



PONDY OXIDES AND CHEMICALS LIMITED



EIGHTEENTH ANNUAL REPORT 2012-13

PONDY OXIDES AND CHEMICALS LIMITED

BOARD OF DIRECTORS

Dr. Padam C Bansal
Chairman

Sri. D.P.Venkataraman
Vice-Chairman

Sri. Anil Kumar Bansal
Managing Director

Sri. Sunil Kumar Bansal
Sri. R.P.Bansal
Sri. Devakar Bansal
Sri. Ashish Bansal
Sri. Y.V.Raman
Whole Time Directors

Sri. Anil Kumar Sachdev
Sri. Harish Kumar Lohia
Sri. P.N. Sridharan
Directors

GM FINANCE & COMPANY SECRETARY

Sri. K. Kumaravel

FACTORY DIVISIONS

Metalic Oxides Division [M O D]
Behind A-73 & 74, PIPDIC Industrial Estate
Mettupalayam, Pondicherry– 605 009

Plastic Additives Division [P A D]
Sembialpalayam, Korkadu post
Pondicherry – 605 110

Smelter Division [S M D]
G 17 - G 19 & G 30 - G 32, SIPCOT Industrial
Park, Mampakkam, Sriperumbudur,
District – Kancheepuram, Tamil Nadu – 602 105

Zinc Refining Division [Z R D]
G-47, SIDCO Industrial Estate,
Kakkalur, Thiruvallur, Tamil Nadu – 602 003

Alloying & Refining Division [A R D]
B 19 & 20 Sidco Industrial Estate,
Maraimalai Nagar, Kancheepuram Dist.,
Tamil Nadu - 603209

REGISTERED & CORPORATE OFFICE

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

AUDITORS

M/s Jeeravla & Co.,
Chartered Accountants
New # 27 (Old # 19A) 1st Floor, Barnaby Road,
Kilpauk, Chennai - 600 010
Phone No. : +91-044 - 26421022

BANKERS

Canara Bank – Anna Nagar East Branch
HDFC Bank - Mylapore Branch

REGISTRAR AND SHARE TRANSFER AGENTS

M/s. Cameo Corporate Services Limited
Subramanian Building,
1, Club House Road,
Chennai – 600 002
Phone : 91-044-28460390 [5 lines]
Fax : 91-044-28460129
E-mail : cameo@cameo.india.com

LISTING

The Bombay Stock Exchange
Madras Stock Exchange
National Stock Exchange [Under permitted Category]

EIGHTEENTH ANNUAL GENERAL MEETING

Day : Tuesday

Date : August 27, 2013

Time : 11.00 a.m.

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



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NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the Eighteenth Annual General Meeting of the Members of **M/s.PONDY OXIDES AND CHEMICALS LIMITED** will be held on Tuesday the 27th day of August 2013 at 11.00 a.m. at Kasturi Srinivasan Hall (Mini Hall), Music Academy, 306, T.T.K.Road, Chennai – 600 014 to transact the following business :

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March 2013 and Statement of Profit and Loss for the year ended 31st March 2013 together with notes thereto, the Auditors Report and Directors' Report thereon.
2. To declare Dividend on Equity Shares.
3. To appoint a Director in the place of Dr. Padam C Bansal, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in the place of Sri. Y.V. Raman, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint a Director in the place of , Sri. Anil Kumar Sachdev, who retires by rotation and being eligible, offers himself for reappointment.
6. To appoint a Director in the place of Sri. Ashish Bansal, who retires by rotation and being eligible, offers himself for reappointment.
7. To appoint Auditors and to fix their remuneration and in this regard to consider and, if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution:

“RESOLVED THAT M/s Jeeravla & Co., Chartered Accountants (bearing Firm Registration No.: 001323S) the retiring Auditors be and are hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on a remuneration to be decided by the Board of Directors, in addition to reimbursement of service tax and out of pocket expenses in connection with Audit of the accounts of the Company.”

By Order of the Board
For **Pondy Oxides and Chemicals Ltd.**

Place : Chennai
Date : May 30, 2013

K. Kumaravel
GM - Finance & Company Secretary

NOTES:

1. **EVERY MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. Duly filled in Proxy forms must be deposited at the Registered Office of the Company at least 48 hours before the commencement of the Annual General meeting.
3. Pursuant to Clause 49 of the Listing Agreement, particulars of Directors seeking appointment / re-appointment at this meeting are annexed hereto.
4. The Register of Members and Share Transfer Books of the Company will remain closed on 27.08.2013.
5. Members are requested to:
 - i) Note that as a measure of austerity, copies of Annual Report will not be distributed at the Annual General Meeting.
 - ii) Deliver duly completed and signed Attendance Slip at the entrance of the meeting venue.



- iii) Quote the Folio / Client ID and DP ID Nos. in all their correspondence.
 - iv) Note that NO gifts / compliments / coupons will be distributed at the Annual General Meeting.
 - v) A Corporate member shall be deemed to be personally present only if it is represented in accordance with Section 187 of the Companies Act, 1956 i.e. only if the corporate member sends certified true copy of the Board Resolution / Power of Attorney authorizing the representative to attend and vote at the Annual General Meeting.
 - vi) Members are requested to notify immediately changes, if any, in their addresses to;
 - a. Depository Participants (DP) in respect of shares held in the dematerialized form and
 - b. To the Registrar and Transfer Agents of the Company, M/s. Cameo Corporate Services Limited, Subramanian Building No.1, Club House Road, Chennai-600 002 in respect of shares held in Physical form, quoting their folio numbers.
6. Members desirous of getting any information on any items of business of this meeting are requested to address their queries to Mr. K. Kumaravel, GM - Finance & Company Secretary at the Registered Office of the company at least ten days prior to the date of the meeting, so that the information required can be made available at the meeting.
 7. All documents referred to in the notice and annexures thereto along with other mandatory registers / documents are open for inspection at the Registered Office of the Company on all working days (except Saturdays, Sundays and public holidays) between 03.00 p.m to 05.00 p.m prior to the date of Annual General Meeting.
 8. Members who have not registered their email addresses to the registrar are requested to register their email IDs at pondyoxides@cameoindia.com so that they can receive the Annual Report and other communication from the company electronically.
 9. The Securities and Exchange Board of India has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore requested to submit their PAN to their depository participant with whom they are maintaining their demat account. Members holding shares in physical form can submit their PAN details to the company / RTA.
 10. If dividend on shares as recommended by the Directors is approved at the meeting, the payment will be made within thirty days to those shareholders whose names are on the Company's Register of Members on 27.08.2013. The dividend in respect of shares held in electronic form will be payable to the beneficial owners of the shares as at the end of business hours on 27.08.2013 as per details furnished by the Depositories for this purpose.
 11. Members who have not encashed their dividend warrants for the years 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11 and 2011-12 are requested to approach the company for revalidation / issue of duplicate warrants quoting their Ledger Folio / DP – Client ID Number.

Pursuant to Section 205 A(5) of the Companies Act, 1956 the unpaid dividends due for transfer to the Investor Education and Protection Fund (IEPF) of the Central Government are as follows :

Dividend for the year ended	Date of declaration	Proposed date of transfer*
March 31, 2006	September 09, 2006	September 13, 2013
March 31, 2007	September 22, 2007	September 26, 2014
March 31, 2008	September 20, 2008	September 24, 2015
March 31, 2009	September 17, 2009	September 21, 2016
March 31, 2010	August 28, 2010	September 01, 2017
March 31, 2011	September 24, 2011	September 28, 2018
March 31, 2012	September 7, 2012	September 11, 2019

*Indicative dates, actual dates may vary

Pondy Oxides and Chemicals Limited

12. For the convenience of payment of dividend, transfer etc., shareholders are requested to apply for consolidation of folios. For this purpose, it is required to submit all the original share certificates along with a request letter requesting for consolidation, to the Registrars and Share Transfer Agents for necessary corrections in their records.

Information of the Directors Seeking Re-appointment at the Eighteenth Annual General Meeting.

[As Required under Clause 49 IV [G][i] of the Listing Agreement]

Name of the Director	Dr. Padam C Bansal	Sri.Y.V. Raman	Sri.Anil Kumar Sachdev	Sri.Ashish Bansal
Date of Birth	July 10, 1947	December 2, 1952	December 19, 1953	July 15, 1981
Date of Appointment	November 4, 1997	April 1, 2001	September 2, 1995	July 30, 2009
Director Identification Number	00232863	00232762	00043431	01543967
Relationship between Directors' inter-se	Brother of Promoter – Directors*	Not related to any Director of the company	Not related to any Director of the company	Son of Promoter, Director Sri Anil Kumar Bansal
Qualification and Expertise	M.Sc., PhD – Specialization – in sustained release drugs and chemicals	B.Sc. – Specialization in marketing of various products	M.B.A – Specialization in Finance	M.B.A University of Wales, Cardiff, London
Directorship held in other public companies	Nil	Nil	Nil	POCL Enterprises Ltd
Membership / Chairmanship of Committees across other public companies, Committees if any	Nil	Nil	Nil	Nil
Number of Equity shares of Rs.10/- each held on March 31, 2013	4,25,626	1,129	3,630	5,91,354

* Promoter Directors are:-

1. Dr. Padam C Bansal
2. Sri. Anil Kumar Bansal
3. Sri. Sunil Kumar Bansal
4. Sri. R.P. Bansal
5. Sri. Devakar Bansal
6. Sri. Ashish Bansal



DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting Eighteenth Annual Report together with Audited Balance Sheet and Statement of Profit and Loss for the year ended on March 31, 2013.

1. FINANCIAL RESULTS

Rs. in lakhs

Particulars	2012-13	2011-12
Operational Income	37294.34	31979.17
Other Income	375.12	94.88
EBIDAT	1400.18	1275.26
Interest and Financial Charges	763.55	559.87
Depreciation & amortization	232.90	283.05
Profit before taxation	403.73	432.34
Provision for taxes	127.67	144.75
Net Profit for the year	276.06	287.59
Appropriations		
General Reserve	15.00	30.00
Proposed Dividend on equity shares	111.52	111.52
Tax on proposed dividend	18.09	18.48
Surplus carried forward to next year	131.45	127.59

2. DIVIDEND

The Board of Directors of your Company has recommended a dividend of Re.1.00 [10%] per equity share of Rs.10/- each. The total cash flow on account of this dividend including distribution tax thereon will be Rs.129.61 lakhs. The dividend will be tax free in the hands of the shareholders.

3. PERFORMANCE REVIEW

The Company reported revenues and PBDIT of Rs.1400.18 lakhs during the year 2012-13 against Rs.1275.26 lakhs for the previous year. Strong volume growth, operational efficiencies improved the sales performance. This year over all metal production was 19955 mts compared to 19301 mts in the previous year. The Metallic Oxides production this year was 5912 mts compared to 4182 mts showing an increase of 24% over the financial year 2012. Similarly production of plastic additives was 5143 mts compared to 4310 mts showing an increase of 19% over the previous year.

The Lead Metal sales in the domestic market during the year were 6888 mts while export sales accounted for 10570 mts. Metallic Oxides sales in the domestic market during the year were 4822 mts with the export sales accounting for 660 mts. Plastic Additives sales during the year were 4693 mts with the export sales accounting for 377 mts.

4. APPROPRIATIONS

For the year under review, the Board has proposed to transfer Rs.15.00 lakhs to General Reserve and an amount of Rs.131.45 lakhs is proposed to be retained in the Statement of Profit & Loss.

5. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to clause 49(IV)(F) of the Listing Agreement, Management Discussion and Analysis Report is given below.

• **THE ECONOMY AND THE SECTORAL GROWTH**

Managing growth and price stability are major challenges of macroeconomic policy making. Pulled down by poor performance of farm, manufacturing and mining sectors, economic growth slowed to 4.8 per cent in the January-March quarter and fell to a decade's low of 5 per cent for the entire 2012-13 fiscal.

The economic growth or gross domestic product (GDP) had expanded by 5.1 per cent in January-March quarter of last fiscal.

India's economic growth was at 6.2 per cent for the 2011-12 fiscal. It had grown by 5.4 per cent, 5.2 per cent and 4.7 per cent in the first, second and third quarters, respectively, of 2012-13.

• **INDUSTRY STRUCTURE AND DEVELOPMENT**

Metal, Metallic Oxides and Plastic Additives are the three divisions of the company. Metal Division mainly consists of Lead which is primarily used in Lead Acid Battery industry, Plastic Stabilizers and Metallic Oxides. Metallic Oxides are primarily used in tyre, ceramic and battery industries. Plastic Additives is used in PVC Pipe Industry.

• **SEGMENT-WISE PERFORMANCE**

The operational and financial performances of the three divisions are as follows:

(Rs.in lakhs)

Segment	Turnover	Profit / (Loss) before Interest & Tax
Metal	26225.19	519.76
Metallic Oxides	7730.75	260.73
Plastic additives	6515.61	476.44

OUTLOOK

• **PROPOSED EXPANSION**

As informed in the earlier Annual Report, the Company is in the process of setting up of plant in Industrial Park, Gajulamandyam, Chittoor District, Andhra Pradesh for the manufacture of Lead Metals and Lead Alloys and obtained clearances from Andhra Pradesh Pollution Control Board and other government agencies and the expansion will be completed before the end of this financial year.

Further, the company has also purchased land of 1.36 acres at Sipcot Industrial Park, Sriperumbudur, Kancheepuram District, Tamilnadu for future expansion programme to be decided by the Board.

The demand for Lead and Lead Alloys is strong and there has been an increase in the revenue, but the net profit decreased due to a drop in international lead prices. The demand of Metallic Oxides and Plastic Additives is stable and continue to give the projected turnover and profitability.

• **RISK AND CONCERNS**

The outlook for the Metal, Metallic Oxides and Plastic Additives Division continues to be promising in the medium term. However, the availability and price of raw material and exchange fluctuation are causes for concern.



- **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

Your Company has an established system of internal controls for ensuring optimal utilization of various resources. Investment decisions involving capital expenditure are taken up only after due appraisal and review and adequate policies have been laid down for approval and control of expenditure. Internal audit is carried out by a firm of Chartered Accountants to ensure adequacy of the internal control systems. The internal audit report is reviewed by the Audit Committee to ensure that all policies and procedures are adhered to and all statutory obligations are complied with.

- **HUMAN RESOURCES AND INDUSTRIAL RELATIONS**

Your company believes that its employees are the main force in driving performance and developing competitive advantage. During the year, your Company has focused efforts to enhancing capabilities of employees, particularly in view of expanding capacities and changes in working environment. Technical and safety training programs were held periodically to enhance workers' knowledge and application skills. Industrial relations continued to remain cordial and harmonious during the year. The total number of employees at the end of the year was 319.

6. CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Accounting Standard (AS)-21 on Consolidated Financial Statements, the audited Consolidated Financial Statements are provided in the Annual Report.

7. CORPORATE SOCIAL RESPONSIBILITY

We are committed to operate our business with emphasis on Corporate Social Responsibility (CSR) in all areas of our operation. We will integrate our business values and operations to meet the expectations of our shareholders, customers, employees, regulators, investors, suppliers, and the community and take care of environment with best interest.

CSR policy forms part of our corporate vision. It defines our approach on key responsibility issues and provides guidance to employees on the company standards.

Each and every manufacturing plant has implemented this CSR policy, we regularly promote awareness amongst our people to ensure they adopt this mission in every area of work. The CSR team reviews the progress of every plant on a quarterly basis with respect to its compliance and an annual report on activities is prepared.

It has been the policy of the Company to keep at least one third of the unit area as green. Also full-fledged pollution control equipments are installed in all units before the commencement of production and to keep the environmental pollution free inspite of Red Category unit classification.

8. SUBSIDIARY COMPANY

The company as on March 31, 2013 has one subsidiary namely M/s POCL Enterprises Ltd.

It is prominently engaged in trading of various metals and chemicals and there has been no material change in the nature of business of the subsidiary other than the increase in the turnover and profitability of the subsidiary during the year 2012-13.

Pursuant to provisions of Sub - Section (8) of Section 212 of the Companies Act, 1956, the Ministry of Corporate affairs (MCA) vide its Circular No. 2/2011, dated 08.02.2011 has granted general exemption from attaching the Balance Sheet, Statement of Profit and Loss and other documents of the subsidiary company, with the Balance Sheet of the Company. However the financial information of the subsidiary company is disclosed in the Annual Report in compliance with the said circular.

Accordingly, this annual report does not contain the reports and other statements of the subsidiary company. Any member intends to have a certified copy of the Balance Sheet and other financial

statements of the subsidiary may write to the Company Secretary. These documents are available for inspection during business hours at the Registered Office of the Company and also at the Registered Office of the subsidiary company.

9. DIRECTORS

• **Appointments by rotation**

In accordance with the provisions of the Companies Act, 1956 read with the Articles of Association of the Company, Dr. Padam C Bansal, Sri. Y.V Raman, Sri. Anil Kumar Sachdev and Sri. Ashish Bansal, Directors of the company will retire by rotation at this meeting and being eligible, your Board recommends their re-appointment.

• **Directors' Responsibility Statement**

Pursuant to the requirements under Section 217 (2AA) of the Companies Act, 1956, with respect to the Directors' Responsibility Statement, it is hereby confirmed that:

- (i) in the preparation of the annual accounts for the financial year ended March 31, 2013, the applicable Accounting Standards have been followed along with proper explanation to material departures.
- (ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2013 and of the profit or loss of the Company for that period.
- (iii) the Directors have taken proper and sufficient care for the maintenance and adequate accounting records in accordance with the provision of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- (iv) the Directors have prepared the annual Accounts on a going concern basis.

10. AUDITORS AND AUDITORS REPORT

The office of the Statutory Auditors M/s. Jeeravla & Co., Chartered Accountants (bearing Firm Registration No: 001323S), expires at the conclusion of the forthcoming Annual General Meeting of the Company and they have expressed their willingness to accept office, if re-appointed.

The Company has received letters from them to the effect that their re-appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for re-appointment within the meaning of Section 226 of the said Act.

Your Directors recommend re-appointment of M/s. Jeeravla & Co., Chartered Accountants, Chennai as the statutory auditors of the Company and request the members to authorize the Board of Directors to fix their remuneration. The resolution for the same is placed before the members as item no. 7 of the Notice convening the Annual General Meeting.

11. COST AUDITOR

The Board of Directors has appointed M/s. Vivekanandan Unni & Associates (bearing Firm Registration No: 00085), Cost Accountants as Cost Auditor of the company for the financial year 2012-13.

12. DEPOSITS

The Company has not invited deposits from public during the year under review; however it has accepted unsecured loans from directors, friends and related parties.

13. PARTICULARS OF EMPLOYEES

None of the employees of your Company was in receipt of the remuneration in excess of the ceiling prescribed under section 217[2A] of the Companies Act, 1956.

**14. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO**

In accordance with the provisions of Section 217[1][e] of the Companies Act, 1956, read with the Companies [Disclosure of particulars in the Report of Board of Directors] Rules, 1988, the information relating to conservation of energy, technology absorption, foreign exchange earnings and outgo are furnished in the Annexure forming part of this Report.

15. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to the Provisions of Section 205A(5) and 205C of the Companies Act, 1956 dividends which remained unpaid or unclaimed for a period of 7 years have been transferred by company to the Investor Education and Protection Fund.

Pursuant to the provisions of Investor Education and Protection Fund (IEPF) (uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012 the company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 7th September 2012 (date of previous Annual General Meeting) on the website of the company (www.pocl.co.in) as also on the Ministry of Corporate Affairs website.

