per our Report of even date attached

For and on behalf of the board

For M/s. L. Mukundan and Associates
Chartered Accountants
(FRN No.010283S)

Anil Kumar Bansal
Chairman
DIN: 00232223

Ashish Bansal
Managing Director
DIN: 01543967

L. Mukundan
Partner
M.No.204372

Usha Sankar
Chief Financial Officer

K.Kumaravel
Director Finance & Company Secretary
DIN: 00664405

Place : Chennai
Date : May 27, 2022

Place : Chennai
Date : May 27, 2022

1 Corporate Information

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

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

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

2 Basis of preparation of financial statements

Statement of compliance

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

Use of estimates

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

Functional and presentation currency

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

The financial statements are approved for issue by the Company's Board of Directors on May 27, 2022.

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 Note on COVID-19

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

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

3 Significant Accounting Policies

a) Current versus non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

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

b) Fair value measurement

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

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

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

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

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

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

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

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

Level 1 : Quoted (unadjusted) market prices in active market for identical assets or liabilities;
Level 2 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
Level 3 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

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

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

c) Revenue Recognition
Sale of goods

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Depreciation for PPE on additions is calculated on pro-rata basis from the date of such additions. For deletion/ disposals, the depreciation is calculated on pro-rata basis up to the date on which such assets have been discarded/ sold. Additions to fixed assets, costing Rs.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

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

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

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

Useful life and amortisation of intangible assets

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

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

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

Subsequent cost and measurement

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

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

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

Intangible assets under development

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

g) Investment property

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

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

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

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

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

h) Inventories

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

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

(ii) W**ork-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.
Name of the financial asset	**Impairment Testing Methodology**
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 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.
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.

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

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

Deferred tax liabilities are recognised for all taxable temporary differences.

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

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

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

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

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

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

n) Retirement and other employee benefits

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

Defined contribution plans
Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset

to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Defined benefit plans

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

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

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

Compensated absences

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

Other long term employee benefits

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

o) Leases

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

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

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

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

p) Impairment of non financial assets

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

q) Provisions, contingent liabilities and contingent asset

Provisions

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

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

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

Contingent liabilities

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

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

Contingent assets

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

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

r) Cash and cash equivalents

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

s) Cash Flow Statement

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

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

t) Earnings per share

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

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

u) Business Combination

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

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

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

4 a) Property, plant and equipment

Particulars	Tangible Assets											Intangible Assets
	Owned Assets									Right of Use Asset	Total	
	Free hold Land	Buildings	Plant and Equipment	Lab Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Electrical Fittings	Sub Total	Leasehold Land		
Deemed Cost as at April 1, 2020	**719.10**	**2,569.03**	**2,479.51**	**119.14**	**159.75**	**130.67**	**154.14**	**295.43**	**6,626.77**	**237.82**	**6,864.59**	**159.06**
Additions	-	19.12	97.04	-	8.81	-	17.99	18.39	161.35	-	161.35	-
Disposals	-	(12.97)	(18.35)	-	(3.90)	-	-	-	(35.22)	-	(35.22)	-
Cost as at March 31, 2021	**719.10**	**2,575.18**	**2,558.20**	**119.14**	**164.66**	**130.67**	**172.13**	**313.82**	**6,752.90**	**237.82**	**6,990.72**	**159.06**
Additions	-	417.92	849.44	-	14.85	196.48	31.41	91.49	1,601.59	-	1,601.59	1.30
Disposals	-	-	(64.36)	-	-	(2.83)	(11.84)	-	(79.03)	-	(79.03)	-
Cost as at March 31, 2022	**719.10**	**2,993.10**	**3,343.28**	**119.14**	**179.51**	**324.32**	**191.70**	**405.31**	**8,275.46**	**237.82**	**8,513.28**	**160.36**
Depreciation/Amortisation												
As at March 31, 2020	**-**	**583.57**	**836.70**	**77.23**	**83.16**	**69.85**	**107.10**	**130.40**	**1,888.01**	**10.44**	**1,898.45**	**34.96**
Charge for the year	-	188.74	471.64	10.64	39.83	18.47	29.21	47.87	806.40	2.61	809.01	30.21
Disposals	-	(4.31)	(13.13)	-	(3.07)	-	-	-	(20.51)	-	(20.51)	-
As at March 31, 2021	**-**	**768.00**	**1,295.21**	**87.87**	**119.92**	**88.32**	**136.31**	**178.27**	**2,673.90**	**13.05**	**2,686.95**	**65.17**
Charge for the year	-	195.34	546.86	7.64	23.56	23.63	29.78	49.26	876.07	2.61	878.68	19.97
Disposals	-	-	(47.89)	-	-	(2.30)	(10.72)	-	(60.91)	-	(60.91)	-
As at March 31, 2022	**-**	**963.34**	**1,794.18**	**95.51**	**143.48**	**109.65**	**155.37**	**227.53**	**3,489.06**	**15.66**	**3,504.72**	**85.14**
Net Block												
As at April 1, 2020	719.10	1,985.46	1,642.81	41.91	76.59	60.82	47.04	165.03	4,738.76	227.38	4,966.14	124.10
As at March 31, 2021	719.10	1,807.18	1,262.99	31.27	44.74	42.35	35.82	135.55	4,079.00	224.77	4,303.77	93.89
As at March 31, 2022	719.10	2,029.76	1,549.10	23.63	36.03	214.67	36.33	177.78	4,786.40	222.16	5,008.56	75.22

b) Capital work-in-progress

Capital work-in-progress as at March 31, 2022 is Rs. 346.61 Lakhs (Previous Year - Rs. 566.59 Lakhs).

Ageing for capital work-in-progress groupwise as at March 31, 2022 is as follows

Particulars	Amount in work-in-progress for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	346.61	-	-	-	346.61
Projects temporarily suspended	-	-	-	-	-
Total	346.61	-	-	-	346.61

Ageing for capital work-in-progress groupwise as at March 31, 2021 is as follows

Particulars	Amount in work-in-progress for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	441.76	124.83	-	-	566.59
Projects temporarily suspended	-	-	-	-	-
Total	441.76	124.83	-	-	566.59

c) Title deeds of Immovable Properties not held in name of the Company as at March 31, 2022 and March 31, 2021

Title deeds of Immovable Properties not held in name of the Company as at March 31, 2022

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
Property, plant and equipment	Freehold land held at Plot 78C Industrial park, Gajulamandayam, Chittoor, Andhra Pradesh	293.15	Vedam Drugs Private Limited / Meloy Metals Private Limited	No	April 01, 2019	The said transfer was pursuant to the Amalgamation as approved by Honourable NCLT, Chennai vide order dated 21st February 2020.

Title deeds of Immovable Properties not held in name of the Company as at March 31, 2021

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
Property, plant and equipment	Freehold land held at Plot 78C Industrial park, Gajulamandayam, Chittoor, Andhra Pradesh	293.15	Vedam Drugs Private Limited / Meloy Metals Private Limited	No	April 01, 2019	The said transfer was pursuant to the Amalgamation as approved by Honourable NCLT, Chennai vide order dated 21st February 2020.