16. CORPORATE GOVERNANCE

Your Company aims at achieving transparency, accountability, equity and ethics in all facets of its operations without compromising compliances with laws and regulations framed by SEBI in this regard. The Company is committed to maintain the highest standard of Corporate Governance.

A Certificate from Statutory Auditors of the Company confirming the compliance of clause 49 of the listing agreement is attached to the Annual Report.

17. ACKNOWLEDGEMENT

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

18. CAUTIONARY STATEMENT

Certain statements in the Directors' Report describing the Company's operations, objectives, projects and expectations regarding future performance may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed/ implied, depending on the economic conditions, Government policies and other incidental factors and developments.

On behalf of the Board of Directors
For **Pondy Oxides and Chemicals Ltd.**

Place : Chennai
Date : May 30, 2013

Anil Kumar Bansal
Managing Director

D.P.Venkataraman
Vice Chairman

ANNEXURE TO THE DIRECTORS' REPORT

Information under Section 217[1][e] of the Companies Act, 1956, read with the Companies [Disclosure of particulars in the Report of Board of Directors] Rules, 1988, and forming part of the Directors' Report for the year ended March 31, 2013.

1. Conservation of energy

- a. Energy Conservation measures taken
 - b. Additional investments and proposals if any, being implemented for reduction of consumption of energy;
 - c. Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.
 - d. Total Energy consumption and energy consumption per unit of production
- } Not Applicable

FORM A

Form for Disclosure of Particulars with respect to Conservation of Energy

1. Part A - Power and fuel consumption

S. No.	Particulars	Current Year 2012-2013	Previous Year 2011-2012
1.	Electricity		
	a. Purchased		
	Units	1994879	1930140
	Total Amount	Rs. in lakhs 101.25	85.33
	Rate	Rs. per unit 5.07	4.42
	b. Own Generation		
	Through Diesel Generator	Units 956762	946890
	Value of diesel consumed	Rs. in lakhs 161.26	86.60
	Cost	Rs. Per unit 16.85	9.15
	Units per litre of diesel	3.05	4.23
2.	Coal		
	Quantity	In Mt 1232	846
	Amount	Rs. in lakhs 112.52	87.89
	Average Rate	Rs. 9134	10390
3.	Furnace Oil		
	Quantity	In K. Ltrs 1511	1092
	Amount	Rs. in lakhs 610.75	422.73
	Average Rate	Rs. 40420	38716
4.	Others:		
	Diesel		
	Quantity	In K. Ltrs 665	630
	Amount	Rs. in lakhs 325.47	267.57
	Average Rate	Rs. 48910	42486

B. Consumption per unit of production

In view of the number of products, with different quality and other parameters being manufactured by the company, it is not possible to give information on consumption of fuel per unit of production.



2. **Technology Absorption**

FORM B

Form for Disclosure of particulars with respect to Absorption

I. Research and development

During the year under review, the company continued to improve the quality of products through its normal research and development system.

II. Technology absorption, adaptation and innovation

The company has not acquired any imported or indigenous technology

3. Foreign Exchange earnings and outgo

During the year the Company earned Foreign Exchange of Rs.14061.14 lakhs (Export Sales) and used Foreign Exchange of Rs.25571.82 lakhs (Raw Materials Rs.25548 lakhs and Rs.19.00 lakhs towards Foreign Travel, Membership Fees and Commission expenses and Rs.4.82 lakhs towards dividend)

On behalf of the Board of Directors
For **Pondy Oxides and Chemicals Ltd.**

Place : Chennai
Date : May 30, 2013

Anil Kumar Bansal
Managing Director

D.P.Venkataraman
Vice Chairman

CORPORATE GOVERNANCE REPORT

I. Company's Philosophy on Corporate Governance

Your Company believes in transparency, professionalism and accountability, which are the basic principles of Corporate Governance. The Company aims at achieving transparency, accountability, equity and ethics in all facets of its operations without compromising compliances with laws and regulations framed by SEBI in this regard. Further, the Company has taken structured initiatives towards Corporate Governance and its practices which evolve around multi-layered checks and balances to ensure transparency.

Apart from the mandatory measures required to be implemented as a part of Corporate Governance, the Company has gone the extra mile in this regard and has implemented the Whistle Blower Policy, details pertaining to the same are given below under the head Disclosures (*Point No:- VI (f)*).

The Company would constantly endeavour to improve on these aspects and committed to attain the highest standards of Corporate Governance. In terms of Clause 49 of the Listing agreement executed with the Stock exchanges, the details of compliances, for the year ended March 31, 2013 are as follows.

II. Board of Directors

1. Composition

The Company's policy is to maintain optimum combination of Executive and Non-Executive Directors. The Board of Directors comprises:

- One Managing Director [Promoter Group]
- Five Executive Directors [4-Promoter Group]
- One Related Directors [Not Independent – Promoter Group]
- Four Independent / Non-Executive Directors

For a Director to be considered independent, the Board determines that, a director should not have any material pecuniary relationships or transactions with the company, its promoters, its directors, its senior management, its subsidiaries and associates which may affect independence of such director;

The names and categories of the Directors on the Board, their attendance at the Board Meetings during the year and at the last Annual General Meeting as also the number of Directorships and Committee Memberships held by them in other companies were as under:

Names of the Directors	Category	Number of Directorships in other public limited companies	Memberships of other Committee[s]		Number of Board Meetings attended	Last AGM Attended
			Chairman	Member		
Dr. Padam Chandra Bansal	Chairman-Non Executive (Promoter Group)	-	-	-	1	Yes
Sri. D.P. Venkataraman	Vice Chairman Non Executive/ Independent	1	3	-	8	Yes
Sri. Anil Kumar Bansal	Managing Director (Promoter Group)	1	1	1	8	Yes
Sri. Sunil Kumar Bansal	Whole Time Director (Promoter Group)	1	-	1	8	Yes
Sri. R.P. Bansal	Whole Time Director (Promoter Group)	1	-	-	7	Yes
Sri. Devakar Bansal	Whole Time Director (Promoter Group)	-	-	-	7	Yes
Sri. Ashish Bansal	Whole Time Director (Promoter Group)	1	-	-	8	Yes
Sri. Y.V. Raman	Whole Time Director	-	-	1	8	Yes
Sri. Anil Kumar Sachdev	Non Executive / Independent	1	-	3	4	Yes
Sri. Harish Kumar Lohia	Non Executive / Independent	-	-	3	5	No
Sri. P.N. Sridharan	Non Executive / Independent	-	-	1	5	Yes

Note: None of the Directors was a member in more than 10 Committees or Chairman in more than 5 Committees.



2. Meeting of the Board of Directors

During the year 2012-13, the Board met 8 (eight) times on:

1. April 7, 2012;
2. May 14, 2012
3. July 18, 2012
4. July 27, 2012
5. September 8, 2012
6. October 27, 2012
7. January 9, 2013
8. February 9, 2013

At least one Board Meeting was held during every quarter. The maximum time gap between two Board Meetings was less than four months.

III. Committees of the Board

1. Audit committee

Terms of reference

Clause 49 of listing agreement and Section 292A of the Companies Act, 1956 mandates the Company to form an Audit Committee.

The primary objective of the Audit committee is to:

- monitor and oversee the Company's financial reporting process and disclosure of its financial information.
- recommend the appointment of statutory auditors and Internal auditors.
- review and discuss with the auditors all aspects of internal control system including the scope of audit, observations of the auditors, adequacy of the internal control system, major accounting policies, practices and compliance with Accounting standards and Listing agreement with the Stock Exchange and other legal and regulatory requirements concerning financial statements;
- review the reports of the Company's Internal auditors and to discuss with them any significant findings for follow up action thereon
- review the financial statements audited by the Statutory auditors as also to review financial and risk management policies and practices.

Composition and attendance at the meetings of Audit committee

During the year 2012-2013, the committee met four times on:-

1. May 14, 2012.
2. July 27, 2012.
3. October 27, 2012.
4. February 9, 2013.

Name of the Director	Category	Meetings attended
Sri.D.P Venkataraman	Non-Executive Director-Independent-Chairman	4
Sri.Anil Kumar Sachdev	Non-Executive Director-Independent-Member	4
Sri.Harish Kumar Lohia	Non-Executive Director-Independent-Member	4
Sri.P.N.Sridharan	Non-Executive Director-Independent-Member	4

- The necessary quorum was present at the meeting.
- All members of the Audit committee are financially literate and have relevant finance and/or audit exposure.
- At least one Audit committee meeting was held during every quarter.
- Internal auditors and Statutory Auditors attended the meetings as invitees.
- The G.M Finance & Company Secretary acts as the Secretary of the Audit committee.

The Chairman of the Audit Committee Sri. D.P.Venkataraman was present at the Seventeenth Annual General Meeting held on September 7, 2012.

2. Remuneration Committee

Terms of Reference

The Remuneration committee has been constituted to recommend / review the remuneration of the Managing/Whole time Director[s] and recommending to the Board the quantum of annual increments based on their performance. The Committee also reviews the overall compensation policy, service agreements and other employment conditions of Managing/Wholetime Director[s].

Remuneration Policy

The remuneration of the whole-time Director(s) is recommended by the Remuneration Committee based on factors such as industry benchmarks, the Company's performance vis-à-vis the industry, performance / track record of the Whole-time Director(s), etc., which is decided by the Board of Directors. Remuneration comprises a fixed component viz. salary, perquisites and allowances and a variable component viz. commission. The Remuneration committee also recommends the annual increments (which are effective April 1 annually) with in the salary scale approved by the Members and permitted under Schedule XIII read with Sections 198 and 309 of the Companies Act, 1956.

Composition and attendance at meetings of Remuneration committee

During the year 2012-2013, the committee met on April 07, 2012 to decide on increment in remuneration payable to Directors and to fix remuneration to new Whole Time Director. Further, the committee also met on 08.09.2012 to reappoint / fixing / revision in remuneration to Managing Director and Whole Time Directors. The composition and attendance at the Remuneration committee meeting during the year prior to the reconstitution were as under:

Name of the Director	Category	Meeting Attended
Sri.D.P. Venkataraman	Non-Executive Director-Independent – Chairman	2
Sri.Anil Kumar Sachdev	Non-Executive Director-Independent - Member	2
Sri.Harish Kumar Lohia	Non-Executive Director-Independent - Member	2

The G.M Finance & Company Secretary acts as the Secretary of the Remuneration Committee.

3. Shareholders'/Investors' Grievance committee

Terms of reference

The Shareholders'/ Investors' Grievance Committee, inter alia, approves issue of duplicate certificates and oversees and reviews all matters connected with the transfer of securities of the Company. The Committee also looks into redressal of shareholders'/ investors' complaints related to transfer of shares, non receipt of Balance sheet, non receipt of declared dividend, etc. wherever possible. The Committee oversees performance of the Registrars and Transfer Agents of the Company and recommends measures for overall improvement in the quality of investor services.



The Company also monitors implementation and compliance with Company's code of conduct for prohibition of Insider trading in pursuance of SEBI (Prohibition of Insider Trading) Regulations, 1992.

Composition of Shareholders'/Investors' Grievance Committee:-

The Committee comprises three directors, namely,

Name of the Director	Category
Sri. D.P Venkataraman	Non Executive Director-Independent-Chairman
Sri. Anil Kumar Sachdev	Non-Executive Director-Independent – Member
Sri. Harish Kumar Lohia	Non-Executive Director-Independent – Member

During the year 2012-2013, the committee met four times on the following dates and reviewed / resolved the Investors' Grievances:

1. May 14, 2012
2. July 27, 2012
3. October 27, 2012
4. February 09, 2013

The G.M Finance & Company Secretary acts as the Secretary of the Shareholders'/ Investors' Grievance committee.

The status of the Complaints received from the shareholders during the period April 1, 2012 to March 31, 2013 is as detailed as hereunder:

Complaints outstanding at the beginning of the year	Complaints received during the year	Complaints Disposed off during the year	Complaints unresolved at the end of the year.
Nil	26	26	Nil

4. Share transfer committee

Terms of reference

- A. Transfer/ transmission/ transposition of shares.
- B. Consolidation/ splitting of shares.
- C. Issue of Duplicate Share Certificates, confirmation of demat / remat requests, review of shares dematerialized and all other related matters.

Composition of Share Transfer Committee:-

Name of the Director	Category
Sri.Anil Kumar Bansal	Managing Director-Chairman
Sri.Sunil Kumar Bansal	Whole time Director-Member
Sri. Y.V. Raman	Whole time Director-Member

During the year 2012-2013, the committee met six times on

1. May 3, 2012.
2. June 4, 2012.
3. October 3, 2012.
4. November 3, 2012.
5. January 11, 2013.
6. February 25, 2013.

Pondy Oxides and Chemicals Limited

Share transfers/transmissions etc. are processed at regular intervals depending on the requests received and the share certificates are returned to those who lodged for transfers within a month from the date of receipt.

IV. Remuneration of Directors

Rs. in lakhs

Name of the Director	Salary [Basic]	Perquisites & Allowances	Total
Sri. Anil Kumar Bansal - Managing Director	21.00	14.98	35.98
Sri. Sunil Kumar Bansal - Whole Time Director	16.80	12.82	29.62
Sri. R.P. Bansal - Whole Time Director	16.80	11.61	28.41
Sri. Devakar Bansal - Whole Time Director	16.80	10.69	27.49
Sri. Ashish Bansal – Whole Time Director	14.40	10.21	24.61
Sri. Y. V. Raman - Whole Time Director	5.10	4.25	9.35

The Board of Directors decides the remuneration of Non-Executive - Independent Directors. The Non-Executive-Independent Directors are paid sitting fees of Rs. 3,000/- each per meeting of the Board, attended by them.

Service Contract and Notice Period of the Managing Director and Whole Time Directors:

Mr. Anil Kumar Bansal's contract as a Managing Director has been extended for a period of two years, commencing from April 1, 2013 upto and including March 31, 2015. The contract of the Whole-Time Directors, Mr. Sunil Kumar Bansal, Mr. Devakar Bansal, Mr. R. P. Bansal and Mr. Y. V. Raman has been extended for a period of two years, commencing from April 1, 2013 upto and including March 31, 2015. The contract for Mr. Ashish Bansal, Whole-Time Director is for a period of three years, commencing from April 1, 2012 upto and including March 31, 2015.

The contracts entered into with the Managing Director and Whole-Time Directors are terminable by 3 months' notice on either side.

Details of ordinary shares of the Company held by the Non-Executive Directors as on March 31, 2013 are as under:

Dr.Padam C Bansal	: 4,25,626 shares
Sri.D.P.Venkataraman	: Nil
Sri.Anil Kumar Sachdev	: 3,630 shares
Sri.Harish Kumar Lohia	: 2,390 shares
Sri.P.N.Sridharan	: Nil

V. Compliance officer

Sri. K. Kumaravel,
G.M Finance & Company Secretary
is also the Compliance Officer.

Registered Office:

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

VI. Disclosures

[a] Related party transactions

During the year the Company has not entered into any transactions with directors, their relatives or management which is in conflict with the interests of the Company. Transactions with the related parties are disclosed in Note No.34 i.e Notes forming part of the Financial Statements in the Annual Report.

**[b] Statutory compliance, Penalties and strictures**

Your Company has complied with all the requirements of the Listing agreement with the Stock Exchanges, SEBI Regulations and other statutory authorities. During the last three years there were no strictures or penalties imposed on your Company by SEBI or the Stock exchanges or any Statutory authority in connection with violation of Capital Market norms, rules, regulations, etc.

[c] Code of Conduct

The code of Business Conduct and Ethics for Directors / Management personnel has been adopted by the Company.

[d] Listing agreement compliance

The Company has complied with the mandatory requirements of Clause 49 of the Listing Agreement as amended till date.

[e] Risk management assessment

The Company has reviewed the risk based control system and evolved a procedure for risk assessment and timely rectification which would help minimisation of risk associated with any strategic, operational, and financial and compliance risk across all business operations. These control procedures and systems will ensure that the board is periodically informed of the material risks faced by the Company and the steps taken by the Company to mitigate those risks.

[f] Board procedure

The company has established procedures to enable its board to review the compliance of all laws applicable to the Company as well as steps taken to rectify instances of non-compliance.

[g] Secretarial Audit

In line with the requirements of SEBI, Secretarial audit is carried out on a quarterly basis by a qualified Practicing Company Secretary to confirm that the aggregate 1,11,51,985 (One Crore Eleven Lakhs Fifty One Thousand Nine Hundred and Eighty Five) number of Equity Shares of the Company held in NSDL and CDSL and in physical form tally with the total number of issued/ paid up, listed and admitted capital of the Company.

Compliance with Non-Mandatory Requirements**[a] The Board**

A separate office is not maintained for the Non-executive Chairman of the Company. The Composition of the Board of Directors, committees of the Board are in line with the provisions of the Listing Agreement, the Companies Act, 1956 and other applicable laws.

[b] Remuneration Committee

The Board has set up a remuneration committee to determine on their behalf and on behalf of the shareholders with agreed terms of reference the company's policy on specific remuneration packages for Managing Director and Whole Time Directors.

[c] Shareholders' Rights

In addition to being published in a leading Tamil and English Newspapers having wide circulation, the Company publishes its financial results on its website (www.pocl.co.in). Hence, a quarterly declaration of financial performance including summary of the significant events is not being sent to shareholders individually.

[d] Audit Qualifications

During the period under review, there are no audit qualifications in its financial statements. The Company continues to adopt best practices to ensure regime of unqualified financial statements.

[e] Mechanism for evaluating Non-Executive Board Members

The Board of Directors of the Company comprises of 5 Non-Executive Directors. The Directors appointed on the Board are from diverse fields and have long standing experience and expertise in their respective fields.

Non-executive Directors add substantial value through the discussions at the Meetings of the Board and Committees thereof and are paid sitting fees.

[f] Whistle Blower Policy

The Company has adopted the Whistle Blower Policy pursuant to which employees of the Company can raise their concerns relating to the fraud, malpractice or any other activity or event which is against the interest of the Company or society.

As regards the other non-mandatory requirements, the Board has taken cognizance of the same and shall consider adopting the same as and when necessary.

VII. Means of Communication

The Company has a functioning website (*www.pocl.co.in*) wherein the details about the Company, its shareholding pattern and financial results are being updated on a quarterly basis. The financial results are also published in daily newspapers in accordance with the Listing agreement.

VIII. Listing

The Equity shares of the Company are listed on the Bombay Stock Exchange Limited, Madras Stock Exchange Limited, National Stock Exchange Limited (under permitted category).

IX. General Body Meetings

The last three Annual General Meetings of the Company were held as per the details given below:

Year	Date	Time	Venue	Special Resolution
2009-10	15 th AGM August 28, 2010	11.00 a.m.	Music Academy, 306 T.T.K. Road, Chennai-600014	For maintaining certain documents at the then Corporate Office.
2010-11	16 th AGM September 24, 2011	11.00 a.m.	Narada Gana Sabha Mini Hall, 314 (Old No.254), T.T.K. Road, Chennai-600 018.	NIL
2011-12	17 th AGM September 7, 2012	10.15 a.m.	Music Academy, 306 T.T.K. Road, Chennai – 600014	NIL
2012-13	EGM 26 th October 2012	12.00 Noon	Hotel Ashoka, Room No.407, New No.47, Old No.33, Pantheon Road, Egmore, Chennai – 600 008.	For reappointment and fixing / revision in remuneration for Managing Director and Whole Time Directors

The Chairman of the Audit committee, Sri. D.P Venkataraman was present at the 17th Annual General Meeting held on September 7, 2012.

No Special resolution through postal ballot was passed during the three immediately preceding financial years.



X. Details of directors seeking re-appointment

As required under Clause 49 IV [G], particulars of directors seeking appointment/ re-appointment are given in the explanatory statement annexed to the notice of 18th Annual General Meeting to be held on 27th August 2013.

XI. General shareholders' information

Date of Incorporation	March 21, 1995
Corporate Identity Number[CIN]	L24294TN1995PLCO30586
Registered Office	KRM Centre, 4 th Floor, # 2, Harrington Road, Chetpet, Chennai -600 031. Telephone No : +91-044-42965454 Fax No : +91-044-42965455
Day and date of Annual General Meeting	Tuesday, August 27, 2013
Time and venue of the Annual general meeting	11.00 am at Kasturi Srinivasan Hall (Mini Hall), Music Academy, 306, T.T.K.Road, Chennai - 600 014
Date of Book closure	August 27, 2013
Last date for receipt of proxy	August 24, 2013 before 05.00 p.m
Financial calendar	April 1, 2013 to March 31, 2014
Unaudited Result	Last date for publishing
First quarter ending June 30, 2013	August 14, 2013
Second quarter ending September 30, 2013	November 14, 2013
Third quarter ending December 31, 2013	February 14, 2014
Fourth quarter ending March 31, 2014	May 14, 2014
Listing on Stock exchange[s]	The Bombay Stock Exchange Phiroze Jeejeebhoy Towers Dalal Street Mumbai – 400 001. Madras Stock Exchange Limited Exchange Building, Post Box No.183 11, Second Line Beach Road, Chennai – 600 001. National Stock Exchange of India Limited (under permitted category) Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex Bandra (E) Mumbai - 400 051.
Note: As per Order No. WTM/RKA/ MRD/12/2013, dated 03/04/2013 of SEBI, Coimbatore Stock Exchange Ltd., (CSX) ceased to be a recognized Stock Exchange.	Listing fees for 2012-2013 have been paid to BSE/MSE
BSE Stock Code	532626
MSE Stock Code	PONDYOXIDE
International Security Identification Number [ISIN] Code	INE063E010138
Dividend Payment / Credit date	On or within thirty days from 27 th August, 2013
Outstanding GDR/ADR/Warrants	NIL

Pondy Oxides and Chemicals Limited

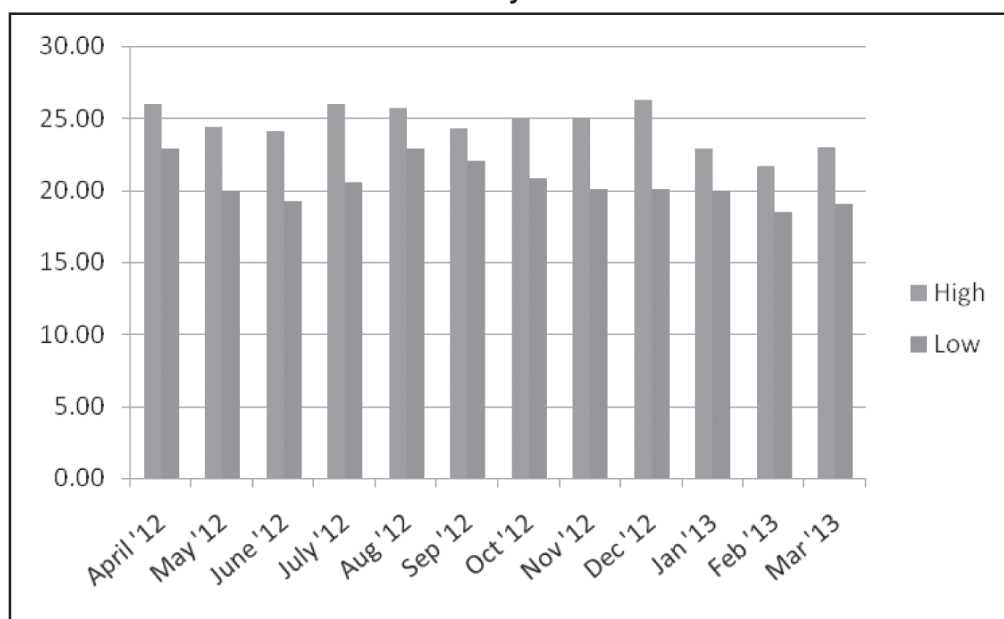
XII. Market price data

The month- wise movement [High & Low] of the equity shares of the Company at Bombay Stock Exchange Limited, Mumbai, during each month for the year ended 31st March 2013 are as under:

Period	POCL Price Data		BSE Sensex	
	High [Rs.]	Low [Rs.]	High	Low
Apr-12	26.00	22.90	17664	17010
May-12	24.40	20.00	17432	15810
Jun-12	24.10	19.20	17448	15749
Jul-12	26.00	20.55	17631	16598
Aug-12	25.70	22.90	17973	17027
Sep-12	24.25	22.00	18870	17251
Oct-12	24.95	20.80	19137	18393
Nov-12	25.00	20.10	19373	18256
Dec-12	26.25	20.05	19612	19149
Jan-13	22.90	20.00	20204	19509
Feb-13	21.70	18.50	19967	18794
Mar-13	23.00	19.05	19755	18568

BSE closing price as on March 31, 2013 – Rs. 21.85

Stock Performance of M/s Pondy Oxides and Chemicals Limited



Plant Locations

- 1. Metallic Oxides Division [MOD]**
Behind A-73 & 74, PIPDIC Industrial Estate, Mettupalayam, Pondicherry-605 009.
- 2. Plastic Additives Division [PAD]**
Sembialayam, Korkadu post, Pondicherry-605 110.
- 3. Smelter Division [SMD]**
G 17 - G 19 & G 30 - G 32, SIPCOT Industrial Park, Mampakkam, Sriperumbudur, District-Kancheepuram, Tamil Nadu -602 105.



4. Zinc Refining Division [ZRD]

G-47, SIDCO Industrial Estate, Kakkalur, Thiruvallur, Tamil Nadu-602 003.

5. Alloying & Refining Division [ARD]

B 19 & 20 SIDCO Industrial Estate, Maraimalai Nagar, Kancheepuram District, Tamil Nadu-603209

XIII. Registrar and Share Transfer Agents

M/s. Cameo Corporate Services Ltd.

Unit: Pondy Oxides and Chemicals Limited

Subramanian Building, No.1, Club House Road, Chennai – 600 002

Tel No.:+91-044-28460390 (5 lines) Fax No: +91-044 28460129

Email: cameo@cameo.india.com

Contact Person – Mr. R.D. Ramaswamy, Director

XIV. Share Transfer System

Share transfers in physical form are to be lodged with Registrar and Share Transfer Agents at the above mentioned address. The requests for transfers / transmission are normally processed within 30 days from the date of receipt, if the relevant documents are complete in all respects.

The Share Transfer Committee approves such transfers / transmission.

SEBI vide circular dated 5th July 2012 has reduced the time line for registering transfer of shares to 15 days. The Company is now adhering to this time line.

Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participants [DP] regarding change of address, change of Bank/ Bank Account number, nomination etc.

XV. Distribution of equity share holding as on March 31, 2013

[Nominal and Paid-up value of each share Rs.10/-]

No. of shares held	Number of share holders	% of share of Holders	Number of shares held	% of share holding
1 – 5000	6,818	79.96	10,63,294	9.53
5001 – 10000	815	9.56	6,57,887	5.90
10001 – 20000	465	5.45	6,78,635	6.09
20001 – 30000	151	1.77	3,83,410	3.44
30001 – 40000	72	0.84	2,54,178	2.28
40001 – 50000	61	0.72	2,78,819	2.50
50001 – 100000	75	0.88	5,09,383	4.57
100000 & above	69	0.81	73,26,379	65.70
Total	8,526	100.00	111,51,985	100.00

XVI. Categories of shareholders as on March 31, 2013

Category	No. of Shares held	% of share holding
1. Promoters	53,74,858	48.20
2. Non- Promoters		
· Corporate bodies	6,73,053	6.04
· Indian Public	50,45,831	45.24
· NRI/Foreign Nationals	58,243	0.52
Total	111,51,985	100.00

Pondy Oxides and Chemicals Limited

XVII. Dematerialization of shares

The Company has arrangements with National Securities Depository Ltd.,(NSDL) as well as the Central Depository Services (India) Ltd., (CDSL) for demat facility. 97.81% of paid up share capital is held in dematerialized form as on March 31, 2013.

XVIII. Demat and Physical shares

Particulars	As on March 31, 2013	%
No. of shares held at NSDL	93,95,411	84.25
No. of shares held at CDSL	15,12,177	13.56
No. of shares held in Physical Form	2,44,397	2.19
Total	1,11,51,985	100.00

XIX. CEO/CFO Certification:

As required under Clause 49 of the Listing Agreement, a Certificate duly signed by Sri. Anil Kumar Bansal, Managing Director (CEO) and Sri K. Kumaravel, GM Finance & Company Secretary (CFO) was placed at the meeting of the Board of Directors held on May 30, 2013.

DECLARATION BY THE MANAGING DIRECTOR UNDER CLAUSE 49 OF THE LISTING AGREEMENT REGARDING ADHERENCE TO THE CODE OF CONDUCT

In accordance with sub-clause I(D) of Clause 49 of the Listing Agreement with the Stock Exchanges, I hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance with their respective Code of Conduct, as applicable to them, for the financial year ended March 31, 2013.

On behalf of the Board of Directors
For **Pondy Oxides and Chemicals Ltd.**

Place : Chennai
Date : May 30, 2013

Anil Kumar Bansal
Managing Director



AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

**To the Members,
Pondy Oxides and Chemicals Limited**

We have examined the compliance of conditions of Corporate Governance by Pondy Oxides and Chemicals Limited for the year ended 31st March, 2013, as stipulated in Clause 49 of the Listing agreement of the said Company with the Stock exchanges in India with the relevant records and documents maintained by the Company and furnished to us and the report on Corporate Governance as approved by the Board of Directors.

The Compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the company for ensuring the said compliance. It is neither an audit nor is this an expression of opinion on the financial statements of the company.

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

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

For Jeeravla & Co.,
Chartered Accountants
Firm Registration No : 001323S

Sohan C.J.Parmar
Proprietor
Membership No. 022321

Place : Chennai
Date : May 30, 2013

Independent Auditors' Report

To the Members of
Pondy Oxides and Chemicals Limited

Report on the Financial Statements:

We have audited the accompanying financial statements of Pondy Oxides and Chemicals Limited ("the Company"), which comprise the Balance sheet as at 31.03.2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in sub-section (3C) of the section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) In the case of the Profit and Loss Account, of the profit for the year ended on that date ; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order , 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matter specified in paragraphs 4 and 5 of the Order.



2. As required by section 227(3) of the Act, we report that:

- (a) We have obtained all the information and explanations which to best of our knowledge and belief were necessary for the purpose of our audit,
- (b) In our opinion proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in the agreement with the books of accounts.
- (d) In our opinion, the Balance sheet, Statement of Profit and Loss, Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- (e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- (f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For **JEERAVLA & CO**
Chartered Accountants
(Firm Registration No.001323S)

SOHAN C J PARMAR
Proprietor
Membership No.: 22321

Chennai
Date: May 30, 2013

ANNEXURE TO AUDITORS' REPORT DATED May 30, 2013

The annexure referred to in the Auditors' Report to the Members of Pondy Oxides and Chemicals Limited ("the Company") for the year ended 31st March 2013

1) In respect of its Fixed Assets:

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- (b) The assets have been physically verified by the management at the end of financial year, which in our opinion is reasonable having regard to the size of the Company and the nature of its fixed assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, no substantial part of fixed assets has been disposed off during the year and the going concern status of the Company is not affected.

2) In respect of its Inventories:

- (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company has maintained proper records of inventories. As explained to us, there were no materials discrepancies noticed on physical verification of inventories as compared to the book records.

3) In respect of the loans, secured or unsecured, granted or taken by the company to/from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956:

- (a) The Company has given loans to its Subsidiary. In respect of the said loan, the maximum amount outstanding at any time during the year was Rs 4.13 Cr and the year-end balance is Rs.2.59 Cr.
- (b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of the loans given by the company, are not prima facie prejudicial to the interest of the company.
- (c) The principal amount is repayable on demand.
- (d) In respect of the said loans and interest thereon, there are no overdue amounts.
- (e) The Company has taken loans during the year from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. The year-end balance is Rs 7.63 Cr (including interest on loan of Rs.0.95 Cr) and the maximum outstanding at any time during the year was Rs 11.15 Cr.
- (f) In our opinion, the rate of interest and other terms and conditions of the said loan are not prima facie prejudicial to the interest of the company.
- (g) The interest payments, wherever applicable, have been regularly paid by the company.

4) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.



- 5) In respect of the contract or arrangement referred to in Section 301 of the Companies Act, 1956:
- (a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements entered in the Register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rs.5,00,000 in respect of each party during the year have been made at prices which appear reasonable as per information available with the Company.
- 6) The company has accepted Fixed Deposits from Directors & their relatives/friends. In our opinion and according to information and explanations given to us, all the directives issued by the Reserve Bank of India and provisions of Section 58A and 58AA or any other relevant provisions of the Companies Act 1956, and rules framed there under where applicable were complied with. Further, we are informed by the management that no order has been passed by the Companies Law Board or National Company Law Tribunal or RBI or any Other Tribunal on the Company.
- 7) In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
- 8) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

9) **In respect of Statutory dues:**

- (a) Undisputed statutory dues including Provident Fund, Investor Education and Protection Fund (IEPF), Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable have generally been regularly deposited with the appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty and Excise Duty and Cess were outstanding as at 31st March, 2013 for a period of more than six months from the date they became payable.
- (c) The disputed statutory dues aggregating Rs 7.01 Lakhs that have not been deposited on account of dispute pending before appropriate authorities are as under:

S.No	Name of the Statute	Nature of Dues	Amount in Rs Lakhs	Period to which the amount relates	Forum where dispute is pending
1	The Income Tax Act, 1961	Direct Tax	7.01	AY 2009-2010	Commissioner of Income Tax (Appeals)

- 10) The company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.
- 11) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions and banks. The Company does not have any borrowings by way of debentures.

Pondy Oxides and Chemicals Limited

- 12) In our opinion and according to the information and explanations given to us and based on the information available, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities. Hence paragraph 4(xii) of the CARO, 2003 is not applicable to this Company.
- 13) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- 14) In our opinion, and as per the information and explanations given to us, the Company has not dealt or traded in shares, securities, debentures and other investments. In respect of the Long term investments made in the equity shares of another company, proper records have been maintained and timely entries have been made therein and the shares have been held by the Company in its own name.
- 15) According to the information & explanations given to us, the Company has given guarantee for loans taken from banks by its subsidiary; the terms and conditions whereof in our opinion are not prima facie prejudicial to the interest of the Company.
- 16) The company has raised new term loan during the year. The term loans outstanding at the beginning of the year and those raised during the year have been applied for the purpose for which they were raised.
- 17) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we are of the opinion that no funds raised on short term basis that have been used for long term investments.
- 18) The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.
- 19) The Company has not issued any debentures during the year
- 20) The Company has not raised any money by public issue during the year.
- 21) In our Opinion and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year.

For **JEERAVLA & CO**
Chartered Accountants
(Firm Registration No.001323S)

SOHAN C J PARMAR
Proprietor
Membership No.: 22321

Chennai
Date: May 30, 2013

**Balance Sheet as at 31 March, 2013**

Rs. in Lakhs

Particulars	Note No.	As at 31 March, 2013	As at 31 March, 2012
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	1	1,115.20	1,115.20
(b) Reserves and surplus	2	2,578.59	2,450.29
		<u>3,693.79</u>	<u>3565.49</u>
2 Non-current liabilities			
(a) Long-term borrowings	3	789.58	692.27
(b) Deferred tax liabilities (net)	4	63.34	32.35
(c) Other long-term liabilities	5	20.00	20.00
(d) Long-term provisions	6	96.15	94.26
		<u>969.07</u>	<u>838.88</u>
3 Current liabilities			
(a) Short-term borrowings	7	6,704.31	4,168.66
(b) Trade payables	8	1,439.24	822.71
(c) Other current liabilities	9	477.03	474.76
(d) Short-term provisions	10	263.62	302.40
		<u>8,884.20</u>	<u>5,768.53</u>
TOTAL		<u>13,547.06</u>	<u>10,172.90</u>
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	11	2,279.72	2,093.63
(ii) Capital work-in-progress		145.92	161.64
		<u>2,425.64</u>	<u>2,255.27</u>
(b) Non-current investments	12	102.33	105.91
(c) Long-term loans and advances	13	34.99	33.24
(d) Other non-current assets	14	12.04	16.06
		<u>2,575.00</u>	<u>2,410.48</u>
2 Current assets			
(a) Inventories	15	2,861.89	3,275.52
(b) Trade receivables	16	5,186.44	2,387.44
(c) Cash and cash equivalents	17	1,179.43	1,063.52
(d) Short-term loans and advances	18	1,437.42	974.06
(e) Other current assets	19	306.88	61.88
		<u>10,972.06</u>	<u>7,762.42</u>
TOTAL		<u>13,547.06</u>	<u>10,172.90</u>

Significant Accounting Policies**Notes on Financial Statements**

1 to 39

As per our Report of even date

For Jeeravla & Co.,
Chartered Accountants
FRN No : 001323S

Sohan C.J. Parmar
Proprietor
M.No.22321

Place : Chennai
Date : May 30, 2013

For and on behalf of the Board

Anil Kumar Bansal
Managing Director

Sunil Kumar Bansal
Director

K.Kumaravel
GM Finance & Company Secretary

Statement of Profit and Loss for the year ended 31 March, 2013

Rs. in Lakhs

Particulars	Note No.	For the year ended 31 March, 2013	For the year ended 31 March, 2012
A Income			
1 Revenue from operations (gross)	20	37,294.34	31,979.17
Less: Excise duty		3,051.70	1,534.19
Revenue from operations (net)		34,242.64	30,444.98
Other income	21	375.12	94.89
Total Revenue		34,617.76	30,539.87
2 Expenses			
(a) Cost of materials consumed	22	29,994.65	25,072.65
(b) Purchases of stock-in-trade	23	350.99	426.50
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	(453.72)	775.03
(d) Employee benefits expense	25	701.50	621.08
(e) Finance Costs	26	763.55	559.87
(f) Depreciation and amortisation expense	27	232.90	283.05
(g) Other expenses	28	2,685.01	2,423.93
Total Expenses		34,274.88	30,162.11
3 Profit / (Loss) before exceptional and extraordinary items and tax (1 -2)		342.88	377.76
4 Exceptional items	29	60.85	54.60
5 Profit / (Loss) before extraordinary items and tax (3 ± 4)		403.73	432.36
6 Profit / (Loss) before tax		403.73	432.36
7 Tax expense:			
(a) Current tax expense for current year		96.69	139.66
(b) Deferred tax		30.98	5.09
8 Profit / (Loss) for the year		276.06	287.62
Earnings per equity share of face value of Rs.10 each			
Basic and diluted - Rs.	30	2.48	2.84
Significant Accounting Policies			
Notes on Financial Statements	1 to 39		