Pondy Oxides And Chemicals Limited

Notes to Financial Statements for the year ended March 31,2022

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

		As at March 31,2022	As at March 31,2021
5	**Goodwill**		
	Acquisitions through business combination	965.46	965.46
		965.46	**965.46**
6	**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 2,000) of Rs.10 each in Amararaja Batteries Ltd, fully paid	10.73	17.08
		10.73	**17.08**
	Total non-current investments		
	Aggregate amount of quoted investments	10.73	17.08
	Aggregate market value of quoted investments	10.73	17.08
7	**Other non-current financial assets**		
	Security deposits	76.11	78.47
		76.11	**78.47**
8	**Deferred Tax Asset / (Liability) - Net**		
	Deferred Tax Liability		
	On Fixed Assets	-	-
	On others	-	-
		-	-
	Deferred Tax Asset		
	On Fixed Assets	158.93	65.33
	On expenses allowed under Income Tax on payment basis	3.58	6.91
		162.51	72.24
	Net deferred tax asset / (liability)	**162.51**	**72.24**
9	**Other non-current assets**		
	Advance income tax (net of provision for tax)	9.10	9.38
	Capital Advances	115.66	104.95
		124.76	**114.33**
10	**Inventories**		
	Raw materials	6,741.04	7,654.70
	Stock in transit - Raw material	2,268.99	2,381.67
	Work-in-progress	1,787.64	1,466.18
	Finished goods	2,362.79	511.67
	Stock in transit - Finished goods	1,123.62	-
	Stock of traded goods	0.08	213.30
	Stores and spares	318.44	127.75
		14,602.60	**12,355.27**
	Inventory comprise of		
	Raw Materials		
	Lead in all forms	4,789.17	7,002.83
	Others	1,951.87	651.87
		6,741.04	**7,654.70**
	Work in progress		
	Lead in all forms	1,637.33	1,457.48
	Others	150.31	8.70
		1,787.64	**1,466.18**
	Finished Goods		
	Lead Ingots	463.39	19.52
	Lead Alloys	1,858.31	394.24
	Others	41.09	97.91
		2,362.79	**511.67**
	Traded goods		
	Zinc Ingots	-	129.34
	Others	0.08	83.96
		0.08	**213.30**

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

		As at March 31,2022	As at March 31,2021
11	**Trade receivables**		
	Considered good - Secured	44.98	46.58
	Considered good - Unsecured	8,689.71	10,834.44
		8,734.69	**10,881.02**

Ageing for trade receivables – current outstanding as at March 31, 2022 is as follows :

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than Six Months	6 Months – 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) Undisputed Trade receivables – considered good	7,138.04	1,596.65	-	-	-	-	8,734.69
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	7,138.04	1,596.65	-	-	-	-	8,734.69

Ageing for trade receivables – current outstanding as at March 31, 2021 is as follows :

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than Six Months	6 Months – 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) Undisputed Trade receivables – considered good	10,300.15	580.87	-	-	-	-	10,881.02
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	10,300.15	580.87	-	-	-	-	10,881.02

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

		As at March 31,2022	As at March 31,2021
12	**Cash and cash equivalents**		
	Cash in hand	1.17	0.78
	Balances with banks		
	In current accounts	40.81	3.61
	In EEFC account	32.98	8.16
		74.96	**12.55**
13	**Other Bank Balances**		
	In fixed deposits		
	Margin money with banks (maturing within 12 months from the reporting date) *	138.22	59.54
	In earmarked accounts		
	Unpaid dividend accounts	11.75	13.57
		149.97	**73.11**

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

14	**Other current assets**		
	GST / Rebate Receivables	987.23	569.78
	Interest accrued on Deposits	3.92	4.81
	Prepaid expenses	23.79	18.20
	Balances with government authorities	27.81	40.50
	Advances to Employees	7.49	6.94
	Others - Suppliers Advance (including for expenses)	1,627.04	1,738.69
		2,677.28	**2,378.92**
15	**Capital**		
	Authorised Share Capital		
	2,01,50,000(2,01,50,000) Equity shares of Rs. 10 each	2,015.00	2,015.00
		2,015.00	**2,015.00**
	Issued Share Capital		
	58,12,390(58,12,390) Equity shares of Rs. 10 each	581.24	581.24
		581.24	**581.24**
	Subscribed and fully paid up share capital		
	58,12,390(58,12,390) Equity shares of Rs. 10 each	581.24	581.24
		581.24	**581.24**

Notes:

(a)	**Reconciliation of number of equity shares subscribed**		
	Balance as at the beginning of the year	58,12,390	58,12,390
	Add: Issued on account of business combination	-	
	Balance at the end of the year	**58,12,390**	**58,12,390**

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

Name of the share holder	March 31,2022		March 31,2021	
	No of shares	%	No of shares	%
Ashish Bansal	8,50,615	14.63	8,50,615	14.63
Anil Kumar Bansal	6,23,461	10.73	6,23,461	10.73
Manju Bansal	5,12,627	8.82	5,12,627	8.82
R.P.Bansal *	5,30,945	9.13	5,30,945	9.13

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

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

Pondy Oxides And Chemicals Limited
Notes to Financial Statements for the year ended March 31,2022
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

		As at March 31,2022	As at March 31,2021

(d) **Disclosure of shareholding of promoters as at 31st March, 2022 is as follows**

Name of the share holder	March 31,2022 No of shares	March 31,2022 %	March 31,2021 No of shares	March 31,2021 %	% change during the year
Ashish Bansal	8,50,615	14.63	8,50,615	14.63	-
Anil Kumar Bansal	6,23,461	10.73	6,23,461	10.73	-
Manju Bansal	5,12,627	8.82	5,12,627	8.82	-
R.P.Bansal *	5,30,945	9.13	5,30,945	9.13	-
Saroj Bansal	1,83,175	3.15	1,83,175	3.15	-
Pawankumar Bansal	1,23,290	2.12	1,23,290	2.12	-
Megha Choudhari	5,568	0.10	5,568	0.10	-
Charu Bansal	3,484	0.06	3,484	0.06	-
Total	28,33,165		28,33,165		

Note : * Expired on December 03, 2021

		As at March 31,2022	As at March 31,2021
16	**Other Equity**		
	General reserve	1,785.92	1,305.92
	Securities Premium	1,092.52	1,092.52
	Retained Earnings	17,354.99	13,152.61
	Other comprehensive income	-	-
		20,233.43	**15,551.05**
	a) General reserve		
	Balance at the beginning of the year	1,305.92	1,195.92
	Additions during the year	480.00	110.00
	Balance at the end of the year	**1,785.92**	**1,305.92**
	b) Securities Premium		
	Balance at the beginning and end of the year	1,092.52	1,092.52
	Additions on account of business combination	-	-
	Balance at the end of the year	**1,092.52**	**1,092.52**
	c) Retained Earnings		
	Opening balance	13,152.61	12,175.30
	Net profit for the period	4,824.76	1,077.78
	Transfer from Other Comprehensive Income	11.27	27.54
	Transfers to General Reserve	(480.00)	(110.00)
	Excess/(Short) provision for taxes reversed	(8.34)	(18.01)
	Dividend paid (including tax on dividends)	(145.31)	-
	Closing balance	**17,354.99**	**13,152.61**
	d) Other comprehensive income		
	Opening balance	-	-
	Additions during the year	11.27	27.54
	Deductions/Adjustments during the year	(11.27)	(27.54)
	Closing balance	**-**	**-**
17	**Long Term Borrowings**		
	Secured *		
	From Banks	154.93	1,398.13
	Unsecured Loans		
	From Related Parties **	750.00	750.00
	Less: Current maturities of Long Term Debt (refer Note 20)	(27.50)	(181.75)
		877.43	**1,966.38**
	* Refer Note 42 for repayment terms and security details		
	** Represents loan from Directors		
18	**Provisions (Non-current)**		
	Provision for Employee Benefits		
	Gratuity	8.17	22.48
	Compensated absences	34.13	12.69
		42.30	**35.17**
19	**Other non-current Liabilities**		
	Deferred Government Grants	21.42	30.57
		21.42	**30.57**

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

		As at March 31,2022	As at March 31,2021
20	**Current liabilities - Financial Liabilities: Borrowings**		
	Secured		
	Loans repayable on Demand		
	From banks		
	Rupee Loans	8,511.80	11,346.75
	Current maturities of long-term debt	27.50	181.75
	Unsecured		
	From Others	-	0.66
	Loans from directors	1,187.88	996.70
	Inter Corporate Deposits	113.27	58.47
		9,840.45	**12,584.33**

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 6% to 8%

(b) Inter-corporate and other deposits carry interest in the range of 10% payable annually, repayable as per the terms of repayment agreed.

		As at March 31,2022	As at March 31,2021
21	**Trade payables**		
	Dues to Micro and Small enterprises *	59.95	98.63
	Dues to Creditors other than Micro and Small enterprises	724.82	694.44
		784.77	**793.07**

* Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management represents the principal amount payable to these enterprises. There are no interest due and outstanding as at the reporting date. Please refer Note 38.