As per our Report of even date

For Jeeravla & Co.,
Chartered Accountants
FRN No : 001323S

Sohan C.J. Parmar
Proprietor
M.No.22321

Place : Chennai
Date : May 30, 2013

For and on behalf of the Board

Anil Kumar Bansal
Managing Director

Sunil Kumar Bansal
Director

K.Kumaravel
GM Finance & Company Secretary



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	[Rs. in lakhs]	
	Year ended March 31, 2013	Year ended March 31, 2012
(A) Cash Flow from Operating activity		
Profit before tax	403.73	432.34
Adjustments for:		
Add:		
Depreciation as per the Companies Act 1956	217.58	265.09
Loss on foreign exchange fluctuation	-	49.41
Interest Paid	763.55	559.87
Less:		
Profit on foreign exchange fluctuation	217.03	-
Dividend income	0.20	1.22
Interest received	79.00	62.62
Rent Received	33.00	20.85
Profit on sale of assets	30.23	2.55
Miscellaneous Income	11.76	57.04
Prior Period item	60.85	-
Profit on sale of investments	3.90	-
Operating Profit from Working Capital Changes	948.90	1,162.43
Adjustments for :		
(Increase) / Decrease in Inventories	413.63	(882.10)
(Increase) / Decrease in Trade Receivable	(2,798.99)	663.58
(Increase) / Decrease in Short term Loans & advances	(398.36)	(10.85)
(Increase) / Decrease in Other current assets	(245.00)	207.42
Increase / (Decrease) in Trade Payables	616.53	373.32
Increase / (Decrease) in Other current liabilities	2.27	(7.42)
Increase / (Decrease) in Short term provisions	(153.24)	(233.79)
Income Tax paid	(65.00)	(150.00)
Net Cash flow from operating activities	(1,679.27)	1,122.59
(B) Cash Flow from Investing Activities		
Adjustments for:		
Add:		
Proceeds from Sale of Fixed Assets	38.80	6.53
Dividend received	0.20	1.22
Interest received	79.00	62.62
Rent Received	33.00	20.85
Proceeds from sale of Investments	7.48	191.03
Pre-operative expenses on lease hold land	1.78	-
Less:		
Increase / (Decrease) in Investments	-	171.62
Purchase of Tangible assets	353.15	0.86
Adjustment to Capital work-in-progress	(15.72)	-
Net Cash From Investing Activities	(177.19)	109.77
(C) Cash Flow from Financing Activities		
Adjustments for:		
Add		
Increase / (Decrease) in Share Capital on Amalgamation	-	104.49
(Increase) / Decrease in Reserves on Amalgamation	-	242.46
Increase / (Decrease) in Long term borrowings	97.30	(162.38)
Increase / (Decrease) in Other long term liabilities	-	20.00
Increase / (Decrease) in long term provisions	1.89	10.45
(Increase) / Decrease in Long term loans and advances	(1.75)	(10.87)
(Increase) / Decrease in Other non current assets	4.02	(16.05)
Increase / (Decrease) in Short term borrowings	2,535.65	(194.66)
Profit on Foreign exchange fluctuation	217.03	-
Miscellaneous Income	11.76	57.04
Less		
Dividend Paid	130.00	165.00
Interest Paid	763.55	559.87
Loss on foreign exchange fluctuation	-	49.41
Net cash from / (used) from Financing Activities	1,972.35	(723.80)
Net Increase / (Decrease) in Cash & Cash Equivalents	115.90	508.55
Cash & Cash Equivalents as at 01.04.2012	1,063.51	554.96
Cash & Cash Equivalents as at 31.03.2013	1,179.43	1,063.51

As per our Report of even date

For Jeeravla & Co.,
Chartered Accountants
FRN No : 001323S

Sohan C.J. Parmar
Proprietor
M.No.22321

Place : Chennai
Date : May 30, 2013

For and on behalf of the Board

Anil Kumar Bansal
Managing Director

Sunil Kumar Bansal
Director

K.Kumaravel
GM Finance & Company Secretary

ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting:

The financial statements have been prepared in accordance with the generally Accepted Accounting Policies (GAAP) and presented under the historical cost convention on accrual basis of accounting to comply with the accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006 and with the relevant provisions of the Companies Act, 1956.

Use of estimates:

The preparation of financial statements are in conformity with Generally Accepted Accounting Principles (GAAP) in India requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and reported amount of income and expenses for the period.

Fixed Assets:

Tangible Fixed Assets:

Tangible fixed assets are carried at cost less accumulated depreciation and impairment losses. The cost represents the cost of acquisition / construction which includes taxes, duties (net of CENVAT / VAT set offs availed) and other identifiable direct expenses. Borrowing cost directly attributable up to the period of the assets put to use is included in the cost of distinct fixed assets.

Intangible Assets:

Intangible assets comprising of technical know-how, product designs, prototypes etc. either acquired or internally developed are stated at cost. In case of internally generated intangible assets, appropriate overheads including salaries and wages are allocated to the cost of the asset.

Expenditure on new project:

Expenditure directly related to construction activity is capitalized. Indirect expenditure incurred during construction period is capitalized as part of the indirect construction cost to the extent to which the expenditure is indirectly related to construction or is incidental thereto.

Leasehold land:

Leasehold lands are shown at cost less accumulated amortization.

Lease:

Asset leased by the company in its capacity as lessee where substantially all the risk and rewards of ownership vest in the company are classified as finance lease and capitalized at the inception of the lease at cost. Lease payments under operating lease are recognized as an expense over the period of lease on straight line basis in statement of profit and loss.

Capital Work in Progress:

Assets under installation or construction not ready for their intended use are shown as Capital work in progress and are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Depreciation and Amortisation:

Depreciation on Fixed assets has been provided on Written down Value method at the rates prescribed and in the manner as specified in the Schedule XIV of the Companies Act, 1956.

The cost and the accumulated depreciation for fixed assets sold, retired or otherwise disposed off are removed from the stated values and the resulting gains and losses are recognized in the profit and loss. Leasehold Assets are amortised over their period of lease.



Intangible Assets are amortised over their estimated useful life. The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortization method is reviewed to reflect the changed pattern.

Impairment of Assets:

The carrying amounts of assets are reviewed at each Balance Sheet date in accordance with accounting standards – 28 'Impairment of Assets' to determine whether there is any indication of impairment based on internal / external factors.

An impairment loss is recognized in the statement of Profit & Loss wherever the carrying amount of an asset exceeds its recoverable amount.

The impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortization if no impairment loss had been recognized.

The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

Investments:

Non-current investments are carried at cost. Provision for diminution in the value of non-current investments is made only if such a decline is other than temporary in the opinion of the management.

Current investments are carried at lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of Profit and Loss. Profit or loss on sale of investments is determined on a first-in-first-out (FIFO) basis.

Investments in properties are carried individually at cost less depreciation and impairment if any. Investment in properties are capitalized and depreciated in accordance with the policy stated for fixed assets. Impairment in investment property is determined in accordance with the policy stated for impairment of assets.

Inventories:

Raw materials, work in progress, finished goods, packing materials, stores, spares, components, consumables and stock in trade are carried at the lower of cost and net realizable value. Damaged, unserviceable and inert stocks are suitably written down/provided for.

In determining cost of raw materials, packing materials, stock-in-trade, stores, components, spares and consumables, weighted average cost method is used. Cost of inventory comprises all costs or purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition. Fixed provision overheads are allocated on the basis of normal capacity of production facilities.

Cost of finished goods and work-in-progress includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads (under absorption costing method), excise duty as applicable and other costs incurred in bringing the inventories to their present location and condition.

Cash and cash equivalents:

Cash comprises cash on hand and demand deposits with bank. Cash equivalents are short term balances, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Foreign currency transactions:

Initial recognition:

Transactions in foreign currencies entered into by the company are accounted at the exchange rates prevailing on the date of the transaction.

Measurement of foreign currency items at the Balance Sheet date:

Foreign currency monetary items of the company are restated at the closing exchange rates. Non-monetary items are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising out of these translations are charged to the Statement of Profit & Loss.

Derivative Contracts:

Derivative contracts are restated at each reporting date and premium paid, gains / losses on settlement and losses on restatement are recognised in the Profit and Loss account except in case where they relate to the acquisition or construction of fixed assets, in which case, they are adjusted to the carrying cost of such assets.

Forward exchange contracts:

The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expenses/income over the life of the contract. Exchange differences on such contracts are recognized in the Statement of Profit & Loss in the period in which the exchange rates change. Any Profit or Loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or expense for the period.

Revenue recognition:

Revenue from sale are recognized on transfer of significant risk & rewards of ownership to the buyer that usually takes place on dispatch of goods in accordance with the terms of sale and is inclusive of excise duty but excluding sales returns, trade discount, CST and VAT.

In case of export sales, revenue is recognized as on the date of bill of lading, being the effective date of transfer of significant risks and rewards to the customer. Export benefits are accounted for on accrual basis.

Revenue arising due to price escalation claim is recognized in the period when such claim is made in accordance with terms of sale.

Inter-division transfers of materials and services for captive consumption are eliminated from Sales and other operative income of the respective division.

Revenue from services is recognized in accordance with the specific terms of contract on performance.

Dividend Income on investment is accounted for, as and when the right to receive the payment is established.

Interest is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Government grants and subsidies are accounted for on receipt basis.

Employee benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages and bonus, etc, are recognized in the statement of profit and loss in the period in which the employee renders the related service.

Defined contribution plans:

The employee's provident fund scheme, employees' state insurance fund and contribution to superannuation fund are defined contribution plans. The company's contribution paid/payable under these schemes is recognized



as an expense in the statement of profit & loss during the period in which the employee renders the related service.

Defined benefit plans:

The company's gratuity plan is a defined benefit plan. The present value of gratuity obligation under such defined benefit plan is determined based on an actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognizes each period of current and past service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans, is based on the market yields on Government securities as at the valuation date having maturity periods approximating to the terms of related obligations. Actuarial gains and losses are recognized immediately in the statement of profit and loss.

Gains or losses on the curtailment or settlement of any defined benefit plan are recognized when the curtailment or settlement occurs.

Provisions, Contingent Liabilities and Contingent assets:

A provision is created when there is a present obligation as a result of a past event that probably requires an outflow or resources and a reliable estimate can be made of the amount of the obligation.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow or resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

The company does not recognize assets which are of contingent nature until there is virtual certainty of reliability of such assets. However, if it has become virtually certain that an inflow of economic benefits will arise, asset and related income is recognized in the financial statements of the period in which the change occurs.

Provision for Taxation:

Tax expense comprises of current tax (i.e. amount of tax for the period determined in accordance with the Income Tax Act, 1961) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed as at each Balance Sheet Date to reassess realization.

Minimum Alternate Tax (MAT) paid in excess of normal income tax is recognised as asset (MAT Credit entitlement) only to the extent, there is reasonable certainty that company shall be liable to pay tax as per the normal provisions of the Income Tax Act, 1961 in future.

Borrowing Cost:

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalized as a part of the cost of such asset. The qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing cost are recognized as expense in the period in which they are incurred.

Pondy Oxides and Chemicals Limited

Earning Per share:

Basic Earnings Per Share (“EPS”) is computed by dividing the net profit/(loss) after tax for the year attributable to equity share holders by weighted average number of equity shares outstanding during the year. Diluted earnings per shares is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year end, except where the results would be anti-dilutive.

Cash flow statements:

Cash flows are reported using the indirect method, where by Profit/(Loss) before extraordinary items and tax is adjusted for effects of transactions of non-cash nature and deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the company are segregated based on available information.



Notes forming part of the financial statements

Particulars	Rs. in Lakhs			
	As at 31 March, 2013	As at 31 March, 2012		
1.0 Share Capital				
(a) Authorised				
Equity shares of Rs 10/- each 12,400,000 (12,400,000)	1,240.00	1,240.00		
(b) Issued, Subscribed and Paid-up				
Equity shares of Rs 10/- each 11,151,985 (11,151,985)	1,115.20	1,115.20		
Total	1,115.20	1,115.20		
1.1 Shares out of the issued, subscribed and paid up share capital were allotted in the last five years pursuant to the various Schemes of amalgamation without payments being received in cash	1,102,500	1,102,500		
1.2 The details of Shareholders holding more than 5% shares:				
	As at March, 2013		As at March, 2012	
	No. of Shares	% Held	No. of Shares	% Held
1.2.1 Anil Kumar Bansal	649,720	5.83	641,212	5.75
1.2.2 Neelam Bansal	616,897	5.53	616,897	5.53
1.2.3 Ashish Bansal	591,354	5.30	500,614	4.49
1.3 Reconciliation of the number of shares outstanding is set out below				
	As at 31 March, 2013	As at 31 March, 2012	Weighted Average of Shares 2013	Weighted Average of Shares 2012
Equity shares at the beginning of the year	11,151,985	10,107,125	11,151,985	10,107,125
Add : Shares issued on amalgamation of subsidiary	-	1,102,500	-	9,062
Less : Shares extinguished on crossholding, on amalgamation	-	57,640	-	474
Equity shares at the end of the year	11,151,985	11,151,985	11,151,985	10,115,713

Pondy Oxides and Chemicals Limited

		Rs. in Lakhs	
Particulars	As at 31 March, 2013	As at 31 March, 2012	
2.0 Reserves and Surplus			
(a) Securities premium account			
Opening balance	363.10	367.80	
Add : Premium on shares issued during the year	-	-	
Less : Utilised during the year on Amalgamation of Lohia Metals (P) Ltd:	-	4.70	
Closing balance (A)	363.10	363.10	
(b) General reserve			
Opening balance	30.00	153.80	
Add: Transferred from surplus in Statement of Profit and Loss	15.00	30.00	
Less: Utilised / transferred during the year for: Appropriations for Amalgamation of Lohia Metals (P) Limited with Pondy Oxides and Chemicals Limited	-	153.80	
Closing balance (B)	45.00	30.00	
(c) Surplus / (Deficit) in Statement of Profit and Loss			
Opening balance	2,057.19	1,952.72	
Add: Profit / (Loss) for the year	276.05	287.59	
Excess Provision for Current Tax Reversed	-	60.83	
Less: Dividends proposed to be distributed to equity shareholders of Rs. 1.00 per share (Rs. 1.00 per share)	111.52	111.52	
Tax on dividend	18.09	18.48	
Transferred to: Short Provision for Current Tax Reversed	18.14		
General reserve	15.00	30.00	
Transferred on amalgamation of Lohia Metals Pvt. Ltd.	-	83.95	
Closing balance (C)	2,170.49	2,057.19	
Total (A +B +C)	2,578.59	2,450.29	
3.0 Long Term Borrowings			
(a) Term loans from Banks			
1 Secured *	75.56	196.71	
Sub Total (A)	75.56	196.71	
(b) Term loans from Others			
1 Secured*	1.48	4.19	
2 Unsecured**	780.44	653.74	
Sub Total (B)	781.92	657.93	
Total (A + B)	857.48	854.63	
(c) Less : Shown under Current Maturities of Long term debt	67.90	162.37	
Balance Shown above	789.58	692.26	

*3.1 Rs. 58.46 lakhs (Rs.182.37 lakhs) of term loan for building and machinery are secured by way of first mortgage /Charge on the immovable / movable assets situated in Registered office and factories of the company and guaranteed by promoter directors of the company.

*3.2 Rs. 18.58 lakhs (Rs. 18.53 lakhs) of term loan for Vehicles are secured by way of specific assets.

**3.3 Represents loan received from directors, friends and related parties.



Particulars	Rs. in Lakhs	
	As at 31 March, 2013	As at 31 March, 2012
4.0 Deffered Tax Liability (Net)		
(a) Deferred Tax Liability		
Related to Fixed Assets	63.34	32.35
Total	63.34	32.35
5.0 Other Long Term Liabilities		
(a) Trade Payables	-	-
(b) Others		
1 Trade / security deposits received	20.00	20.00
Total	20.00	20.00
6.0 Long Term Provisions		
Provision for employee benefits:		
Provision for gratuity (net)	96.15	94.26
Total	96.15	94.26
7.0 Short Term Borrowings		
(a) Loans repayable on demand		
(i) Secured		
1 Working Capital Loans		
1.1 From Banks		
1.1.1 Rupee Loans	6,292.34	3,615.90
1.1.2 Foreign Currency Loans	257.26	323.83
Total (a)	6,549.60	3,939.74
(ii) Unsecured		
1 From Banks	1.98	1.91
1.1 Deposits	5.50	5.50
2 From Others	147.24	221.50
Total (b)	154.71	228.91
Total (a+b)	6,704.31	4,168.66
7.1 Working Capital loans are secured by hypothecation of present and future stock of raw materials, stock-in-process, finished goods, stores & spares, book debts, materials in transit, etc., and guaranteed by promoter directors of the company.		
7.2 Other loans and advances from others includes unsecured loan from friends and relatives.		
8.0 Trade Payables		
(a) Trade payables		
1 Micro, Small and Medium Enterprises *	-	-
2 Others	1,439.24	822.71
Total	1,439.24	822.71

* The company has not received information from vendors regarding their status under the MSME Act and hence the disclosure relating to amounts unpaid as at the year end cannot be ascertained.

Pondy Oxides and Chemicals Limited

	Particulars	Rs. in Lakhs	
		As at 31 March, 2013	As at 31 March, 2012
9.0	Other Current Liabilities		
	(a) Current maturities of long-term debt (Refer Note 3(c) (above))	67.90	162.37
	(b) Interest accrued but not due on borrowings	179.52	58.78
	(c) Unpaid / Unclaimed dividends	10.71	10.07
	(d) Unclaimed Fractional Shares dividends	0.02	0.02
	(e) Other payables		
	1 Payables on purchase of fixed assets	2.96	55.72
	2 Advances from customers	11.06	27.58
	3 Audit Fee Payables	7.65	7.12
	4 Others *	197.21	153.10
	Total	477.03	474.76

* Includes excise duty and tax on sales payable

10.0 Short Term Provisions

(a)	Provision for employee benefits:		
	1 Provision for bonus	37.32	32.75
(b)	Provision - Others:		
	1 Provision for tax	96.69	139.66
	2 Provision for proposed equity dividend	129.61	130.00
	Total	263.62	302.40

11.0 Fixed Assets

Sl. No.	Description	Gross block				Depreciation				Net block	
		As on 1.04.2012	Additions	Deduction/ Adjustments	As on 31.03.2013	Upto 31.03.2012	For the Year	Deduction	Upto 31.03.2013	As on 31.03.2012	As on 31.03.2013
	Tangible Assets:										
1	Leasehold Land	102.38	166.94	-	269.31	6.28	0.97	1.78	9.02	96.10	260.29
2	Free hold land	125.04	-	-	125.04	-	-	-	-	125.04	125.04
3	Building	1,692.11	16.19	13.69	1,694.61	503.90	91.69	69.72	525.88	1,188.21	1,168.73
4	Plant & machinery	949.06	133.21	-	1,082.26	523.79	69.88	-	593.67	425.26	488.60
5	Furniture & Fittings	72.22	2.56	-	74.78	30.10	7.87	-	37.97	42.12	36.82
6	Office Equipment	102.89	11.84	-	114.73	50.41	12.39	-	62.80	52.47	51.93
7	Vehicles	139.73	20.16	19.20	140.69	73.38	19.70	15.47	77.60	66.35	63.09
8	Lab Equipments	96.17	-	-	96.17	48.08	7.37	-	55.45	48.09	40.72
9	Electrical fittings	114.93	2.26	-	117.19	64.95	7.73	-	72.68	49.98	44.51
	Total	3,394.52	353.15	32.89	3,714.78	1,300.89	217.58	86.97	1,435.06	2,093.62	2,279.72
	Previous Year 2011-12	3,229.09	171.62	6.19	3,394.52	1,037.99	265.09	2.19	1,300.89	2,191.08	2,093.63
	Capital Work in progress									161.64	145.92

11.1 Capital work in progress under development includes

- i. Building under construction : Rs. 28.19 lakhs (Rs. 0.74 lakhs)
- ii. Machinery under installation : Rs. 117.18 lakhs (Rs. 160.89 lakhs)



Particulars	Rs. in Lakhs	
	As at 31 March, 2013	As at 31 March, 2012
12.0 Non Current Investments		
Investments (At cost)		
I Investment in Equity Instruments		
(a) In Equity Shares of Subsidiary Company		
(i) Unquoted		
781,465 (781,465) Equity Shares of Rs.10/- each in POCL Enterprises Limited (Fully Owned Subsidiary)	78.15	78.15
Total (A)	78.15	78.15
(b) In Equity Shares of Other Companies		
(i) Quoted		
1 360(720) Equity Shares of Rs 5/- each fully paid in ONGC	0.43	0.88
2 1000 (13295) Equity Shares of Rs.10/- each in Jyothy Consumer Products formerly known as Henkel Spic (I) Ltd	0.60	2.64
3 67(100) Equity Shares of Rs.10/- each in Bata (India) Ltd.	0.11	0.16
4 300(600)Equity Shares of Rs.10/- each in Indian Overseas Bank	0.07	0.24
5 100(200) Equity Shares of Rs.10/- each in UCO Bank	0.01	0.02
6 100 (200) Equity Shares of Rs.10/-each in Vijaya Bank	0.02	0.05
7 Nil (1800) Equity Shares of Rs.1 (Rs.1) each fully paid in Himachal Futuristic	-	0.22
8 Nil (221) Equity Shares of Rs.10/- each fully paid in Kerala Ayurvedic Chemicals	-	0.04
9 Nil (500) Equity Shares of Rs.10/- each fully paid in MOSCHIP Ltd.,	-	0.18
10 Nil (2000) Equity Shares of Rs.10/- each fully paid in Rashtriya Chem Ltd.,	-	0.10
11 Nil (1000) Equity Shares of Rs.10/- each fully paid in Saint Gobain	-	0.13
12 Nil (2000) Equity Shares of Rs.10/- each fully paid in SQL Star Soft Ltd.,	-	0.11
13 Nil (240) Equity Shares of Rs.10/- each fully paid in Carol Info Services Ltd.,	-	0.05
Total (B)	1.24	4.82
(ii) UNQUOTED		
1 725420 (725420) Equity Shares of Rs.1/- each fully paid in Madras Stock Exchange	19.09	19.09
2 32093(32093) Equity Shares of Rs.10/-each fully paid in MSE Financial Services Ltd.	3.85	3.85
Total (C)	22.94	22.94
Total D = (B + C)	24.18	27.76
Total (A + D)	102.33	105.91
Market Value of Quoted Investments is Rs. 2.24 lakhs (Rs. 10.26 lakhs)		

Pondy Oxides and Chemicals Limited

Particulars	Rs. in Lakhs	
	As at 31 March, 2013	As at 31 March, 2012
13.0 Long Term Loans & Advances (Unsecured and considered good)		
(a) Security deposits	34.99	29.44
(b) Advances for Capital Goods	-	3.80
Total	34.99	33.24
14.0 Other Non Current Assets		
(a) Misc. Expenditure (to the extent not return off or adjusted)		
(i) Amalgamation Expenses	16.05	20.07
(ii) Less : Written off	4.01	4.01
Total	12.04	16.06
15.0 Inventories (At lower of cost and net realisable value)		
(a) Raw materials	1,459.57	1,556.57
(b) Raw Material transit	67.12	870.87
(c) Work-in-progress	210.81	24.98
(d) Finished goods (other than those acquired for trading)	1,030.69	729.70
(e) Stores and spares	71.10	65.53
(f) Loose tools	22.60	27.89
Total	2,861.89	3,275.52
16.0 Trade Receivables		
(a) Trade receivables outstanding for a period exceeding 180 days		
(i) Unsecured and considered good	3.23	9.52
(b) Other Trade receivables		
(i) Secured and considered good	1,708.08	535.73
(ii) Unsecured and considered good	3,475.13	1,842.19
Total of (b)	5,183.21	2,377.92
Total (a) + (b)	5,186.44	2,387.44
17.0 Cash and Cash Equivalents		
(a) Cash on hand		
Cash	5.69	6.06
(b) Balances with banks		
1 In Current Accounts	270.94	574.70
2 In EEFC accounts	488.70	1.39
3 In Fixed Deposit accounts	402.43	471.25
4 In Margin Money	0.39	-
5 In Unpaid dividend accounts	11.28	10.12
Total	1,173.74	1,057.46
Total (a + b)	1,179.43	1,063.52



Particulars	Rs. in Lakhs	
	As at 31 March, 2013	As at 31 March, 2012
18.0 Short Term Loans & Advances (Unsecured and considered good)		
a) Loans and advances to related parties *	259.47	89.74
b) Loans and advances to employees	5.07	2.75
c) Prepaid expenses - Unsecured, considered good	19.48	25.44
d) Balances with Excise, Sales Tax and Income Tax Authorities		
1 Central Excise Deposit	291.18	220.74
2 TNVAT	-	38.94
3 Central Service Tax	11.37	6.98
4 Income Tax	117.90	199.09
5 Others (EPF & ESI)	-	0.05
(e) Others -Suppliers Advance (including for expenses)	732.93	390.34
Total	1,437.40	974.06
* Refer Note 34 for details of loans to related parties		
19.0 Other Current Assets		
(a) Interest accrued on deposits	92.29	36.83
(b) Rebate Receivables	214.59	25.05
Total	306.88	61.88
Notes forming part of the financial statements		
20.0 Revenue from Operations		
(a) Sale of Products	37,292.96	31,949.33
(b) Other operating revenues	1.38	29.84
	37,294.34	31,979.17
Less:		
(c) Excise duty	3,051.71	1,534.19
Total	34,242.63	30,444.98
20.1 Particulars of Sale of Products		
(a) Sale of products comprises :		
I Manufactured goods		
1 Metals	21,394.67	21,130.55
2 Metallic Oxides	6,312.58	4,434.40
3 PVC Stabilisers	5,674.63	4,653.10
4 Others	55.92	41.73
Total - Sale of manufactured goods	33,437.80	30,259.78
II Traded goods		
1 Metals	740.52	106.25
2 Metallic Oxides	-	7.45
3 PVC Stabilisers	5.00	5.23
4 Others	57.92	36.43
Total - Sale of traded goods	803.45	155.36
Total - Sale of products	34,241.25	30,415.14
(b) Other operating revenues :		
1 Conversion Charges Received	1.38	29.84
Total - Other operating revenues	1.38	29.84

Pondy Oxides and Chemicals Limited

Particulars	Rs. in Lakhs	
	As at 31 March, 2013	As at 31 March, 2012
21.0 Other Income		
(a) Interest income	79.00	62.62
(b) Dividend income from long-term investments		
1 Holding / Subsidiaries	-	0.81
2 Others	0.20	0.42
(c) Net gain on foreign currency transactions and translation (other than considered as finance cost)	217.03	(49.41)
(d) Other non-operating income (net of expenses directly attributable to such income)	74.99	80.45
(e) Profit from Sale of Investment	3.90	-
Total	375.12	94.89
21.1 Particulars of Interest Income		
(a) Interest from banks on:		
Deposits	50.05	56.87
(b) Interest on loans and advances	28.95	5.55
(c) Interest on overdue trade receivables	-	0.20
Total - Interest income	79.00	62.62
21.2 Particulars of Other Non-Operating Income		
Other non-operating income comprises:		
1 Rental income from operating leases	33.00	20.85
2 Profit on sale of fixed assets [net of expenses directly attributable]	30.23	2.55
3 Miscellaneous income [net of expenses directly attributable]	11.76	57.04
Total - Other non-operating income	74.99	80.44
22.0 Cost of Materials Consumed		
(a) Opening stock	1,556.57	1,257.00
(b) Add: Purchases	29,897.65	25,372.22
	31,454.21	26,629.22
(c) Less: Closing stock	1,459.57	1,556.57
Cost of material consumed (a + b -c)	29,994.65	25,072.65
Material consumed		
1 Lead Metal	11,164.38	9,966.15
2 Lead Scrap	5,862.93	8,545.92
3 Zinc Metals	3,135.39	1,882.34
4 Battery Plates	4,679.04	2,193.84
5 Other items	5,152.91	2,484.40
Total	29,994.65	25,072.65



Particulars	Rs. in Lakhs	
	As at 31 March, 2013	As at 31 March, 2012
23.0 Purchase of traded goods		
1 Metals	266.13	383.16
2 Metallic Oxides	-	5.73
3 Others	84.86	37.61
Total	350.99	426.50
24.0 Changes in inventories of finished goods, work-in-progress and stock-in-trade		
(a) <u>Inventories at the end of the year:</u>		
1 Finished goods	1,030.69	729.70
2 Work-in-progress	210.81	24.97
3 Stock-in-trade	-	-
Total (a)	1241.50	754.67
(b) <u>Inventories at the beginning of the year:</u>		
1 Finished goods	729.70	1,493.73
2 Work-in-progress	24.97	105.00
3 Stock-in-trade	-	-
Total (b)	754.67	1,598.73
(c) Excise duty on finished goods *	33.11	(69.02)
Net (increase) / decrease (b-a)+c	(453.72)	775.03
* Excise duty shown above represents the difference between excise duty on opening and closing stock of finished goods.		
25.0 Employee benefits expense		
1 Salaries and wages	553.68	489.70
2 Contributions to provident and other funds	44.77	40.55
3 Staff welfare expenses	103.05	90.82
Total	701.50	621.08
25.1 Employee Benefits (AS -15 revised)		
As per Accounting Standard 15 " Employee benefits", the disclosures as defined in the Accounting Standard are given below:		

Particulars	Rs. in Lakhs	
	As at 31 March, 2013	As at 31 March, 2012
25.2 Defined Benefit Plan :		
The Employee's gratuity liability has been made on actuarial basis . The Present value of obligation is determined by using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.		
i) Amount to be recognise in Balance Sheet	As at 31 March, 2013	As at 31 March, 2012
	Gratuity Unfunded	Gratuity Unfunded
Present value of unfunded obligations	96.15	94.26
Unrecognised past service cost	Nil	Nil
Net Liability	96.15	94.26
Amount in the balance sheet		
Liabilities	96.15	94.26
Assets	-	-
Net Liability	96.15	94.26
ii) Expenses Recognised in Income Statement		
Current service cost	11.45	10.46
Interest on obligation	7.43	6.70
Expected return on plan assets	Nil	Nil
Net actuarial losses (gains) recognised in the year	(14.16)	(6.11)
Past service cost	Nil	Nil
Losses(gains) on curtailments and settlement	Nil	Nil
Expenses recognised in P & L	4.72	11.05
iii) Changes in Benefit Obligations		
Opening defined Benefit obligation on 01-04-2012	94.26	83.81
Current service cost	11.45	10.46
Interest cost for the year	7.43	6.70
Actuarial losses (gains)	(14.16)	(6.11)
Benefits paid	(2.83)	(0.60)
Closing defined benefit obligation on 31-03-2013	96.15	94.26
26.0 Finance costs		
(a) Interest expense on:		
1 Bank Borrowings	565.02	382.47
2 On Unsecured Loans	119.52	89.16
(b) Bank Charges	79.01	88.24
Total	763.55	559.87
27.0 Depreciation & Amortisation Expenses		
Depreciation	217.59	265.09
Preliminary & Pre-Operative Exp. Written off	4.01	4.01
Tools & Implements written off	11.30	13.94
Total	232.90	283.05



Particulars	Rs. in Lakhs	
	As at 31 March, 2013	As at 31 March, 2012
28.0 Other expenses		
1 Consumption of stores and spare parts	44.38	67.12
2 Advertisement	1.24	1.20
3 Bad trade and other receivables, loans and advances written off	12.87	20.36
4 Business promotion	0.37	7.74
5 Computer Maintenance	1.38	1.93
6 Consumption of packing materials	81.05	51.13
7 Conversion Charges Paid	80.82	63.47
8 Director Sitting Fees	0.66	0.51
9 Entertainment Expenses	7.49	5.61
10 Environmental Control Expenses	66.91	51.61
11 Exhibition Expenses	0.03	7.70
12 Factory Expenses	69.79	52.12
13 Freight and forwarding	392.72	372.67
14 General Expenses	3.67	6.55
15 Income tax paid	-	3.05
16 Insurance	32.11	33.03
17 Laboratory Expenses	6.76	7.17
18 Legal and professional	15.57	22.87
19 Membership Fee	3.70	10.13
20 Newspaper & Periodicals	0.39	0.16
21 Office Maintenance	11.11	5.84
22 Payments to auditors	7.24	5.03
23 Postage, Telegram & Telephone Expenses	27.66	18.61
24 Power and fuel	1,307.98	956.27
25 Printing and stationery	8.74	7.59
26 Purchase Commission	12.61	0.22
27 Rates and taxes	29.52	32.61
28 Rent & Amenities Charges	3.08	4.23
29 Repairs and maintenance - Buildings	26.28	19.11
30 Repairs and maintenance - Machinery	144.60	132.97
31 Repairs and maintenance - Others	29.27	24.92
32 Sales commission	65.83	72.45
33 Sales discount	61.98	245.13
34 Service tax paid	13.74	9.89
35 Share transfer expenses	0.50	0.32
36 Travelling and Conveyance	88.22	81.49
37 Vehicle Maintenance	23.97	21.11
39 Loss on fixed assets sold / scrapped / written off	0.77	-
Total	2,685.01	2,423.93

Pondy Oxides and Chemicals Limited

Particulars	Rs. in Lakhs	
	As at 31 March, 2013	As at 31 March, 2012
28.1 Payment to Auditors as		
Payments to the auditors comprises (net of service tax input credit, where applicable):		
1 As auditors - statutory audit	6.12	3.91
2 For taxation matters	1.12	1.12
Total	7.24	5.03
29.0 Exceptional items		
1 Keyman insurance maturity proceeds	-	54.60
2 Writeback of prior periods excess Depreciation	60.85	-
Total	60.85	54.60
30.0 Earning Per Share (EPS)		
(i) Net profit after tax as per statement of profit and loss attributable to equity shareholders	276.06	287.62
(ii) Weighted average number of Equity Shares	11,151,985.00	10,115,713.00
(iii) Basic Earning & Diluted Earning Per Share in Rs	2.48	2.84
(iv) Face Value per Equity Share	10.00	10.00
31.0 Expenditure in Foreign Currency		
(i) Import of Raw Materials	25,548.36	18,692.59
(ii) Membership Fee	1.41	7.88
(iii) Travelling Expenses	3.08	2.33
(iv) Commission	13.99	45.48
(v) Interest Expenses	-	-
32.0 Earnings in Foreign Exchange		
Sales	14,061.14	18,008.15
Total	14,061.14	18,008.15
33.0 Remittance in Foreign Currency on Account of Dividend		
Number of Non Resident Shareholders	52	54
Number of Equity Shares held by them	481,826	481,005
Amount Remitted in Foreign Currency	4.82	6.73
Year to which dividend relates	2011-12	2010-11



34.0 (i) Related Party Disclosures

In accordance with Accounting Standard 18, the disclosure required is given below

(a) Name of the related parties and relationship

Subsidiary: M/s POCL Enterprises Limited.

(b) Other related enterprises

M/s. Ardee Industries Private Limited

M/s. Bansal Metallic Oxides

M/s. Bansal Chemicals (India)

M/s. Daman Metallic Oxides

(c) Key Management Personnel

<u>S.No</u>	<u>Name</u>
1	Dr. Padam C Bansal
2	Sri. Anil Kumar Bansal
3	Sri. Sunil Kumar Bansal
4	Sri. R.P.Bansal
5	Sri. Devakar Bansal
6	Sri. Y.V. Raman
7	Sri. Ashish Bansal

(d) Relatives of Key Management Personnel

<u>S.No</u>	<u>Name</u>	<u>Relationship</u>
1	Smt. Vijaya Bansal	W/o. Dr. Padam C Bansal
2	Smt. Manju Bansal	W/o. Sri. Anil Kumar Bansal
3	Smt. Neelam Bansal	W/o. Sri. Sunil Kumar Bansal
4	Smt. Saroj Bansal	W/o. Sri. R.P. Bansal
5	Smt. Vandana Bansal	W/o. Sri. Devakar Bansal
6	Smt. Charu Bansal	W/o. Sri. Ashish Bansal
7	Sri. Pawan Bansal	S/o. Sri. R.P. Bansal
8	Sri. Harsh Bansal	S/o. Sri. Sunil Kumar Bansal
9	Sri. Sagar Bansal	S/o. Sri. Devakar Bansal
10	Smt. Megha Choudhari	D/o. Sri. Anil Kumar Bansal
11	Sri. Punit Choudhari	Son-in-law of Sri. Anil Kumar Bansal
12	Smt. Shashi Gupta	Sister of Sri. Anil Kumar Bansal
13	Sri. Narendra Kumar Gupta	Sister's husband of Sri Anil Kumar Bansal

(ii) Transaction during the year with related parities

(Rs. in Lakhs)