Ageing for trade payables – current outstanding as at March 31, 2022 is as follows :

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than one Year	1-2 Years	2-3 Years	More than 3 Years	
i) MSME	-	59.95	-	-	-	59.95
ii) Others	550.37	108.33	7.46	1.81	-	667.97
iii) Disputed dues– MSME	-	-	-	-	-	-
iv) Disputed dues– Others	-	-	-	-	-	-
v) Accrued Expenses	56.85	-	-	-	-	56.85
Total	607.22	168.28	7.46	1.81	-	784.77

Ageing for trade payables – current outstanding as at March 31, 2021 is as follows :

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than one Year	1-2 Years	2-3 Years	More than 3 Years	
i) MSME	84.19	14.44	-	-	-	98.63
ii) Others	365.57	193.13	20.66	-	-	579.36
iii) Disputed dues– MSME	-	-	-	-	-	-
iv) Disputed dues– Others	-	-	-	-	-	-
v) Accrued Expenses	115.08	-	-	-	-	115.08
Total	564.84	207.57	20.66	-	-	793.07

		As at March 31,2022	As at March 31,2021
22	**Other current financial liabilities**		
	Forward Contract Payable	153.09	60.64
	Unpaid/Unclaimed dividends	11.68	13.49
	Unclaimed Fractional Shares dividends	0.08	0.08
		164.85	**74.21**
23	**Provisions (Current)**		
	Provision for Tax (net of advance tax and TDS)	194.29	-
	Provision for employee benefits		
	Gratuity	6.06	4.97
	Compensated absences	6.03	0.73
		206.38	**5.70**
24	**Other current liabilities**		
	Statutory Dues Payable	77.62	141.79
	Employee benefits payable	118.42	105.47
	Advance and deposits from customers	52.00	33.78
	Deferred Government Grants	9.15	9.15
	Other payables	-	0.79
		257.19	**290.98**

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

		For the year ended March 31,2022	For the year ended March 31,2021
25	**Revenue from operations**		
	Sale of Products		
	Manufactured Goods	1,34,210.88	95,659.84
	Traded Goods	8,866.40	4,319.12
	Sale of Services		
	Conversion Charges Received	2,305.75	443.96
		1,45,383.03	1,00,422.92
	Other Operating Revenue	97.07	4.24
		1,45,480.10	**1,00,427.16**
	Details of Manufactured and Traded Goods		
	i. Manufactured Goods:		
	Metals	1,32,539.05	94,519.71
	Metallic Oxides	285.11	840.57
	Others	1,386.72	299.56
		1,34,210.88	**95,659.84**
	ii. Traded Goods		
	Metals	8,691.72	4,319.12
	Others	174.68	-
		8,866.40	**4,319.12**
26	**Other income**		
	Interest Income		
	Interest receipts	6.18	7.88
	MTM gain on forward contacts	-	213.92
	Incomed from Subsidy	232.61	43.12
	Gain on foreign exchange fluctuation (net)	211.67	-
	Profit on fixed assets sold / scrapped / written off	8.61	-
	Miscellaneous income	4.10	67.02
		463.17	**331.94**
27	**Cost of materials consumed**		
	Opening inventory of raw materials	7,654.69	2,455.18
	Add : Purchases	1,22,245.40	91,800.69
	Less : Closing inventory of raw materials	(6,741.04)	(7,654.70)
	Add: (Gain)/Deficit in Hedging operations of price of raw materials	1,168.25	556.67
		1,24,327.30	**87,157.84**
28	**Purchases of Stock in Trade**		
	Metals - with Hedging adjustment	8,292.09	4,392.10
		8,292.09	**4,392.10**
29	**Changes in inventories of work-in-progress, stock in trade and finished goods**		
	Opening Balance		
	Work-in-progress	1,466.17	736.72
	Finished goods	511.67	1,760.58
	Stock in trade	213.30	1,373.75
		2,191.14	**3,871.05**
	Closing Balance		
	Work-in-progress	1,787.64	1,466.18
	Finished goods	3,486.41	511.67
	Stock in trade	0.08	213.30
		5,274.13	**2,191.15**
	Net (increase)/decrease in inventories	**(3,082.99)**	**1,679.90**

Pondy Oxides And Chemicals Limited

Notes to Financial Statements for the year ended March 31,2022

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

		For the year ended March 31,2022	For the year ended March 31,2021
30	**Employee benefits expense**		
	Salaries and wages	1,773.68	1,475.45
	Contribution to provident and other funds	120.36	114.20
	Staff welfare expenses	101.81	57.77
		1,995.85	**1,647.42**
31	**Finance Cost**		
	Interest on Bank Borrowings	681.32	303.75
	Interest on Others	163.00	147.74
		844.32	**451.49**
32	**Depreciation and amortisation expense**		
	Depreciation on Property, Plant and Equipment	878.69	809.01
	Amortisation of Intangible Assets	19.97	30.21
		898.66	**839.22**
33	**Other expenses**		
	Power and Fuel	2,386.56	994.79
	Consumption of Packing Materials	42.44	34.23
	Environmental Control Expenses	624.73	269.71
	Conversion Charges	35.51	-
	Contract Wages	310.89	75.67
	Repairs and Maintenance		
	Buildings	89.40	54.24
	Plant and Machinery	497.66	162.23
	Vehicles	16.15	13.62
	Others	28.58	19.64
	Factory expenses	169.58	102.46
	Freight and Forwarding	1,337.22	760.27
	Insurance	59.94	48.62
	Laboratory Expenses	9.49	9.39
	Legal and professional charges	65.49	57.37
	Payments to Auditors [refer note 33 (a)]	17.50	16.13
	Communication expenses	20.87	18.18
	Printing and Stationery	6.00	3.77
	Rates and Taxes	70.86	76.98
	Rent	39.78	21.93
	Advertisement and business promotion	14.52	1.63
	Sales Commission	125.92	146.73
	Travelling and Conveyance	16.70	12.81
	MTM loss on forward contract	92.45	-
	Loss on foreign exchange fluctuation (net)	-	107.77
	Loss on fixed assets sold / scrapped / written off	-	9.82
	Bank charges	24.95	90.16
	Expenditure on Corporate Social Responsibility [refer note 33 (b)]	55.01	81.45
	Miscellaneous Expenses	74.19	24.03
		6,232.39	**3,213.63**
33 (a)	**Payment to auditors**		
	Statutory Audit fees	12.00	10.00
	Taxation fee	3.00	2.00
	GST Audit	-	2.00
	Limited Review Audit	1.00	1.25
	Other Certifications	1.50	0.88
		17.50	16.13

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

	For the year ended March 31,2022	For the year ended March 31,2021

33 (b) Expenditure on Corporate Social Responsibility

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Amount required to be spent by the Company during the year	57.92	78.05
Excess amount spent in previous year	3.40	-
Total amount to be spent during the year	54.52	78.05
Amount of expenditure incurred on:		
(i) Construction/ acquisition of any asset	-	-
(ii) On purposes other than (i) above	55.01	81.45
Excess spent during the year	0.49	3.40
Shortfall at the end of the year	-	-
Total of previous years shortfall	-	-
Reason for shortfall	NA	NA
Nature of CSR activities	Activities menitoned under Schedule VII of the Companies Act 2013 viz. Disaster management, Rural Infrastructure Development, reducing inequalities faced by socially and economically backward groups, etc.	
Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard	NA	NA

34 Income tax expense

(a) Income tax expense

Current tax		
Current tax on profits for the year	1,704.95	369.75
Total current tax expense	**1,704.95**	**369.75**
Deferred tax		
Deferred tax adjustments	(94.06)	(70.03)
Total deferred tax expense/(benefit)	**(94.06)**	**(70.03)**
Income tax expense	**1,610.89**	**299.72**

b) The income tax expense for the year can be reconciled to the accounting profit as follows:

Profit before tax from continuing operations	6,435.65	1,377.50
Income tax expense calculated at 25.168% (2020-21: 25.168%)	1,619.72	346.69
Effect of expenses/income that are not deductible/taxable in determining taxable profit	85.23	23.06
Income tax expense	**1,704.95**	**369.75**

c) Income tax recognised in other comprehensive income

Deferred tax		
Remeasurement of defined benefit obligation	3.79	9.26
Total income tax recognised in other comprehensive income	3.79	9.26

d) Movement of deferred tax expense for the year ended March 31,2022

Deferred tax (liabilities)/assets in relation to:	**Opening balance**	**Recognised in profit or loss**	**Recognised in Other comprehensive income**	**Closing balance**
Property, plant, and equipment and Intangible Assets	65.33	93.60	-	158.93
Expenses allowable on payment basis under the Income Tax Act	6.91	0.46	(3.79)	3.58

			For the year ended March 31,2022	For the year ended March 31,2021
	72.24	94.06	(3.79)	162.51
Total	72.24	94.06	(3.79)	162.51

e) Movement of deferred tax expense during the year ended March 31,2021

Deferred tax (liabilities)/assets in relation to:	**Opening balance**	**Recognised in profit or loss**	**Recognised in Other comprehensive income**	**Closing balance**
Property, plant, and equipment and Intangible Assets	(2.70)	68.03	-	65.33
Expenses allowable on payment basis under the Income Tax Act	14.17	2.00	(9.26)	6.91
	11.47	70.03	(9.26)	72.24
Total*	11.47	70.03	(9.26)	72.24

35 Earnings per share

	For the year ended March 31,2022	For the year ended March 31,2021
Profit for the year attributable to owners of the Company	4,824.76	1,077.78
Weighted average number of ordinary shares outstanding	58,12,390	58,12,390
Basic earnings per share (Rs)	83.01	18.54
Diluted earnings per share (Rs)	83.01	18.54

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

Particulars	**Year ended March 31,2022**		**Year ended March 31,2021**	
	Rs. In Lakhs	Percentage (%)	Rs. In Lakhs	Percentage (%)
Raw Materials				
Imported	89,822.01	72.00	74,510.17	85.00
Others	34,505.29	28.00	12,647.67	15.00
	1,24,327.30	**100.00**	**87,157.84**	**100.00**

37 Remittance in foreign currency on account of dividend

Particulars	**For the year ended March 31,2022**	**For the year ended March 31,2021**
Amount Remitted as Dividend	-	-

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

Particulars	**Year ended March 31,2022**	**Year ended March 31,2021**
(a) The principal amount remaining unpaid at the end of the year	59.95	98.63
(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.

39 Commitments and contingent liability

Particulars	**Year ended March 31,2022**	**Year ended March 31,2021**

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

	For the year ended March 31,2022	For the year ended March 31,2021
Contingent Liability	-	-
Performance/ Finance Guarantees		
Liability in respect of Letter of Credit/ Bank Guarantee Opened	500.00	-
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	89.56	262.27

40 Operating Segments

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

Information relating to geographical areas

(a) Revenue from external customers

Particulars	Year ended March 31,2022	Year ended March 31,2021
India	66,560.93	50,271.99
Rest of the world	78,919.17	50,155.17
Total	**1,45,480.10**	**1,00,427.16**

(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 31,2022	Year ended March 31,2021
Number of external customers each contributing more than 10% of total revenue	3	2
Total revenue from the above customers	1,04,177.72	55,329.62

41 Operating lease arrangements

Particulars	Year ended March 31,2022	Year ended March 31,2021
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	-	-
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	39.78	21.93

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

42 Terms and conditions of long term borrowings

Financial Institution	Loan Outstanding	Tenor	Repayment Commences from	Security	Guarantee
HDFC Bank	154.93 (Nil)	60 Months	March, 2022	First Charge on Vehicle Purchased	Nil
	Nil (1216.38)	48 Months	April, 2022	Emergency Credit Line Guaranteed Scheme (ECLGS) Extension of second ranking charge over existing primary and collateral securities including mortgages created in favour of HDFC Bank	
	Nil (66.94)	42 Months	April, 2019	Exclusive Charge on the Fixed Assets located at No 78C, Industrial Park, Gajulamandyam, the erstwhile Meloy Metals Private Limited	
Axis Bank	Nil (114.81)	27 months	September, 2019	Pari Passu First Charge on the Immovables / Other Fixed Assets of Smelter Division I & II	

The above loans carry interest in the range of 6% to 8%
(Figures in brackets represent previous year numbers)

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

43 Financial instruments

Capital management

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

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

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

Gearing Ratio:	**March 31,2022**	**March 31,2021**
Debt	904.93	2,148.13
Less: Cash and bank balances	224.93	85.66
Net debt	680.00	2,062.47
Total equity	20,814.67	16,132.29
Gearing ratio (%)	3.27%	12.78%

Categories of Financial Instruments	**March 31,2022**	**March 31,2021**
Financial assets		
a. Measured at amortised cost		
Other non-current financial assets	76.11	78.47
Trade receivables	8,734.69	10,881.02
Cash and cash equivalents	74.96	12.55
Bank balances other than above	149.97	73.11
b. Mandatorily measured at FVTPL		
Investments	10.73	17.08
Derivative instruments	-	-
Financial liabilities		
a. Measured at amortised cost		
Borrowings (non-current)	877.43	1,966.38
Borrowings (current)	9,840.45	12,584.33
Trade payables	784.77	793.07
Other financial liabilities	11.76	13.57
b. Mandatorily measured at FVTPL		
Derivative instruments	153.09	60.64

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 recovered from the customers as per Sale Contract.

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

As on March 31,2022

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	1.93	-	1.93	43.41	-	43.41	41.48
In INR	147.16	-	147.16	3,266.23	-	3,266.23	3,119.07

As on March 31,2021

Currency	Liabilities			Assets			Net overall exposure on the currency - net assets / (net liabilities)
	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	Gross exposure	Exposure hedged using derivatives	Net asset exposure on the currency	
USD	2.35	-	2.35	54.11	-	54.11	51.76
In INR	173.84	-	173.84	3,949.36	-	3,949.36	3,775.52

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 Rs. 28.41 Lakhs for the year (Previous INR 14.54 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

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

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 31,2022	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
Trade payables	784.77	-	-	784.77
Borrowings (including interest accrued thereon upto the reporting date)	27.50	877.43	-	904.93
	812.27	**877.43**	**-**	**1,689.70**

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

	March 31,2022	**March 31,2021**
Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required):	Nil	Nil

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

44 Related party disclosure

a) List of parties having significant influence

Holding company	The Company does not have any holding company
Subsidiaries, associates and joint ventures	The Company does not have any subsidiaries, associates and joint ventures
Entities in which directors are interested	M/s. Daman 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	Director Finance & Company Secretary
Mrs. Usha Sankar	Chief Financial Officer
Relative of Key Management personnel	
Mr. Pawan Kumar Bansal	Son of Mr. R.P. Bansal
Mr. Sri Sabarish S	Son of Ms. Usha Sankar
Ms. K Mahalakshmi	Wife of Mr. K.Kumaravel

b) Transactions during the year

S.No.	Nature of transactions	Year ended March 31,2022	Year ended March 31,2021
1	M/s. Daman Metallic Oxides		
	Sales	60.50	-
2	Mr. Anil Kumar Bansal		
	Interest Paid	32.84	24.78
	Remuneration paid	110.01	112.25
	Loans taken	162.00	24.66
	Loans repaid	24.91	16.40
3	Mr. Ashish Bansal		
	Interest Paid	127.04	81.17
	Remuneration paid	220.70	220.08
	Loans taken	660.00	267.50
	Loans repaid	368.11	34.42
4	Mr. R.P.Bansal		
	Interest Paid	-	36.13
	Remuneration paid	83.68	115.97
	Loans taken	18.00	20.31
	Loans repaid	399.71	20.70
7	Mr.K Kumaravel		
	Remuneration paid	28.81	25.16
8	Ms.Usha Sankar		
	Remuneration paid	13.16	17.69
9	Mr. Pawan Kumar Bansal		
	Remuneration paid	18.23	9.23
10	Mr. Sri Sabarish S		
	Remuneration paid	7.68	6.64
11	Ms. K Mahalakshmi		
	Remuneration paid	3.60	3.60

c) Balances at the end of the year

	Particulars	As at March 31,2022	As at March 31,2021
	Loans		
	Mr. Anil Kumar Bansal	443.07	276.41
	Mr. Ashish Bansal	1,494.81	1,088.58
	Mr. R.P.Bansal	-	381.71

45 Retirement benefit plans

Defined contribution plans

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

The total expense recognised in profit or loss of Rs 120.36 Lakhs (previous year Rs. 114.20 Lakhs) represents contribution paid to these plans by the Company at rates specified in the rules of the plan.