S.No	Nature of Transaction	Subsidiary	Other Related Enterprises	Key Management Personnel	Relative of Key Management Personnel
I	Transactions during the year				
1.00	Purchases				
	Goods & Materials	440.39	580.38	Nil	Nil
		(36.60)	(1,259.19)	(Nil)	(Nil)
2.00	Sales Goods & Materials	3.23	664.04	Nil	Nil
		(Nil)	(470.20)	(Nil)	(Nil)
3.00	Conversion Charges Paid	Nil	80.81	Nil	Nil
		(Nil)	(52.72)	(Nil)	(Nil)
4.00	Remuneration Paid	Nil	Nil	155.46	Nil
		(Nil)	(Nil)	(149.93)	(Nil)
5.00	Interest Paid	Nil	25.20	37.37	27.29
		(8.28)	(15.94)	(26.07)	(20.62)
6.00	Interest Received	28.95	Nil	Nil	Nil
		(5.55)	(Nil)	(Nil)	(Nil)
7.00	Sales and distribution Expenses	Nil	22.50	Nil	Nil
		(Nil)	(14.52)	(Nil)	(Nil)
II	Finance and Investment during the Year				
8.00	Inter Corporate Deposit Paid	1,419.19	15.69	Nil	Nil
		(997.50)	(44.62)	(Nil)	(Nil)
9.00	Inter Corporate Deposit Received	1,249.47	26.05	Nil	Nil
		(742.47)	(43.00)	(Nil)	(Nil)
10.00	Loan Taken	Nil	Nil	368.80	282.25
		(Nil)	(50.00)	(424.85)	(65.70)
11.00	Loan Paid	Nil	50.00	414.75	234.75
		(Nil)	(Nil)	(131.00)	(22.19)
III	Balance as at 31.03.2013				
12.00	Investments	78.15	Nil	Nil	Nil
		(78.15)	(Nil)	(Nil)	(Nil)
13.00	Trade and other Payables	3.28	69.23	302.56	249.22
		(Nil)	(113.77)	(356.63)	(201.68)
14.00	Trade and other Receivables	Nil	87.61	Nil	Nil
		(Nil)	(Nil)	(Nil)	(Nil)
15.00	Inter Corporate Deposit	259.47	112.34	Nil	Nil
		(95.02)	(91.62)	(Nil)	(Nil)
16.00	Financial Guarantees	30.00	Nil	Nil	Nil
		(30.00)	(Nil)	(Nil)	(Nil)



iii Disclosure in respect of Material related party transaction during the year

- 1 Purchase / Material Consumed include Rs.578.35 lacs(Rs. 1257.94 lacs) from M/s. Bansal Chemicals (India), Rs.0.50 lacs (Rs.1.25 lacs) from M/s. Ardee Industries Pvt. Ltd and Rs.1.53 lacs (Nil) from M/s. Bansal Metallic Oxides.
- 2 Sale include sale of Rs. 13.41 lacs (Rs. 10.35 lacs) to M/s.Ardee Industries Pvt. Ltd, Rs.626.38 lacs (Rs.434.97 lacs) to M/s. Bansal Chemicals (India) and Rs. 24.25 lacs (Rs.24.88 lacs) to M/s. Bansal Metallic Oxides.
- 3 Conversion Charges paid include Rs.18.07 lacs (Rs.4.09 lacs) to M/s. Ardee Industries Pvt.Ltd and Rs. 62.74 lacs (Rs.48.63 lacs) to M/s. Bansal Metallic Oxides.
- 4 Remuneration paid include Rs. 35.98 lacs (Rs.34.35 lacs) to Sri.Anil Kumar Bansal, Rs.29.62 lacs (Rs. 28.21) to Sri.Sunil Kumar Bansal; Rs.28.41 lacs (Rs.28.04 lacs) to Sri. R. P. Bansal, Rs.27.49 lacs (Rs.26.33 lacs) to Sri. Devakar Bansal, Rs.9.35 lacs (Rs.8.4 lacs) to Sri. Y.V. Raman, Rs.24.61 lacs (24.60) to Sri.Ashish Bansal.
- 5 Interest paid include Rs.11.52 lacs (Rs.8.89 lacs) to M/s. Ardee Industries Pvt. Ltd, Rs.11.31 lacs (Rs.6.39 lacs) to M/s. Daman Metallic Oxides, Rs. 2.37 lacs (Rs.0.66 lacs) to M/s. Rajendra Metchem, Rs.5.54 lacs (Rs.4.02 lacs) to Dr. Padam C Bansal, Rs.6.10 lacs (Rs.7.19 lacs) to Sri.Anil Kumar Bansal, Rs.0.89 lacs (Rs.0.16 lacs) to Sri. Sunil Kumar Bansal, Rs.6.44 lacs (Rs.2.17 lacs) to Sri.R. P. Bansal, Rs.15.57 lacs (Rs.9.30 lacs) to Sri.Devakar Bansal, Rs.2.77 lacs (Rs.3.16 lacs) to Sri.Ashish Bansal, Rs. 0.06 lacs (Rs.0.07 lacs) to Sri. Y.V. Raman, Rs.11.78 lacs (Rs.10.87 lacs) to Mrs.Vijaya Bansal, Rs.1.27 lacs (Rs.0.43 lacs) to Mrs.Manju Bansal, Rs.1.73 lacs (Rs.1.37 lacs) to Mrs.Neelam Bansal, Rs.1.45 lacs (Rs.1.10 lacs) to Mrs.Saroj Bansal, Rs.2.54 lacs (Rs.0.58 lacs) to Mrs.Megha Choudhari, Rs.3.43 lacs (Rs.3.13 lacs) to Mrs.Charu Bansal, Rs.0.19 lacs (0.19) to Sri.Harsh Bansal, Rs.0.99 lacs (Rs.0.84 lacs) to Sri.Pawan Bansal, Rs.0.47 lacs (Rs.0.27 lacs) to Sri.Sagar Bansal, Rs.1.20 lacs (Rs.1.26 lacs) to Mrs.Sashi Gupta, Rs.0.38 lacs (Rs.0.38 lacs) to Sri.Narendra Kumar Gupta, Rs.1.73 lacs (Rs.0.20 lacs) to Mrs. Vandana Bansal and Rs.0.13 lacs (Nil) to Sri. Punit Choudhari.
- 6 Sales and distribution expenses represents Rs. 22.50 lacs (Rs.14.52 lacs) paid to M/s. Bansal Chemicals (India).
- 7 Inter corporate deposit paid Rs.15.69 lacs (Rs.44.62 Lacs) to M/s. Ardee Industries Pvt. Ltd.
- 8 Inter corporate deposit received Rs.26.05 lacs (Rs.43 lacs) from M/s. Ardee Industries Pvt Ltd.
- 9 Loan taken include Nil (Rs.50 lacs) from M/s. Daman Metallic Oxides, Rs.12.55 lacs (Rs. 5.60 lacs) from Dr.Padam C Bansal, Rs.104.75 lacs (Rs.142.00 lacs) from Sri.Anil Kumar Bansal, Rs.18.50 lacs (Rs. 13.50 lacs) from Sri. Sunil Kumar Bansal, Rs.114.50 lacs (Rs.71.50 lacs) from Sri.R. P. Bansal, Rs.67.00 lacs (Rs. 128.25 lacs) from Sri. Devakar Bansal, Rs. 51.50 lacs (Rs. 64.00 lacs) from Sri.Ashish Bansal, Rs.30.50 lacs (Rs. 7.75 lacs) from Mrs.Manju Bansal, Rs.11.25 lacs (Rs. 29.25 lacs) from Mrs.Charu Bansal and Rs.76.50 lacs (Rs.18.00 lacs) from Mrs.Megha Choudhari, Rs.20.00 lacs (Rs.2.90 lacs) from Mrs.Saroj Bansal, Nil (Rs. 4.20 lacs) from Sri. Harsh Bansal, Rs.84.50 lacs (Rs. 3.60 lacs) from Mrs.Vandana Bansal, Rs. 2.50 lacs (Nil) from Sri. Pawan Bansal. Rs. 51.00 lacs (Nil) from Mrs.Neelam Bansal, Rs. 2.00 lacs (Nil) from Sri. Punit Choudhari and Rs.4.00 lacs (Nil) from Sri.Sagar Bansal.
- 10 Loan paid Include Rs. 50 .00 lacs (Nil) to M/s. Daman Metallic Oxides, Nil (Nil) to Dr. Padam C Bansal, Rs.43.00 lacs (Rs. 43.00 lacs) to Sri. Anil Kumar Bansal, Rs.13.50 lacs (Rs.13.50 lacs) to Sri. Sunil Kumar Bansal, Rs.16 lacs (Rs. 16.00 lacs) to Sri.Devakar Bansal, Rs.12.00 lacs (Rs. 12.00 lacs) to Sri. R P Bansal, Rs.0.50 lacs (Rs.0.50 lacs) to Sri Y.V.Raman, Nil (Nil) to Sri. P.N.Sridharan, Rs.46.00 lacs (Rs.46.00 lacs) to Sri. Ashish Bansal, Rs.51.00 lacs (Rs.10.00 lacs) to Mrs.Neelam Bansal, Rs.18.88 lacs (Rs.1.00 lac) to Mrs.Manju Bansal, Rs.38.00 lacs (Rs.2.50 lacs) to Mrs.Charu

Pondy Oxides and Chemicals Limited

Bansal, Rs.82.99 lacs (Rs. 3.00 lacs) to Mrs.Megha Choudhari, Rs.24.50 lacs (Rs.1.30 lacs) to Mrs.Vandana Bansal, Nil (Rs. 2.95 lacs) to Sri. Harsh Bansal, Rs.13.11 lacs (Rs.1.10 lacs) to Mrs.Saroj Bansal, Nil (Rs. 0.34 lacs) to Sri. Narendra Kumar Gupta, Rs. 4.00 lacs (Nil) to Sri. Sagar Bansal and Rs. 2.27 lacs (Nil) to Mrs. Sashi Gupta.

11. Trade and other payable include Rs.65.93 lacs (Rs.105.76 lacs) to M/s.Daman Metallic Oxides, Nil (Rs.1.40 lacs) to M/s.Ardee Industries Pvt Ltd, Rs.3.30 lacs(Rs. 5.63 lacs) to Bansal Metallic Oxides and Nil (Rs 0.98 lacs) to Bansal Chemicals (India), Rs. 45.72 lacs (Rs. 105.47) to Sri. Anil Kumar Bansal; Rs.113.83 lacs (Rs.120.62) to Sri.Devakar Bansal, Rs.58.58 lacs (Rs.42.15 lacs) to Dr.Padam C Bansal, Rs.56.29 lacs (Rs.67.04 lacs) to Sri.R. P. Bansal, Rs. 0.81 lacs (Nil) to Sri. Sunil Kumar Bansal, Rs.26.83 lacs (Rs.20.85 lacs) to Sri.Ashish Bansal, Rs.0.50 lac (Rs.0.50 lac) to Sri.Y.V. Raman, Rs.106.43 lacs (Rs. 98.18 lacs) to Mrs.Vijaya Bansal, Rs.0.79 lacs (Rs. 7.35 lacs) to Mrs.Neelam Bansal, Rs.19.90 lacs (Rs.7.13 lacs) to Mrs.Manju Bansal, Rs.9.12 lacs (Rs. 8.29 lacs) to Mr.Pawan Bansal, Nil (Rs. 29.57 lacs) to Mrs.Charu Bansal, Rs.13.74 lacs (Rs. 17.95 lacs) to Mrs.Megha Choudhari, Rs.64.03 lacs (Rs. 2.47 lacs) to Mrs.Vandana Bansal, Nil (Rs. 1.62 lacs) to Sri.Harsh Bansal, Nil (Rs. 2.51 lacs) to Sri.Sagar Bansal, Rs.10.00 lacs (Rs. 11.72 lacs) to Mrs.Sashi Gupta, Rs.19.91 lacs (Rs.11.70 lacs) to Mrs.Saroj Bansal, Rs.0.79 lacs (Rs. 7.35 lacs) to Mrs.Neelam Bansal and Rs.3.19 lacs (Rs.3.19 lacs) to Sri.Narendra Kumar Gupta.
- 12 Trade and other receivables includes Rs. 87.61 lacs (Nil) from M/s. Bansal Chemicals (India),
- 13 Inter corporate deposit outstanding include Rs. 112.34 lacs (Rs. 91.62 lacs) payable to M/s Ardee Industries Pvt. Ltd.
- 14 Pondy Oxides and Chemicals Ltd has given Corporate Guarantee of Rs. 30 lacs (Rs. 30.00 lacs) to M/s. POCL Enterprises Ltd.

35.0 Contingent Liabilities and Commitments (Rs. in Lakhs)

(A) Contingent Liabilities

Particulars	As at 31 March, 2013	As at 31 March, 2012
(I) (i) Gurantees to bank and Financial Institutions against credit facilities extended to third parties	30.00	30.00
(ii) Performance Guarantees	1.36	3.86
(iii) Other Money for which the company is contingently liable	138.60	793.70
(iv) Liability in respect of Bills Discounted with Banks	814.38	340.55
(II) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	27.25	20.50

36.0 Segment Reporting (AS -17)

Segment Revenue

External Turnover

a. Metal	26,225.19	23,798.38
b. Metallic Oxides	7,730.75	5,432.61
c. Plastic Additives	6,515.61	4,989.50
Total	40,471.55	34,220.49
Less: Inter segment turnover	3,177.21	2,241.32
Net sales / Income from operations	37,294.34	31,979.17



Segment Results	(Rs. in Lakhs)	
Profit / (loss) (before tax and interest from each segment)		
a. Metal	519.76	723.86
b. Metallic Oxides	260.73	256.09
c. Plastic Additives	476.44	322.67
Total	<u>1,256.92</u>	<u>1,302.62</u>
Interest	763.55	559.62
Other unallocable expenditure net of un-allocable income	150.50	365.26
Profit before tax before exceptional Income / (Expenses) - Net	<u>342.87</u>	<u>377.74</u>
Exceptional Income / (Expense)	60.85	54.60
Profit from ordinary activities before tax	<u>403.73</u>	<u>432.34</u>
Capital employed (Segment Assets		
Less Segment Liabilities)		
a. Metal	1,416.81	662.31
b. Metallic Oxides	1,197.87	806.26
c. Plastic Additives	185.21	587.56
e. Un-allocable Assets less Liabilities	893.90	1,509.36
Total Capital Employed	<u>3,693.79</u>	<u>3,565.49</u>
37.0 Value of imported and indigenous Raw Material and Spare Parts consumed		
Raw Materials		
(i) Imported	25,548.37	20,673.79
(ii) Others	4,446.27	4,493.13
Total	<u>29,994.64</u>	<u>25,166.92</u>
38.0 The Ministry of Corporate Affairs, Government of India, vide General Circular No.2 and 3, dated 8th February 2011 and 21st February 2011 respectively has granted a general exemption from compliance with section 212 of the Companies Act, 1956, subject fulfillment of conditions stipulated in the circular. The Company has satisfied the conditions stipulated in the circular and hence is entitled to the exemption. Necessary information relating to the subsidiaries has been included in the Consolidated Financial Statements.		
39.0 Previous year figures have been regrouped/rearranged wherever necessary.		

As per our Report of even date

For Jeeravla & Co.,
Chartered Accountants
FRN No : 001323S

Sohan C.J. Parmar
Proprietor
M.No.22321

Place : Chennai
Date : May 30, 2013

For and on behalf of the Board

Anil Kumar Bansal
Managing Director

Sunil Kumar Bansal
Director

K.Kumaravel
GM Finance & Company Secretary

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT 1956, RELATING TO SUBSIDIARY COMPANIES

Particulars	POCL Enterprises Ltd.
The Financial Year of the Subsidiary ended on	March 31, 2013
Number of shares of the subsidiary company held by	
Equity	7,81,465
Extent of holding	100%
The net aggregate of Profits / Losses of the subsidiary company for its financial year so far as they concern the members of Pondy Oxides and Chemicals Ltd.	
a. Dealt with in the accounts of Pondy Oxides and Chemicals Ltd., for the year ended March 31, 2013	—
b. Not dealt with in the accounts of Pondy Oxides and Chemicals Ltd., for the year ended March 31, 2013	Rs. 50.10 lakhs
The Net aggregate of profits / losses of the subsidiary company for its previous financial year so far as they concern the members of POCL	
a. Dealt with in the accounts of Pondy Oxides and Chemicals Ltd., for the year ended March 31, 2012	—
b. Not dealt with in the accounts of Pondy Oxides and Chemicals Ltd., for the year ended March 31, 2012	Rs. 5.65 lakhs

For and on behalf of the Board

Place : Chennai
Date : May 30, 2013

Anil Kumar Bansal
Managing Director

Sunil Kumar Bansal
Director

K.Kumaravel
GM Finance &
Company Secretary



STATEMENT PURSUANT TO APPROVAL OF THE CENTRAL GOVERNMENT U/S 212[8] OF THE COMPANIES ACT 1956 ABOUT THE FINANCIAL INFORMATION OF THE SUBSIDIARY COMPANIES AS AT MARCH 31, 2013

[Rs. in Lakhs]

Name of the subsidiary	POCL Enterprises Ltd.
Issued and Subscribed share capital	78.15
Reserves	107.69
Total Assets	881.32
Total Liabilities	881.32
Investments (except investments in subsidiaries)	2.78
Turnover	2332.87
Profit/(Loss) before taxation	72.19
Provision for taxation	22.09
Profit/(Loss) after taxation	50.10
Proposed dividend	0.00

Notes:

1. Ministry of Corporate Affairs, Government of India has granted a general exemption through its General Circular No: 2/2011 dated 8th February, 2011 from the applicability of the provisions of sub-section [1] of section 212 of the Companies Act, 1956.
2. The company will make available the annual accounts of the subsidiary companies and related detailed information if sought by the members of the company or its subsidiaries. Further, the annual accounts of the subsidiary companies will also be kept for inspection by any member of the company or its subsidiary at the Registered Office of the company and that of the subsidiary companies concerned.

For and on behalf of the Board

Place : Chennai
Date : May 30, 2013

Anil Kumar Bansal
Managing Director

Sunil Kumar Bansal
Director

K.Kumaravel
GM Finance &
Company Secretary

Pondy Oxides and Chemicals Limited

CONSOLIDATED FINANCIAL STATEMENTS

2012-2013



Independent Auditors' Report

To The Board of Directors of
Pondy Oxides and Chemicals Limited

Report on the Consolidated Financial Statements:

We have audited the accompanying consolidated financial statements of Pondy Oxides and Chemicals Limited (the "Company") and its subsidiary, which comprise the consolidated Balance sheet as at March 31, 2013, the consolidated Statement of Profit and Loss and the consolidated Cash Flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements:

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the company in accordance with accounting policies generally accepted in India including Accounting Standards referred to in Sub-section (3C) of the section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of the internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility:

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India.

- a) In the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) In the case of the consolidated Profit and Loss Account, of the profit of the Company for the year ended on that date and
- c) In the case of the consolidated Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Other Matters

We have audited the financial Statements of the subsidiary which reflect total assets (net) of Rs. 881.34 Lakhs as at March 31, 2013, total revenues (net) of Rs.2117.36 Lakhs and net cash flows amounting to Rs. (6.45) Lakhs for the year ended on that date

For **JEERAVLA & CO**
Chartered Accountants
(Firm Registration No.001323S)

SOHAN C J PARMAR
Proprietor
Membership No.: 22321

Chennai
Date: May 30, 2013

Consolidated Balance Sheet as at 31 March, 2013

Particulars	Note No.	Rs. in Lakhs	
		As at 31 March, 2013	As at 31 March, 2012
A Equity and Liabilities			
1 Shareholders' Funds			
(a) Share Capital	1	1,114.82	1,114.82
(b) Reserves and Surplus	2	2,686.19	2,507.75
		3,801.01	3,622.57
2 Non Current Liabilities			
(a) Long Term Borrowings	3	789.58	692.27
(b) Deferred Tax Liabilities (Net)	4	63.49	32.53
(c) Other Long Term Liabilities	5	20.00	20.00
(d) Long Term Provisions	6	96.15	94.26
		969.22	839.06
3 Current Liabilities			
(a) Short Term Borrowings	7	6,733.52	4,168.66
(b) Trade Payables	8	1,776.22	822.71
(c) Other Current Liabilities	9	515.99	475.16
(d) Short Term Provisions	10	288.22	304.87
		9,313.95	5,771.40
TOTAL		14,084.18	10,233.03
B ASSETS			
1 Non Current Assets			
(a) Fixed assets			
(i) Tangible Assets	11	2,295.41	2,110.22
(ii) Capital Work-in-Progress		145.92	161.62
		2,441.33	2,271.84
(b) Non Current Investments	12	26.46	30.04
(c) Long Term Loans and Advances	13	36.59	39.60
(d) Other Non Current Assets	14	12.06	16.06
		2,516.44	2,357.54
2 Current Assets			
(a) Inventories	15	3,301.44	3,275.52
(b) Trade Receivables	16	5,271.54	2,387.45
(c) Cash and Cash Equivalents	17	1,323.58	1,214.11
(d) Short Term Loans and Advances	18	1,339.49	924.64
(e) Other Current Assets	19	331.68	73.77
		11,567.74	7,875.49
TOTAL		14,084.18	10,233.03
Significant Accounting Policies			
Notes on Financial Statements	1 to 37		

As per our Report of even date

For Jeeravla & Co.,
Chartered Accountants
FRN No : 001323S

Sohan C.J. Parmar
Proprietor
M.No.22321

Place : Chennai
Date : May 30, 2013

For and on behalf of the Board

Anil Kumar Bansal
Managing Director

Sunil Kumar Bansal
Director

K.Kumaravel
GM Finance & Company Secretary



Consolidated Statement of Profit and Loss for the year ended 31 March, 2013

Rs in Lakhs

Particulars	Note No.	For the year ended 31 March, 2013	For the year ended 31 March, 2012
Income			
1 Revenue from operations (gross)	20	39,118.93	32,483.10
Less: Excise duty		3,242.85	1,545.50
Revenue from operations (net)		35,876.08	30,937.60
Other income	21	362.00	105.09
Total Revenue		36,238.08	31,042.69
2 Expenses			
(a) Cost of materials consumed	22	29,994.63	25,166.92
(b) Purchases of stock-in-trade	23	2,258.24	906.00
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	(838.61)	775.03
(d) Employee benefits expense	25	704.21	623.66
(e) Finance Costs	26	776.03	563.03
(f) Depreciation and amortisation expense	27	233.80	284.04
(g) Other expenses	28	2,694.73	2,338.54
Total Expenses		35,823.04	30,657.22
3 Profit / (Loss) before exceptional and extraordinary items and tax (1 -2)		415.04	385.47
4 Exceptional items	29	60.85	54.60
5 Profit / (Loss) before extraordinary items and tax (7 ± 8)		475.90	440.07
6 Profit / (Loss) before tax (9 ± 10)		475.90	440.07
7 Tax expense:			
(a) Current tax expense for current year		118.80	141.86
(b) Deferred tax		30.96	5.06
		149.76	146.92
8 Profit / (Loss) for the year		326.13	293.15
Earnings per equity share of face value of Rs.10 each			
Basic and diluted - Rs.	30	2.93	2.90
Significant Accounting Policies			
Notes on Financial Statements	1 to 37		

As per our Report of even date

For Jeeravla & Co.,
Chartered Accountants
FRN No : 001323S

Sohan C.J. Parmar
Proprietor
M.No.22321

Place : Chennai
Date : May 30, 2013

For and on behalf of the Board

Anil Kumar Bansal
Managing Director

Sunil Kumar Bansal
Director

K.Kumaravel
GM Finance & Company Secretary

Pondy Oxides and Chemicals Limited

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

PARTICULARS	[Rs.in lakhs]	
	Year ended March 31, 2013	Year ended March 31, 2012
(A) Cash Flow from Operating activity		
Profit before tax	475.90	440.07
Adjustments for:		
Add:		
Depreciation as per the Companies Act 1956	218.48	266.08
Loss on foreign exchange fluctuation	-	51.39
Interest Paid	776.03	563.03
Less:		
Profit on foreign exchange fluctuation	216.12	-
Dividend income	0.21	1.23
Interest received	64.38	71.90
Rent Received	35.40	23.26
Profit on sale of assets	30.23	2.55
Miscellaneous Income	11.76	57.55
Profit on sale of investments	3.90	-
Prior Period item	60.85	-
Operating Profit from Working Capital Changes	<u>1,047.56</u>	<u>1,164.08</u>
Adjustments for :		
(Increase) / Decrease in Inventories	(25.92)	(304.68)
(Increase) / Decrease in Trade Receivable	(2,884.09)	1,133.54
(Increase) / Decrease in Short term Loans & advances	(339.85)	1,065.34
(Increase) / Decrease in Other current assets	(257.91)	(58.02)
Increase / (Decrease) in Trade Payables	953.51	(183.38)
Increase / (Decrease) in Other current liabilities	40.83	(523.97)
Increase / (Decrease) in Short term provisions	(153.21)	32.83
Income Tax paid	(75.00)	(150.00)
Net Cash flow from operating activities	<u>(1,694.09)</u>	<u>2,175.74</u>
(B) Cash Flow from Investing Activities		
Adjustments for:		
Add:		
Proceeds from Sale of Fixed Assets	38.80	6.53
Dividend received	0.21	1.23
Interest received	64.38	71.90
Rent Received	35.40	23.25
Proceeds from Sale of Investments	7.48	-
Pre-operative expenses on lease hold land	1.78	-
Less:		
Purchase of Tangible assets	353.15	171.62
Purchase of Intangible assets	-	318.64
Adjustment to Capital work-in-progress	(15.70)	0.83
Net Cash From Investing Activities	<u>(189.40)</u>	<u>(388.18)</u>
(C) Cash Flow from Financing Activities		
Adjustments for:		
Add		
Increase / (Decrease) in Share Capital on Amalgamation	-	104.10
(Increase) / Decrease in Reserves on Amalgamation	-	242.60
Increase / (Decrease) in Long term borrowings	97.31	(170.24)
Increase / (Decrease) in Other long term liabilities	-	20.00
Increase / (Decrease) in long term provisions	1.89	9.94
(Increase) / Decrease in Long term loans and advances	3.01	(15.74)
(Increase) / Decrease in Other non current assets	4.00	(16.06)
Increase / (Decrease) in Short term borrowings	2,564.86	(799.57)
Profit on Foreign exchange fluctuation	216.12	-
Miscellaneous Income	11.76	57.55
Less		
Dividend Paid	130.00	165.00
Interest Paid	776.03	563.03
Loss on foreign exchange fluctuation	-	51.39
Net cash from / (used) from Financing Activities	<u>1,992.91</u>	<u>(1,346.84)</u>
Net Increase / (Decrease) in Cash & Cash Equivalents	109.42	440.72
Cash & Cash Equivalents as at 01.04.2012	1,214.11	773.39
Cash & Cash Equivalents as at 31.03.2013	1,323.53	1,214.11

As per our Report of even date

For Jeeravla & Co.,
Chartered Accountants
FRN No : 001323S

Sohan C.J. Parmar
Proprietor
M.No.22321

Place : Chennai
Date : May 30, 2013

For and on behalf of the Board

Anil Kumar Bansal
Managing Director

Sunil Kumar Bansal
Director

K.Kumaravel
GM Finance & Company Secretary



ACCOUNTING POLICIES & NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2013

1.0 A) List of Subsidiaries

The consolidated financial statement represents consolidation of accounts of M/s.Pondy Oxides and Chemicals Limited., with its subsidiaries as detailed below :

Name of the company : M/s. POCL Enterprises Ltd.

Proportion of Ownership Interest : 100%

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Consolidation

1. i The Consolidated financial statements of the company and its subsidiary company are combined on line-by-line by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra group balances and intra group transaction transaction in accordance with Accounting Standards 21 - "Consolidated Financial Statements" issued by ICAI.
- ii. The difference between the cost of investment in the subsidiaries over the net assets at the time of acquisition of shares in the subsidiaries is recognized in the financial statements as goodwill, which is not being amortized or capital reserve as the case may be.
2. Other significant accounting policies:

These are set out under "Significant Accounting Polices " as given in company's separate financial statements

Notes forming part of the financial statements

1.0 Share capital

Particulars	Rs. in Lakhs	
	As at 31 March, 2013	As at 31 March, 2012
(a) Authorised		
Equity shares of Rs.10/- each 12,400,000 (12,400,000)	1,240.00	1,240.00
(b) Issued, Subscribed and Paid-up		
Equity shares of Rs.10/- each 11,151,985 (11,151,985)	1,115.20	1,115.20
Less: 3813(3813) Equity Shares of Rs.10/- each held by Subsidiary Company	0.38	0.38
Total	1,114.82	1,114.82

- 1.1 Shares out of the issued, subscribed and paid up share capital were allotted in the last five years pursuant to the various Schemes of amalgamation without payments being received in cash 1,102,500 1,102,500

- 1.2 The details of Sharholders holding more than 5% shares:

Name of Share Holder	As at 31 March, 2013		As at 31 March, 2012	
	No. of Shares	% Held	No. of Shares	% Held
1.2.1 Anil Kumar Bansal	649,720	5.83	641,212	5.75
1.2.2 Neelam Bansal	616,897	5.53	616,897	5.53
1.2.3 Ashish Bansal	591,354	5.30	500,614	4.49

Pondy Oxides and Chemicals Limited

		Rs. in Lakhs
Particulars	As at 31 March, 2013	As at 31 March, 2012
1.3 Reconciliation of the number of shares outstanding is set out below		
Equity shares at the beginning of the year	11,151,985	10,107,125
Add : Shares issued on amalgamation of subsidiary	-	1,102,500
Less : Shares extinguished on crossholding, on amalgamation	-	57,640
Less : Cross Holding held by Subsidiary in Holding Company	3,813	3,813
Equity shares at the end of the year	11,148,172	11,148,172
2.0 Reserves and surplus		
(a) Securities premium account		
Opening balance	363.10	367.80
Less : Utilised during the year for:	0.14	4.84
Closing balance	362.96	362.96
(b) General reserve		
Opening balance	30.00	153.80
Add: Transferred from surplus in Statement of Profit and Loss	65.10	30.00
Appropriations for Amalgamation of Lohia Metals (P) Limited with Pondy Oxides and Chemicals Limited	-	153.80
Closing balance	95.10	30.00
(c) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	2,114.78	2,004.67
Add: Profit / (Loss) for the year	326.15	293.18
Excess Provision for Current Tax Reversed	-	60.83
Transfer on Consolidation	0.18	0.19
Less:		
Dividends proposed to be distributed to equity shareholders of Rs. 1.00 per share (Rs. 1.00 per share)	111.52	111.52
Tax on dividend	18.09	18.48
Short provision for current tax reversed	18.14	-
Transfer on Consolidation	0.13	0.13
Transferred to:		
General reserve	65.10	30.00
Transferred to amalgamation of Lohia Metals Pvt. Ltd.	-	83.95
Closing balance	2,228.13	2,115.00
Total (a +b + c)	2,686.19	2,507.75



Particulars	Rs. in Lakhs	
	As at 31 March, 2013	As at 31 March, 2012
3.0 Long-term borrowings		
(a) Term loans from Banks		
Secured [refer note no 3.1 and 3.2]	75.56	196.71
Sub total	75.56	196.71
(b) Term loans from Others		
1. Secured	1.48	4.19
2. Unsecured	780.44	653.74
Sub total	781.92	657.93
Total	857.47	854.64
Less : Shown under Current Maturities of Long term debt	67.90	162.37
Balance Shown above	789.58	692.27
3.1 Rs. 182.36 lacs of term loan for building and machinery are secured by way of first mortgage /Charge on the immovable / movable assets situated in Registered office and factories of the company and guaranteed by promoter directors of the company.		
3.2 Rs. 18.53 lacs of term loan for Vehicles are secured by way of specific assets.		
4.0 Deferred Tax Liability (NET)		
(a) Deferred Tax Liability		
Related to Fixed Assets	63.49	32.53
Total (a + b)	63.49	32.53
5.0 Other long-term liabilities		
Others		
Trade / security deposits received	20.00	20.00
Total	20.00	20.00
6.0 Long-term provisions		
Provision for employee benefits:		
Provision for gratuity (net)	96.15	94.26
Total	96.15	94.26
7.0 Short-term borrowings		
(a) Loans repayable on demand		
(i) Secured		
1 Working Capital Loans [refer note no. 7.1]		
1.1 From Banks		
1.1.1 Rupee Loans	6,321.55	3615.90
1.1.2 Foreign Currency Loans	257.26	323.84
Total (a)	6,578.80	3,939.74
(ii) Unsecured		
1 From Banks	1.98	5.47
1.1 Deposits	5.50	1.95
1.2 From Others [refer note no. 7.2]	147.24	221.50
Total (b)	154.71	228.92
Total (a+b)	6,733.52	4,168.66

Pondy Oxides and Chemicals Limited

7.1 Working Capital loans are secured by hypothecation of present and future stock of raw materials, stock-in-process, finished goods, stores & spares, book debts, materials in transit, etc., and guaranteed by promoter directors of the company.

7.2 Other loans and advances from other includes unsecured loan from directors, friends and relatives.

8.0 Trade payables

Rs. in Lakhs

Particulars	As at 31 March, 2013	As at 31 March, 2012
(a) Trade payables		
1 Micro, Small and Medium Enterprises *	-	-
2 Others	1,776.22	822.71
Total	1,776.22	822.71

* The company has not received the information from vendors regarding their status under the MSME and hence the disclosure relating to amounts unpaid as at the year end has not been given.

9.0 Other current liabilities

(a) Current maturities of long-term debt (Refer Note (i) below)	67.90	162.37
(b) Interest accrued and due on borrowings	205.58	58.78
(c) Unpaid /Unclaimed dividends	10.71	10.07
(d) Unclaimed Fractional Shares dividends	0.02	0.02
(e) Other payables		
1 Payables on purchase of fixed assets	2.96	55.72
2 Advances from customers	11.32	27.58
3 Audit Fee Payables	8.66	7.37
4 Others *	208.83	153.25
Total	515.99	475.16

* Includes excise duty and tax on sales payable

10.0 Short-term provisions

(a) Provision for employee benefits:		
1 Provision for bonus	37.60	33.00
(b) Provision - Others:		
1 Provision for tax	121.01	141.86
2 Provision for proposed equity dividend	129.61	130.00
Total	288.22	304.87

11.0 Fixed Assets

Rs in Lakhs

Sl. No.	Description	Gross Block			Depreciation				Net Block		
		As on 1.04.12	Additions	Deduction/ Adjustments	As on 31.03.13	Upto 31.03.12	For the Year	Deduction	Upto 31.03.13	As on 31.03.12	As on 31.03.13
	Tangible Assets :										
1	Leasehold Land	102.38	166.94	-	269.31	6.28	0.97	(1.78)	9.02	96.10	260.29
2	Free hold land	133.17	-	-	133.17	-	-	-	-	133.17	133.17
3	Building	1,720.85	16.19	13.69	1,723.35	525.04	92.45	69.72	547.77	1,195.81	1,175.57
4	Plant & machinery	949.06	133.21	-	1,082.26	523.79	69.88	-	593.67	425.26	488.60
5	Furniture & Fittings	72.63	2.56	-	75.19	30.48	7.87	-	38.35	42.15	36.84
6	Office Equipment	103.15	11.84	-	114.99	50.58	12.40	-	62.98	52.57	52.01
7	Vehicles	139.77	20.16	19.20	140.73	73.42	19.70	15.47	77.64	66.35	63.09
8	Lab Equipments	97.15	-	-	97.15	48.96	7.39	-	56.35	48.20	40.81
9	Electrical fittings	120.18	2.26	-	122.44	69.58	7.82	-	77.40	50.60	45.03
	Total	3,438.33	353.14	32.89	3,758.60	1,328.12	218.47	83.41	1,463.20	2,110.22	2,295.41
	Previous Year 2011-12	3,272.81	171.72	6.19	3,438.33	1,064.23	266.08	2.19	1,328.12	2,208.58	2,110.22
	Capital Work in progress									161.62	145.92



11.1 Capital work in progress under development includes

- i. Building under construction : Rs. 28.19 lakhs (Rs. 0.74 lakhs)
 ii. Machinery and Electrical Fittings etc under installation : Rs. 117.18 lakhs (Rs. 160.89 lakhs)

Rs. in Lakhs

Particulars	As at 31 March, 2013	As at 31 March, 2012
12.0 Non-current investments		
Investments (At cost)		
I <u>Investment in Equity Instruments</u>		
(a) <u>In Equity Shares of Subsidiary Company</u>		
(i) <u>Unquoted</u>		
781,465 (781,465) Equity Shares of Rs.10/- each in POCL Enterprises Limited (Fully Owned Subsidiary)	-	-
Total (A)	-	-
(b) <u>In Equity Shares of Other Companies</u>		
(i) <u>Quoted</u>		
1 360 (720) Equity Shares of Rs 5/- each fully paid in ONGC	0.43	0.88
2 1000 (13295) Equity Shares of Rs.10/- each in Jyothy Consumer products formerly known as Henkel Spic Ltd	0.60	2.64
3 67(100) Equity Shares of Rs.10/- each in Bata (India) Ltd.	0.11	0.16
4 300 (600)Equity Shares of Rs.10/- each in Indian Overseas Bank	0.07	0.24
5 200 (300) Equity Shares of Rs.10/- each in UCO Bank	0.03	0.05
6 200 (300) Equity Shares of Rs.10/-each in Vijaya Bank	0.05	0.07
7 Nil (1800) Equity Shares of Rs.1 (10) each fully paid in Himachal Futuristic	-	0.22
8 Nil (221) Equity Shares of Rs.10/- each fully paid in Kerala Ayurvedic Chemicals	-	0.04
9 Nil (500) Equity Shares of Rs.10/- each fully paid in MOSCHIP Ltd.,	-	0.18
10 Nil (2000) Equity Shares of Rs.10/- each fully paid in Rashtriya Chem Ltd.,	-	0.10
11 Nil (1000) Equity Shares of Rs.10/- each fully paid in Saint Gobain	-	0.13
12 Nil (2000) Equity Shares of Rs.10/- each fully paid in SQL Star Soft Ltd.,	-	0.11
13 Nil (240) Equity Shares of Rs.10/- each fully paid in Carol Info Services Ltd.,	-	0.05
14 3813 (3813) Equity Shares of Rs 10/- each fully paid in POCL	-	-
15 2000(2000) Equity Shares of Rs.10/- each in Bhagawandoss Metals Ltd	0.30	0.30
16 300(300) Equity Shares of Rs.10/- each in Orchid Chemicals Ltd.	0.31	0.31
17 250(250)Equity Shares of Rs.10/- each in Rama Newsprint Ltd	0.10	0.10
18 539 (539) Equity Shares of Rs.1 (10) each fully paid in Ramco Systems Ltd	1.52	1.52
Total (B)	3.52	7.10

Pondy Oxides and Chemicals Limited

Particulars	As at 31 March, 2013	Rs. in Lakhs As at 31 March, 2012
(ii) UNQUOTED		
1 725420 (725420) Equity Shares of Rs.10/- each fully paid in Madras Stock Exchange	19.09	19.09
2 32093 (32093) Equity Shares of Rs.10/- each fully paid in MSE Financial Services Ltd.	3.85	3.85
Total (C)	<u>22.94</u>	<u>22.94</u>
Total D = (B + C)	<u>26.46</u>	<u>30.04</u>
Total (A + D)	<u>26.46</u>	<u>30.04</u>
Market Value of Quoted Investments is Rs. 4.17 lakhs (Rs 12.44 lakhs)		
13.0 Long-term loans and advances (Unsecured and considered good)		
(a) Security deposits	36.59	35.80
(b) Advances for Capital Goods	-	3.80
Total	<u>36.59</u>	<u>39.60</u>
14.0 Other non-current assets		
Misc. Expenditure (to the extent not return off or adjusted)		
Amalgamation Expenses	16.06	20.07
Less : Written off	4.01	4.01
Total	<u>12.06</u>	<u>16.06</u>
15.0 Inventories		
(At lower of cost and net realisable value)		
(a) Raw materials	1,459.57	1,585.59
(b) Raw Material transit	121.78	870.87
(c) Work-in-progress	210.81	24.98
(d) Finished goods (other than those acquired for trading)	1,415.57	729.69
(e) Stores and spares	71.11	36.50
(f) Loose tools	22.60	27.89
Total	<u>3,301.44</u>	<u>3,275.52</u>
16.0 Trade receivables		
(a) Trade receivables outstanding for a period exceeding 180 days		
(i) Unsecured and considered good	3.23	9.52
b) Other Trade receivables		
(i) Secured and considered good	1,733.03	535.74
(ii) Unsecured and considered good	3,535.28	1,842.19
Total of (b)	<u>5,268.31</u>	<u>2,377.93</u>
Total (a) + (b)	<u>5,271.54</u>	<u>2,387.45</u>