Defined benefit plans

(a) Gratuity
The employees' gratuity fund scheme managed by a trust namely 'Pondy oxides and chemicals limited employees group gratuity trust'. 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 31,2022**	**March 31,2021**
Discount Rate	7.37%	6.80%
Rate of increase in compensation level	7.00%	6.65%
Expected Average Remaining Working Lives of Employees (years)	28.22	28.76

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 31,2022 Rs. Lakhs**	**March 31,2021 Rs. Lakhs**
Amount recognised under Employee Benefits Expense in the Statement of profit and Loss:		
Current service cost	20.54	21.98
Net interest expense	8.70	9.14
Return on plan assets (excluding amounts included in net interest expense)	(7.51)	(5.56)
Components of defined benefit costs recognised in profit or loss	**21.73**	**25.56**
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	(15.06)	(36.80)
Components of defined benefit costs recognised in other comprehensive income	**(15.06)**	**(36.80)**
	6.67	**(11.24)**

The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:	**March 31,2022 Rs. Lakhs**	**March 31,2021 Rs. Lakhs**
Present value of defined benefit obligation	135.96	132.53
Fair value of plan assets	(121.74)	(105.08)
Net liability/ (asset) arising from defined benefit	**14.22**	**27.45**
Funded	6.05	-
Unfunded	8.17	27.45
	14.22	**27.45**

The above provisions are reflected under 'Provision for employee benefits- gratuity' (long-term provisions) [Refer note 18].

Movements in the present value of the defined benefit obligation in the current year were as follows:		
Opening defined benefit obligation	132.53	141.47
Current service cost	20.54	21.97
Interest cost	8.70	9.14
Actuarial (gains)/losses	(16.74)	(36.80)
Benefits paid	(9.07)	(3.25)
Closing defined benefit obligation	**135.96**	**132.53**

Movements in the fair value of the plan assets in the current year were as follows:		
Opening fair value of plan assets	105.08	85.18
Return on plan assets	5.83	6.18
Contributions	19.90	17.35
Benefits paid	(9.07)	(3.63)
Actuarial gains/(loss)	-	-
Closing fair value of plan assets	**121.74**	**105.08**

Sensitivity analysis

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

(b) Compensated absences

The expected cost of accumulating compensated absences is determined at each balance sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date is Rs.40.16 Lakhs (previous year Rs. 13.42 Lakhs). Expense recognised during the year is Rs.33.05 Lakhs (previous year Rs. (0.12) Lakhs).

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

46	Ratio	Numerator	Denominator	For the year ended March 31,2022	For the year ended March 31,2021	Change	Reason
a)	Current ratio (in times)	Current asset	Current liabilities *	2.34	1.89	23.81%	Better financials position
b)	Debt equity ratio (in times)	Long term debt **	Shareholder's Equity	0.04	0.13	-69.23%	Repayment of long term debt
c)	Debt service coverage ratio (in times)	Earning available for debt service #	Debt service	3.04	2.71	12.18%	Better financial position
d)	Return on equity ratio (in times)	Net profit after tax	Shareholder's Equity	0.23	0.07	228.57%	Increase in profit
e)	Inventory turnover ratio (in times)	Sale of Products	Average inventory	10.61	10.30	3.01%	Effective inventory management
f)	Trade receivable turnover ratio (in times)	Revenue from operations	Average trade receivable	14.83	12.08	22.76%	Effective collection of receivables
g)	Trade payable turnover ratio (in times)	Net purchases	Average trade payable	165.46	152.15	8.75%	Effective vendor management
h)	Net capital turnover ratio (in times)	Revenue from operations	Working capital @	9.69	8.28	17.03%	Increase in turnover
i)	Net profit ratio (in %)	Profit after taxes	Revenue from operations	3.32	1.07	210.28%	Increase in profit
j)	Return on capital employed (in times)	Profit before exceptional items, tax and finance cost	Capital employed @@	0.34	0.10	240.00%	Increase in profit
k)	Return on investments (in times)	Returns from investment ^	Cost of investment	(0.41)	0.49	-183.67%	Change in value of investment at the year end

* Current liabilities excluding Current maturities of Long Term Debt
** Long term debt including Current maturities of Long Term Debt
# Earning available for Debt service = Net profit after tax + Non cash expenses like depreciation and amortisation + Interest + other adjustments like loss on sale of fixed assets, etc
Debt service = Finance cost + Principal repayment made for non current borrowing
@ Working capital = Current assets - Current liabilities (excluding Current maturities of long-term debt)
@@ Capital employed = Net worth + Debt + Deferred tax liability
^ Return from investment = Increase/(Decrease) in value of investment + Income from investment

47 Other statutory information

a) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company

b) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period

c) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year

d) There is no income surrendered or disclosed during the year in tax assessments under the Income Tax Act, 1961 (such as search or survey), that has not been recorded in the books of account.

e) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

f) The Company has not advanced or loaned or invested any fund to any person(s) or entity(ies), including foreign entities (intermediaries) with the understanding (whether recorded in writing or otherwise) that the intermediary shall: (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

g) The company does not have holding or subsidiary to comply with the requirement with respect to number of layers as prescribed under section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017.

h) The Company is not declared as willful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof or other lender in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India.

i) The Company has not revalued any of its Property, Plant and Equipment (including Right-of-Use Assets) during the year

For and on behalf of the board

For M/s. L. Mukundan and Associates
Chartered Accountants
(FRN No.010283S)

Anil Kumar Bansal
Chairman
DIN: 00232223

Ashish Bansal
Managing Director
DIN: 01543967

L. Mukundan
Partner
M.No.204372

Usha Sankar
Chief Financial Officer

K.Kumaravel
Director Finance & Company Secretary
DIN: 00664405

Place : Chennai
Date : May 27, 2022

Place : Chennai
Date : May 27, 2022

DETAILS OF PROPOSED ALLOTTEES

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment of the Equity Shares pursuant to this Issue shall be made by our Company, in consultation with the BRLM, to Eligible QIBs. The names of the proposed Allottees and the percentage of post-Issue capital that may be held by them is set forth below. These details of the proposed Allottees, assuming that the Equity Shares are Allotted to them pursuant to the Issue, will be included in the Placement Document to be sent to such proposed Allottees.

S. No.	**Name of the proposed Allottees**[#]	**Percentage of the post-Issue share capital held (%)**[(1)(2)]
1.	[●]	[●]
2.	[●]	[●]
3.	[●]	[●]
4.	[●]	[●]

(1) *Based on beneficiary position as on [●] (adjusted for Equity Shares Allocated in the Issue).*

(2) *The post-Issue shareholding (in percentage terms) of the proposed Allottees will be disclosed on the basis of their respective PAN, except in case of Mutual Funds, insurance companies, and Eligible FPIs (investing through different sub accounts having common PAN across such sub accounts) wherein their respective DP ID and Client ID will be considered.*

[#] *The details of the proposed Allottees have been intentionally left blank and will be filled in before filing the Placement Document with the Stock Exchanges and issuing the Placement Document to such proposed Allottees.*

DECLARATION

The Company certifies that all relevant provisions of Chapter VI read with Schedule VII of the SEBI ICDR Regulations have been complied with and no statement made in this Preliminary Placement Document is contrary to the provisions of Chapter VI and Schedule VII of the SEBI ICDR Regulations and that all material approvals and permissions required to carry on the Company's business have been obtained, are currently valid and have been complied with. The Company further certifies that all the statements in this Preliminary Placement Document are true and correct.

For and on behalf of the Board of Directors, signed by:

____

Authorised Signatory

Name: K Kumaravel
Designation: Director Finance & Company Secretary
DIN: 00664405
Date: December 17, 2024
Place: Chennai

DECLARATION

We, the Board of Directors of the Company, certify that:

(i) The Company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder;

(ii) the compliance with the Companies Act, 2013 and the rules made thereunder does not imply that payment of dividend or interest or repayment of preference shares or debentures, if applicable, is guaranteed by the Central Government; and

(iii) the monies received under the Issue shall be used only for the purposes and objects indicated in this Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4).

For and on behalf of the Board of Directors, signed by:

____
Authorised Signatory

Name: K Kumaravel
Designation: Director Finance & Company Secretary
DIN: 00664405
Date: December 17, 2024
Place: Chennai

I am authorized by the Fund Raising Committee of the Board, *vide* resolution dated December 17, 2024, to sign this form and declare that all the requirements of the Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoter subscribing to the Memorandum of Association and the Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

Signed by:

____
Authorised Signatory

Name: K Kumaravel
Designation: Director Finance & Company Secretary
DIN: 00664405
Date: December 17, 2024
Place: Chennai

PONDY OXIDES AND CHEMICALS LIMITED

CIN: L24294TN1995PLC030586

Registered Office:
KRM Centre, 4th floor, No. 2,
Harrington Road, Chetpet,
Chennai 600031

Telephone: +91-044-42965454 **| E-mail:** secretarial@pocl.com/info@pocl.com **| Website:** www.pocl.com

Contact Person: K Kumaravel
Designation: Company Secretary and Compliance Officer
Address: KRM Centre, 4th floor, No. 2,
Harrington Road, Chetpet,
Chennai 600031
Telephone: +91-044-42965454
E-mail: kk@pocl.com/info@pocl.com

BOOK RUNNING LEAD MANAGER

Systematix Corporate Services Limited
The Capital, A- Wing
6th Floor, No. 603-606, Plot No. C-70
G Block, Bandra Kurla Complex
Bandra East, Mumbai 400051

STATUTORY AUDITORS OF OUR COMPANY

L. Mukundan & Associates, Chartered Accountants
Flat No. 1, 2 Kamala Arcade,
669 Mount Road, Thousand Lights,
Chennai – 600 006, Tamil Nadu

LEGAL COUNSELS TO OUR COMPANY AS TO INDIAN LAW

Chandhiok & Mahajan, Advocates and Solicitors
C-524, Defence Colony,
New Delhi, Delhi 110024

LEGAL COUNSEL TO THE BOOK RUNNING LEAD MANAGER AS TO INDIAN LAW

Rajani Associates
204-207, Krishna Chambers
59 New Marine Lines
Mumbai 400020

INTERNATIONAL LEGAL COUNSEL TO THE BOOK RUNNING LEAD MANAGER WITH RESPECT TO SELLING AND TRANSFER RESTRICTIONS

Hogan Lovells Lee & Lee
50 Collyer Quay
#10-01 OUE Bayfront
Singapore - 049321

APPLICATION FORM

POCL®

PONDY OXIDES AND CHEMICALS LIMTED

(Pondy Oxides and Chemicals Limited was incorporated in the Republic of India under the provisions of Companies Act, 1956 on March 21, 1995)

Registered Office: KRM Centre, 4th floor, No. 2, Harrington Road, Chetpet, Chennai 600031

Tel: +044 4296 5454 | **Website:** www.pocl.com | **Email:** info@pocl.com |

CIN: L24294TN1995PLC030586 | **LEI:** 335800YJMJ214JDTKV78

APPLICATION FORM

Form No.:

Date:

Name of the Bidder:

QUALIFIED INSTITUTIONS PLACEMENT OF [●] EQUITY SHARES OF FACE VALUE ₹ [●] EACH (THE "EQUITY SHARES") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE ("ISSUE PRICE") INCLUDING A PREMIUM OF ₹ [●] PER EQUITY SHARE AGGREGATING TO APPROXIMATELY ₹ [●] LAKH UNDER CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS") AND SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED (THE "COMPANIES ACT"), READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES"), AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT AND THE RULES MADE THEREUNDER BY PONDY OXIDES AND CHEMICALS LIMITED (THE "COMPANY") (HEREINAFTER REFERRED TO AS THE "ISSUE"). THE APPLICABLE FLOOR PRICE OF THE EQUITY SHARES IS ₹ 902.93 AND OUR COMPANY MAY OFFER A DISCOUNT OF UP TO 5% ON THE FLOOR PRICE, AS APPROVED BY THE SHAREHOLDERS.

Only Qualified Institutional Buyers ("QIBs") as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and which are not: (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; or (b) restricted from participating in the Issue under the SEBI ICDR Regulations and other applicable laws, including foreign exchange related laws; and (c) hold a valid and existing registration under the applicable laws in India (as applicable), and (d) are eligible to invest in the Issue and submit this Application Form. In addition to the above, with respect to the Issue, Eligible QIBs shall consist of (i) QIBs which are resident in India; and (ii) Eligible FPIs (as defined herein below) participating through Schedule II of the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 ("FEMA Non-Debt Rules"), can submit this Application Form. The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or securities laws any state of the United States and, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. The Equity Shares are being offered and sold only outside the United States in 'offshore transactions' as defined in, and in reliance on, Regulation S under the U.S. Securities Act ("Regulation S") and the applicable laws of the jurisdiction where those offers and sales are made.

The Equity Shares of the Company have not been and will not be registered, listed or otherwise qualified in any jurisdiction except India and may not be offered or sold, and Bids may not be made by persons in any jurisdiction, except in compliance with the applicable laws of such jurisdictions. You should note and observe the solicitation and distribution restrictions contained in the sections titled "*Selling Restrictions*" in the accompanying preliminary placement document dated December 17, 2024 ("PPD").

ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE THROUGH THE PORTFOLIO INVESTMENT SCHEME UNDER SCHEDULE II OF THE FEMA NON-DEBT RULES IN THE ISSUE. ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE IN THE ISSUE SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF THE ELIGIBLE FPIs DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. ALLOTMENTS MADE TO AIFS AND VCFs IN THE ISSUE SHALL REMAIN SUBJECT TO THE RULES AND REGULATIONS APPLICABLE TO EACH OF THEM RESPECTIVELY. PURSUANT TO PRESS NOTE NO. 3 (2020 SERIES), DATED APRIL 17, 2020, ISSUED BY THE DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE, GOVERNMENT OF INDIA, AND RULE 6 OF THE FEMA NON-DEBT RULES, INVESTMENTS BY AN ENTITY OF A COUNTRY WHICH SHARES LAND BORDER WITH INDIA OR WHERE THE BENEFICIAL OWNER OF SUCH INVESTMENT IS SITUATED IN OR IS A CITIZEN OF SUCH COUNTRY, MAY ONLY BE MADE THROUGH THE GOVERNMENT APPROVAL ROUTE. FVCIs ARE NOT PERMITTED TO PARTICIPATE IN THE ISSUE.

STATUS (Please tick for applicable category)			
FI	Scheduled Commercial Bank and Financial Institutions	**IC**	Insurance Companies
MF	Mutual Funds	**VCF**	Venture Capital Funds**
NIF	National Investment Fund	**FPI**	Foreign Portfolio Investor*
IF	Insurance Funds	**AIF**	Alternative Investment Funds
SI-NBFC	Systematically Important Non – Banking Financial Companies	**OTH**	Others ______________ (Please specify)

**Foreign portfolio investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended, other than individuals, corporate bodies and family offices who are not allowed to participate in the Issue.*

*** Sponsor and Manager should be Indian owned and controlled.*

To,
The Board of Directors
PONDY OXIDES AND CHEMICALS LIMTED
Registered Office: KRM Centre, 4th floor,
No. 2, Harrington Road, Chetpet, Chennai 600031

Dear Sirs,

On the basis of the serially numbered PPD of the Company and subject to the terms and conditions contained therein, and in this Application Form, we hereby submit our Application Form for the Allotment of the Equity Shares in the Issue, at the terms and price indicated below. We confirm that we are an Eligible QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and are not: (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; and (b) restricted from participating in the Issue under the applicable laws, including SEBI ICDR Regulations. We are not a promoter of the Company (as defined in the SEBI ICDR Regulations), or any person related to the promoters of the Company, directly or indirectly. Further, we confirm that we do not have any right under a shareholders' agreement or voting agreement entered into with promoters or persons related to promoters of the Company, veto rights or right to appoint any nominee director on the board of directors of the Company. We confirm that we are either a QIB which is resident in India, or an Eligible FPI, participating through Schedule II of the FEMA Non-Debt Rules or a multilateral or bilateral development financial institution eligible to invest in India under applicable law. We specifically confirm that our Bid for the Allotment of the Equity Shares is not in violation to the amendment made to Rule 6(a) of the FEMA Rules by the Central Government on April 22, 2020. We confirm that we are not an FVCI. We confirm that the Bid size / aggregate number of the Equity Shares applied for by us, and which may be Allocated to us thereon will not exceed the relevant regulatory or approved limits and further confirm that our Bid will not result in triggering an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "**Takeover Regulations**").

We confirm, that we have a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allotted to us in accordance with Chapter VI of the SEBI ICDR Regulations and undertake to comply with the SEBI ICDR Regulations, and all other applicable laws, including any reporting obligations and the terms and conditions mentioned in the Preliminary Placement Document and this Application Form. We confirm that, in relation to our application, each foreign portfolio investor ("**FPI**") as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended (other than individuals, corporate bodies and family offices), and including persons who have been registered under these regulations (such FPIs, "**Eligible FPIs**"), have submitted a separate Application Form, and asset management companies of mutual funds have specified the details of each scheme for which the application is being made along with the Application Amount and number of Equity Shares to be Allotted under each scheme. We undertake that we will sign all such documents, provide such documents and do all such acts, if any, necessary on our part to enable us to be registered as the holder(s) of the Equity Shares that may be Allotted to us. We confirm that the signatory is authorized to apply on behalf of the Bidder and the Bidder has all the relevant authorisations. We note that the board of directors of the Company, or any duly authorised committee thereof, is entitled, in consultation with Systematix Corporate Services Limited (the "**Lead Manager**"), in their sole discretion, to accept or reject this Application Form without assigning any reason thereof.

We hereby agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD, Placement Document and the confirmation of allocation note ("**CAN**"), when issued and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below, subject to receipt of Application Form and the Application Amount towards the Equity Shares that may be allocated to us. The amount payable by us as Application Amount for the Equity Shares applied for has been/will be remitted to the designated bank account set out in this Application Form through electronic mode, along with this Application Form prior to the Bid/Issue Closing Date and such Application Amount has been /will be transferred from a bank account maintained in our name. We acknowledge and agree that we shall not make any payment in cash or cheque. We are aware that (i) Allocation and Allotment in the Issue shall be at the sole discretion of the Company, in consultation with the Lead Manager; and (ii) in the event that Equity Shares that we have applied for are not Allotted to us in full or at all, and/or the Application Amount is in excess of the amount equivalent to the product of the Equity Shares that will be Allocated to us and the Issue Price, or the Company is unable to issue and Allot the Equity Shares offered in the Issue or if there is a cancellation of the Issue, or the listing of the Equity Shares does not occur in the manner described in the PPD, the Placement Document, the SEBI ICDR Regulations and other applicable laws, the Application Amount or a portion thereof, as applicable, will be refunded to the same bank account from which the Application Amount was paid by us. Further, we agree to comply with the rules and regulations that are applicable to us, including in relation to the lock-in and transferability requirements. In this regard, we authorize the Company to issue instructions to the depositories for such lock-in and transferability requirements, as may be applicable to us.

We acknowledge and agree that (i) our names, address, contact details, PAN, bank account details and the number of Equity Shares Allotted, along with other relevant information as may be required, will be recorded by the Company in the format prescribed in terms of the PAS Rules; (ii) in the event that any Equity Shares are Allocated to us in the Issue, we are aware pursuant to the requirements under Form PAS-4 of the PAS Rules that our names (as proposed Allottees) and the percentage of our post-Issue shareholding in the Company will be disclosed in the Placement Document, and we are further aware that disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the Lead Manager; and; and (iii) in the event that Equity Shares are Allotted to us in the Issue, the Company will place our name in the register of members of the Company as a holder of such Equity Shares that may be Allotted to us and in the Form PAS-3 filed by the Company with the Registrar of Companies (the "**RoC**") as required in terms of the PAS Rules. Further, we are aware and agree that if we, together with any other QIBs belonging to the same group or under common control, are Allotted more than 5% of the Equity Shares in the Issue, the Company shall be required to disclose our name, along with the names of such other Allottees and the number of Equity Shares Allotted to us and to such other Allottees, on the websites of the National Stock Exchange of India Limited and BSE Limited (together, the "**Stock Exchanges**"), and we consent to such disclosures. In addition, we confirm that we are eligible to invest in Equity Shares under the SEBI ICDR Regulations, circulars issued by the RBI and other applicable laws.

By signing and submitting this Application Form, we hereby confirm and agree that the representations, warranties, acknowledgements and agreements as provided in the sections "*Notice to Investors*", "*Representations by Investors*", "*Issue Procedure*", "*Selling Restrictions*" and "*Transfer Restrictions*" sections of the PPD and the terms, conditions and agreements mentioned herein are true and correct and acknowledge and agree that these representations and warranties are given by us for the benefit of the Company and the Lead Manager, each of whom is entitled to rely on, and is relying on, these representations and warranties in consummating the Issue.

By signing and submitting this Application Form, we hereby represent, warrant, acknowledge and agree as follows: (1) we have been provided with a serially numbered copy of the PPD along with the Application Form, have read it in its entirety including in particular, the section "*Risk Factors*" therein and we have relied only on the information contained in the PPD and not on any other information obtained by us either from the Company, the Lead Manager or from any other source, including publicly available information; (2) we will abide by the Preliminary Placement Document and the Placement Document, this Application Form, the CAN, when issued, and the terms, conditions and agreements contained therein; (3) that if Equity Shares are Allotted to us pursuant to the Issue, we shall not sell such Equity Shares otherwise than on the floor of a recognised stock exchange in India for a period of one year from the date of Allotment (4) we will not have the right to withdraw our Bid or revise our Bid downwards after the Bid/Issue Closing Date; (5) we will not trade in the Equity Shares credited to our beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges; (6) Equity Shares shall be Allocated and Allotted at the discretion of the Company, in consultation with the Lead Manager, and the submission of this Application Form and payment of the corresponding Application Amount by us does not guarantee any Allocation or Allotment of Equity Shares to us in full or in part; (7) in terms of the requirements of the Companies Act, upon Allocation, the Company will be required to disclose names and percentage of our post-Issue shareholding of the proposed Allottees in the Placement Document; however, disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the Lead Manager; (8) the number of Equity Shares Allotted to us pursuant to the Issue, together with other Allottees that belong to the same group or are under common control as us, shall not exceed 50% of the Issue and we shall provide all necessary information in this regard to the Company and the Lead Manager. For the purposes of this representation: The expression 'belong to the same group' shall derive meaning from Regulation 180(2) of the SEBI ICDR Regulations, i.e., entities where (i) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (ii) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (iii) there is a common director, excluding nominee and independent directors, among the Eligible QIBs, its subsidiary or holding company and any other QIB; and 'control' shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the Takeover Regulations; (9) We agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the Preliminary Placement Document and the Placement Document when issued, this Application Form, the CAN upon its issuance and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below.

By signing and/or submitting this Application Form, we further represent, warrant and agree that we have such knowledge and experience in financial and business matters that we are capable of evaluating the merits and risks of the prospective investment in the Equity Shares and we understand the risks involved in making an investment in the Equity Shares. No action has been taken by us or any of our affiliates or representatives to permit a public offering of the Equity Shares in any jurisdiction. We satisfy any and all relevant suitability standards for investors in Equity Shares, have the ability to bear the economic risk of our investment in the Equity Shares, have adequate means of providing for our current and contingent needs, have no need for liquidity with respect to our investment in Equity Shares and are able to sustain a complete loss of our investment in the Equity Shares. We acknowledge that once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Application Amount has been transferred to the Escrow Account (as detailed below), such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Bid/Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and this Application Form is unsigned, we confirm that we are authorized to submit this Application Form and provide necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible QIB.

We acknowledge that the Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. By signing this Application Form and checking the applicable box above, we hereby represent, warrant, acknowledge and agree that we are located outside the United States and purchasing the Equity Shares in an "offshore transaction" (as defined in, and in reliance on, Regulation S) complying with Rule 903 or Rule 904 of Regulation S and the applicable laws of the jurisdictions where such offers and sales are made.

We confirm that we are eligible to invest and hold the Equity Shares of the Company in accordance with press note no. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, wherein if the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, foreign direct investments can only be made through the Government approval route, as prescribed in the FEMA Rules.

<table>
<tr><th colspan="4">BIDDER DETAILS (In Block Letters)</th></tr>
<tr><td>NAME OF BIDDER*</td><td colspan="3"></td></tr>
<tr><td>NATIONALITY</td><td colspan="3"></td></tr>
<tr><td>REGISTERED ADDRESS</td><td colspan="3"></td></tr>
<tr><td>CITY AND CODE</td><td colspan="3"></td></tr>
<tr><td>COUNTRY</td><td colspan="3"></td></tr>
<tr><td>TELEPHONE NO</td><td></td><td>FAX NO.</td><td></td></tr>
<tr><td>MOBILE NO.</td><td colspan="3"></td></tr>
<tr><td>EMAIL</td><td colspan="3"></td></tr>
<tr><td>FOR ELIGIBLE FPIs**</td><td colspan="3">SEBI FPI REGISTRATION NO.</td></tr>
<tr><td>FOR MF</td><td colspan="3">SEBI MF REGISTRATION NO</td></tr>
<tr><td>FOR AIFs***</td><td colspan="3">SEBI AIF REGISTRATION NO.</td></tr>
<tr><td>FOR VCFs***</td><td colspan="3">SEBI VCF REGISTRATION NO.</td></tr>
<tr><td>FOR SI-NBFC</td><td colspan="3">RBI REGISTRATION DETAILS</td></tr>
<tr><td>FOR INSURANCE COMPANIES</td><td colspan="3">IRDAI REGISTRATION DETAILS.</td></tr>
<tr><td>FOR PENSION FUNDS</td><td colspan="3">PFRDA REGISTRATION DETAILS</td></tr>
<tr><td colspan="4">*Name should exactly match with the name in which the beneficiary account is held. Application Amount payable on Equity Shares applied for by joint holders shall be paid from the bank account of the person whose name appears first in the application. Mutual Fund Bidders are requested to provide details of the bids made by each scheme of the Mutual Fund. Each Eligible FPI is required to fill a separate Application Form. Further, any discrepancy in the name as mentioned in this Application Form with the depository records would render the application invalid and liable to be rejected at the sole discretion of the Company and the Lead Manager.
** In case you are an Eligible FPI holding a valid certificate of registration and eligible to invest in the Issue, please mention your SEBI FPI Registration Number.
*** Allotments made to AIFs and VCFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. AIFs and VCFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.</td></tr>
</table>

We are aware that the number of Equity Shares held by us in the Company, together with the number of Equity Shares, if any, Allocated to us in the Issue will be aggregated to disclose the percentage of our post-Issue shareholding in the Company in the Placement Document in line with the requirements under PAS-4 of the PAS Rules. For such information, the Lead Manager have relied on the information provided by the RoC for obtaining details of our shareholding and we consent and authorize such disclosure in the Placement Document.

NO. OF EQUITY SHARES BID FOR	PRICE PER EQUITY SHARE (RUPEES)	APPLICATION AMOUNT (RUPEES)

(In Figures)	(In Words)	(In Figures)	(In Words)	(In Figures)	(In Words)

DEPOSITORY ACCOUNT DETAILS																							
Depository Name (Please ✓)		National Security Depository Limited							Central Depository Services (India) Limited														
Depository Participant Name																							
DP – ID	I	N																					
Beneficiary Account Number									(16-digit beneficiary account. No. to be mentioned above)														

PAYMENT DETAILS | REMITTANCE BY WAY OF ELECTRONIC FUND TRANSFER
By 03.30 PM (IST), [●] ("ISSUE CLOSING DATE")

BANK ACCOUNT DETAILS FOR PAYMENT OF APPLICATION AMOUNT THROUGH ELECTRONIC FUND TRANSFER			
Name of the Account	Pondy Oxides and Chemicals QIP Escrow Account	**Account Type**	Escrow Account
Name of Bank	Kotak Mahindra Bank Limited	**Address of the Branch of the Bank**	Kotak Infiniti, 6th Floor, Building No. 21, Infinity Park, Off Western Express Highway, General AK Vaidya Marg, Malad (East), Mumbai 400 097
Account No.	3450653451	**IFSC**	KKBK0000462
LEI:	335800YJMJ214JDTKV78		

The demographic details like address, bank account details, etc. will be obtained from the Depositories as per the beneficiary account given above. However, for the purposes of refund, if any, only the bank details as mentioned below, from which the Application Amount has been remitted for the Equity Shares applied for in the Issue will be considered.

The Application Amount should be transferred pursuant to this Application Form only by way of electronic fund transfers, towards the Escrow Account. Payment of the entire Application Amount should be made along with this Application Form on or before the closure of the Issue Period i.e. prior to or on the Bid/Issue Closing Date. All payments must be made in favour of "*Pondy Oxides and Chemicals QIP Escrow Account*". The payment for subscription to the Equity Shares to be allotted in the Issue shall be made only from the bank account of the person subscribing to the Equity Shares and in case of joint holders, from the bank account of the person whose name appears first in this Application Form. **You are responsible for the accuracy of the bank details mentioned below. You are aware that the successful processing of refunds if, any, shall be dependent on the accuracy of the bank details provided by you. The Company and the Lead Manager shall not be liable in any manner for refunds that are not processed due to incorrect bank details.**

RUPEE BANK ACCOUNT DETAILS (FOR REMITTANCE)			
Bank Account Number		IFSC Code	
Bank Name		Bank Branch Address	

DETAILS OF CONTACT PERSON			
Name:			
Address:			
Tel. No:		Fax No:	
Mobile No.	____ Email: ____		

OTHER DETAILS	
PAN	
Date of Application	
Signature of Authorised Signatory (may be signed either physically of digitally)	

ENCLOSURES ATTACHED

- ☐ Copy of PAN Card or PAN allotment letter**
- ☐ FIRC
- ☐ Copy of the SEBI registration certificate as a Mutual Fund
- ☐ Copy of the SEBI registration certificate as an Eligible FPI
- ☐ Copy of the SEBI registration certificate as an AIF
- ☐ Copy of the SEBI registration certificate as a VCF
- ☐ Certified copy of certificate of registration issued by the RBI as an SI-NBFC/ a scheduled commercial bank
- ☐ Copy of the IRDA registration certificate
- ☐ Copy of the PFRDA registration certificate
- ☐ Copy of notification as a public financial institution

		☐ Certified true copy of the power of attorney ☐ Other, please specify __________________

**A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted as soon as practicable.*

***It is to be specifically noted that the Bidder should not submit the GIR number or any other identification number instead of the PAN, as the applications are liable to be rejected on this ground, unless the Bidder is exempted from requirement of obtaining a PAN under the Income-tax Act, 1961.*

Note 1: Capitalized terms used but not defined herein shall have the same meaning as ascribed to them in the PPD, unless specifically defined herein. This Application Form and the PPD sent to you and the Placement Document which will be sent to you in electronic form, are specific to you and you may not distribute or forward the same and are subject to the disclaimers and restrictions contained or accompanying these documents.
Note 2: This Application Form may be rejected if any information provided is incomplete or inadequate, at the discretion of the Company in consultation with the Lead Manager.