Particulars	Rs. in Lakhs	
	As at 31 March, 2013	As at 31 March, 2012
17.0 Cash and cash equivalents		
(a) Cash on hand		
1 Cash	6.11	6.50
(b) Balances with banks		
1 In Current Accounts	272.16	584.83
2 In EEFC accounts	488.70	1.39
3 In Fixed Deposit accounts	542.45	611.27
4 In Margin money	2.89	-
5 In Unpaid dividend accounts	11.28	10.12
Total	1,317.48	1,207.61
Total (a + b)	1,323.58	1,214.11
18.0 Short-term loans and advances (Unsecured and considered good)		
(a) Loans and advances to related parties*	2.16	2.16
(b) Loans and advances to employees	5.07	2.87
(c) Prepaid expenses - Unsecured, considered good (For e.g. Insurance premium, Annual maintenance contracts, etc.)	19.48	25.44
(d) Balances with Excise, Sales Tax and Income Tax Authorities		
1 Central Excise Deposit	428.60	225.60
2 TNVAT	-	38.94
3 Central Service Tax	11.37	6.98
4 Income Tax	132.28	199.09
5 Others (EPF & ESI)	-	0.05
(e) Others -Suppliers Advance (including for expenses)	740.53	425.68
Total	1,339.49	924.64
* Refer Note 34 for details of loans to related parties		
19.0 Other current assets		
(a) Interest accrued on deposits	117.09	48.72
(b) Rebate Receivables	214.59	25.05
Total	331.68	73.77
20.0 Revenue from operations		
(a) Sale of products	39,117.55	32,453.26
(b) Other operating revenues	1.38	29.84
	39,118.93	32,483.10
<u>Less:</u>		
(c) Excise duty	3,242.85	1,545.50
Total	35,876.08	30,937.60

Pondy Oxides and Chemicals Limited

Particulars	As at 31 March, 2013	Rs. in Lakhs As at 31 March, 2012
20.1 Particulars of Sale of Products		
(a) Sale of products comprises :		
I <u>Manufactured goods</u>		
1 Metals	21,394.67	22,196.41
2 Metallic Oxides	6,312.58	4,658.08
3 PVC Stabilisers	5,674.63	4,887.81
4 Others	55.93	43.84
Total - Sale of manufactured goods	<u>33,437.80</u>	<u>31,786.14</u>
II <u>Traded goods</u>		
1 Metals	2,360.94	610.18
2 Metallic Oxides	-	7.45
3 PVC Stabilisers	5.00	5.23
4 Others	70.95	36.44
Total - Sale of traded goods	<u>2,436.89</u>	<u>659.30</u>
Total - Sale of products	<u>35,874.70</u>	<u>32,445.44</u>
(b) Other operating revenues :		
Conversion Charges Received	1.38	29.84
Total - Other operating revenues	<u>1.38</u>	<u>29.84</u>
21.0 Other Income		
(a) Interest income	64.38	71.90
(b) Dividend income		
From long-term investments		
1 Holding / subsidiaries	-	0.81
2 Others	0.21	0.42
(a) Net gain on foreign currency transactions and translation (other than considered as finance cost)	216.12	(51.39)
(b) Other non-operating income (net of expenses directly attributable to such income)	77.39	83.35
(c) Profit from Sale of Investment	3.90	-
Total	<u>362.00</u>	<u>105.09</u>
21.1 Particulars of Interest Income		
(a) Interest from banks on:	-	
Deposits	35.43	71.60
(b) Interest on loans and advances	28.95	0.10
(c) Interest on overdue trade receivables	-	0.20
Total - Interest income	<u>64.38</u>	<u>71.90</u>



Particulars	Rs. in Lakhs	
	As at 31 March, 2013	As at 31 March, 2012
21.2 Particulars of other non-operating Income		
Other non-operating income comprises:		
1 Rental income from operating leases	35.40	23.25
2 Profit on sale of fixed assets [net of expenses directly attributable]	30.23	2.55
3 Miscellaneous income [net of expenses directly attributable]	11.76	57.55
Total - Other non-operating income	<u>77.39</u>	<u>83.35</u>
22.0 Cost of materials consumed		
(a) Opening stock	1556.57	1,280.99
(b) Add: Purchases	29,897.63	25,471.53
	31,454.20	26,752.52
(c) Less: Closing stock	1,459.57	1,585.60
Cost of material consumed (a + b - c)	<u>29,994.63</u>	<u>25,166.92</u>
Material consumed		
1 Lead Metal	11,164.37	9,966.15
2 Lead Scrap	5,862.93	8,545.92
3 Zinc Metals	3,135.39	1,882.34
4 Battery Plates	4,679.03	2,193.84
5 Other items	5,152.91	2,578.67
Total	<u>29,994.63</u>	<u>25,166.92</u>
23.0 Purchase of traded goods		
1 Metals	2,157.70	862.66
2 Metallic Oxides	-	5.73
3 Others	100.54	37.61
Total	<u>2,258.24</u>	<u>906.00</u>
24.0 Changes in inventories of finished goods, work-in-progress and stock-in-trade		
(a) <u>Inventories at the end of the year:</u>		
1 Finished goods	1,030.69	729.70
2 Work-in-progress	210.81	24.97
Total (a)	<u>1,626.39</u>	<u>754.67</u>
(b) <u>Inventories at the beginning of the year:</u>		
1 Finished goods	729.70	1,493.73
2 Work-in-progress	24.97	105.00
Total (b)	<u>754.66</u>	<u>1,598.73</u>
(c) Excise duty on finished goods *	33.11	(69.03)
Net (increase) / decrease (b-a)	<u>(838.61)</u>	<u>775.03</u>
* Excise duty shown above represents the difference between excise duty on opening and closing stock of finished goods.		

Pondy Oxides and Chemicals Limited

		Rs. in Lakhs	
Particulars	As at 31 March, 2013	As at 31 March, 2012	
25.0 Employee benefits expense			
1 Salaries and wages	556.18	492.07	
2 Contributions to provident and other funds	44.77	40.55	
3 Staff welfare expenses	103.26	91.04	
Total	<u>704.21</u>	<u>623.66</u>	
26.0 Finance costs			
(a) Interest expense on:			
1 Borrowings	577.50	393.81	
2 On Unsecured Loans	119.53	80.98	
(b) Other borrowing costs	79.01	88.24	
Total	<u>776.03</u>	<u>563.03</u>	
27.0 Depreciation & Amortisation Expenses			
Depreciation	218.48	266.08	
Preliminary & Pre-Operative Exp. Written off	4.01	4.01	
Tools & Implements written off	11.30	13.95	
Total	<u>233.80</u>	<u>284.04</u>	
28.0 Other expenses			
1 Consumption of stores and spare parts	44.38	67.12	
2 Advertisement	1.24	1.20	
3 Bad trade and other receivables, loans and advances written off	12.87	20.36	
4 Business promotion	0.37	7.76	
5 Computer Maintenance	1.38	1.93	
6 Consumption of packing materials	81.07	44.77	
7 Conversion Charges Paid	80.82	63.47	
8 Director Sitting Fees	0.90	0.72	
9 Entertainment Expenses	7.50	5.61	
10 Environmental Control Expenses	66.91	51.63	
11 Exhibition Expenses	0.03	7.70	
12 Factory Expenses	69.79	52.12	
13 Freight and forwarding	394.88	372.78	
14 General Expenses	4.37	6.79	
15 Income tax paid	-	3.05	
16 Insurance	32.46	33.33	
17 Laboratory Expenses	6.76	7.17	
18 Legal and professional	16.07	23.17	



Particulars	Rs. in Lakhs	
	As at 31 March, 2013	As at 31 March, 2012
19 Membership Fee	3.77	10.18
20 Newspaper & Periodicals	0.39	0.16
21 Office Maintenance	11.24	5.96
22 Payments to auditors	8.65	5.30
23 Postage ,Telegram & Telephone Expenses	27.76	18.70
24 Power and fuel	1,308.43	868.98
25 Printing and stationery	8.81	7.62
26 Purchase Commission	12.74	0.22
27 Rates and taxes	30.11	33.86
28 Rent & Amenities Charges	4.38	4.46
29 Repairs and maintenance - Buildings	26.28	23.43
30 Repairs and maintenance - Machinery	144.60	132.97
31 Repairs and maintenance - Others	29.32	25.02
32 Sales commission	65.91	72.45
33 Sales discount	61.98	245.16
34 Service tax paid	13.91	9.89
35 Share transfer expenses	0.51	0.33
36 Travelling and Conveyance	89.10	82.04
37 Vehicle Maintenance	24.27	21.13
38 Loss on fixed assets sold / scrapped / written off	0.77	-
Total	<u>2,694.73</u>	<u>2,338.54</u>

28.1 Payment to Auditors as

Payments to the auditors comprises (net of service tax input credit, where applicable):

1 As auditors - statutory audit	7.53	4.30
2 For taxation matters	1.12	1.00
3 For other services	0.30	-
Total	<u>8.95</u>	<u>5.30</u>

29.0 Exceptional items

1 Keyman insurance maturity proceeds	-	54.60
2 Prior Period item	60.85	-
Total	<u>60.85</u>	<u>54.60</u>

Pondy Oxides and Chemicals Limited

30.0 Earning Per Share (EPS)

(i) Net profit after tax as per statement of profit and loss attributable to equity shareholders	326.13	293.15
(ii) Weighted average number of Equity Shares	11,148,172	10,111,900
(iii) Basic Earning & Diluted Earning Per Share in Rs.	2.93	2.90
(iv) Face Value per Equity Shares	10.00	10.00

31.0 Expenditure in Foreign Currency

(i) Import of Raw Materials	27,682.38	19,156.69
(ii) Membership Fee	1.41	7.88
(iii) Travelling Expenses	3.08	2.33
(iv) Commission	13.99	45.48
(v) Interest Expenses	-	2.47

32.0 Earnings in Foreign Exchange

Sales	14,061.14	18,376.27
Total	<u>14,061.14</u>	<u>18,376.27</u>

33.0 Remittance in Foreign Currency on Account of Dividend

Number of Non Resident Shareholders	52.00	54.00
Number of Equity Shares held by them	4,81,826.00	4,81,005.00
Amount Remitted in Foreign Currency (Rs. in lakhs)	4.82	6.73
Year to which dividends relates	2011-12	2010-11

34.0 (i) Related Party Disclosures

In accordance with Accounting Standard 18, the disclosure required is given below:

Name of the related parties and relationship

(a) Other related enterprises

M/s. Ardee Industries Private Limited
M/s. Bansal Metallic Oxides
M/s. Bansal Chemicals (India)
M/s. Daman Metallic Oxides

(b) Key Management Personnel

<u>S.No</u>	<u>Name</u>	<u>Designation</u>
1	Dr. Padam C Bansal	Chairman
2	Sri. Anil Kumar Bansal	Managing Director
3	Sri. Sunil Kumar Bansal	Whole Time Director
4	Sri. R.P.Bansal	Whole Time Director



5	Sri. Devakar Bansal	Whole Time Director
6	Sri. Y.V. Raman	Whole Time Director
7	Sri. Ashish Bansal	Whole Time Director
8	Sri. N. Ravichandran	Managing Director - Subsidiary Company (upto 31-03-2013)

(d) Relatives of Key Management Personnel

<u>S.No</u>	<u>Name</u>	<u>Relationship</u>
1	Smt. Vijaya Bansal	W/o. Dr. Padam C Bansal
2	Smt. Manju Bansal	W/o . Sri. Anil Kumar Bansal
3	Smt. Neelam Bansal	W/o. Sri. Sunil Kumar Bansal
4	Smt. Saroj Bansal	W/o. Sri. R.P. Bansal
5	Smt. Vandana Bansal	W/o. Sri. Devakar Bansal
6	Smt. Charu Bansal	W/o. Sri. Ashish Bansal
7	Sri. Pawan Bansal	S/o. Sri. R.P. Bansal
8	Sri. Harsh Bansal	S/o. Sri. Sunil Kumar Bansal
9	Sri. Sagar Bansal	S/o. Sri. Devakar Bansal
10	Smt. Megha Choudhari	D/o. Sri. Anil Kumar Bansal
11	Sri. Punit Choudhari	Daughter's husband of Sri. Anil Kumar Bansal
12	Smt. Shashi Gupta	Sister of Sri. Anil Kumar Bansal
13	Sri. Narendra Kumar Gupta	Sister's husband of Sri Anil Kumar Bansal

(ii) Transaction during the year with related parties

(Rs. in Lakhs)

S.No	Nature of Transaction	Other Related Enterprises	Key Management Personnel	Relative of Key Management Personnel
[I]	Purchases			
	Goods & Materials	580.38 (1259.19)	Nil (Nil)	Nil (Nil)
[II]	Sales			
	Goods & Materials	671.76 (470.20)	Nil (Nil)	Nil (Nil)
[III]	Expenses			
	Conversion Charges Paid	80.81 (52.72)	Nil (Nil)	Nil (Nil)
	Remuneration	Nil (Nil)	155.46 (149.93)	Nil (Nil)
	Interest Paid	25.20 (15.94)	37.37 (26.07)	27.29 (20.62)
	Sales & Distribution expenses	22.50 (14.52)	Nil (Nil)	Nil (Nil)
[IV]	Finance and Investment during the Year			
	Inter Corporate Deposit Paid	15.69 (44.62)	Nil (Nil)	Nil (Nil)
	Inter Corporate Deposit Received	26.05 (43.00)	Nil (Nil)	Nil (Nil)
	Loan Taken	Nil (50.00)	368.80 (424.85)	282.25 (65.70)
	Loan Paid	50.00 (Nil)	414.75 (131.00)	234.75 (22.19)
[V]	Outstanding			
	Trade & Other Payables	69.23 (113.77)	302.56 (356.63)	249.22 (201.68)
	Trade & Other Receivables	89.77 (2.16)	Nil (Nil)	Nil (Nil)
	Inter Corporate Deposit	112.34 (91.62)	Nil (Nil)	Nil (Nil)
	Financial Guarantees	Nil (Nil)	Nil (Nil)	Nil (Nil)


iii Disclosure in respect of Material related party transaction during the year

- 1 Purchase / Material Consumed include Rs.578.35 lacs(Rs. 1257.94 lacs) from M/s. Bansal Chemicals (India), Rs.0.50 lacs (Rs.1.25 lacs) from M/s. Ardee Industries Pvt. Ltd and Rs.1.53 lacs (Nil) from M/s. Bansal Metallic Oxides
- 2 Sale include sale of Rs. 13.41 lacs (Rs. 10.35 lacs) to M/s. Ardee Industries Pvt. Ltd, Rs. 634.10 lacs (Rs.434.97 lacs) to M/s. Bansal Chemicals (India) and Rs. 24.25 lacs (Rs. 24.88 lacs) to M/s. Bansal Metallic Oxides.
- 3 Conversion charges paid include Rs.18.07 lacs (Rs.4.09 lacs) to M/s. Ardee Industries Pvt. Ltd, and Rs. 62.74 lacs (Rs. 48.63 lacs) to M/s. Bansal Metallic Oxides.
- 4 Remuneration paid include Rs. 35.98 lacs (Rs.34.35 lacs) to Sri.Anil Kumar Bansal, Rs.29.62 lacs (Rs. 28.21 lacs) to Sri.Sunil Kumar Bansal ; Rs.28.41 lacs (Rs.28.04 lacs) to Sri. R. P. Bansal, Rs. 27.49 lacs (Rs.26.33 lacs) to Sri. Devakar Bansal, Rs.9.35 lacs (Rs.8.40 lacs) to Sri. Y.V. Raman, Rs.24.61 lacs (Rs. 24.60 lacs) to Sri. Ashish Bansal.
- 5 Interest paid include Rs.11.52 lacs (Rs.8.89 lacs) to M/s. Ardee Industries Pvt. Ltd, Rs.11.31 lacs (Rs.6.39 lacs) to M/s. Daman Metallic Oxides, Rs. 2.37 lacs (Rs. 0.66 lacs) to M/s. Rajendra Metchem, Rs.5.54 lacs (Rs.4.02 lacs) to Sri. Padam C Bansal, Rs.6.10 lacs (Rs. 7.19 lacs) to Sri.Anil Kumar Bansal, Rs.0.89 lacs (Rs.0.16 lacs) to Sri. Sunil Kumar Bansal, Rs.6.44 lacs (Rs.2.17 lacs) to Sri.R. P. Bansal, Rs.15.57 lacs (Rs. 9.30 lacs) to Sri.Devakar Bansal, Rs.2.77 lacs (Rs.3.16 lacs) to Sri.Ashish Bansal, Rs. 0.06 lacs (Rs.0.07 lacs) to Sri. Y.V. Raman, Rs.11.78 lacs (Rs.10.87 lacs) to Mrs.Vijaya Bansal, Rs.1.27 lacs (Rs.0.43 lacs) to Mrs.Manju Bansal, Rs.1.73 lacs (Rs.1.37 lacs) to Mrs.Neelam Bansal, Rs.1.45 lacs (Rs.1.10 lacs) to Mrs.Saroj Bansal, Rs.2.54 lacs (Rs. 0.58 lacs) to Mrs.Megha Choudhari, Rs.3.43 lacs (Rs. 3.13 lacs) to Mrs.Charu Bansal, Rs.0.19 lacs (Rs. 0.19 lacs) to Sri.Harsh Bansal, Rs.0.99 lacs (Rs.0.84 lacs) to Sri.Pawan Bansal, Rs.0.47 lacs (Rs.0.27 lacs) to Sri.Sagar Bansal, Rs.1.20 lacs (Rs.1.26 lacs) to Mrs.Sashi Gupta, Rs.0.38 lacs (Rs.0.38 lacs) to Sri.Narendra Kumar Gupta, Rs.1.73 lacs (Rs.0.20 lacs) to Mrs. Vandana Bansal and Rs.0.13 lacs (Nil) to Sri. Punit Choudhari
- 6 Sales and distribution expenses represents Rs. 22.50 lacs (Rs.14.52 lacs) paid to M/s. Bansal Chemicals (India).
- 7 Inter corporate deposit paid Rs.15.69 lacs (Rs.44.62 Lacs) to M/s. Ardee Industries Pvt. Ltd.
- 8 Inter corporate deposit received Rs.26.05 lacs (Rs.43 lacs) from M/s. Ardee Industries Pvt Ltd.
- 9 Loan taken include Nil (Rs.50 lacs) from M/s. Daman Metallic Oxides, Rs.12.55 lacs (Rs. 5.60 lacs) from Sri.Padam C Bansal, Rs.104.75 lacs (Rs.142.00 lacs) from Sri.Anil Kumar Bansal, Rs.18.50 lacs (Rs. 13.50 lacs) from Sri. Sunil Kumar Bansal, Rs.114.50 lacs (Rs. 71.50 lacs) from Sri.R. P. Bansal, Rs.67.00 lacs (Rs. 128.25 lacs) from Sri. Devakar Bansal, Rs. 51.50 lacs (Rs.64.00 lacs) from Sri.Ashish Bansal, Rs.30.50 lacs (Rs.7.75 lacs) from Mrs.Manju Bansal, Rs.11.25 lacs (Rs. 29.25 lacs) from Mrs.Charu Bansal and Rs.76.50 lacs (Rs.18.00 lacs) from Mrs.Megha Choudhari, Rs.20.00 lacs (Rs.2.90 lacs) from Mrs.Saroj Bansal, Nil (Rs. 4.20 lacs) from Sri. Harsh Bansal, Rs.84.50 lacs (Rs. 3.60 lacs) from Mrs.Vandana Bansal, Rs. 2.50 lacs (Nil) from Sri. Pawan Bansal. Rs. 51.00 lacs (Nil) from Mrs.Neelam Bansal, Rs. 2.00 lacs (Nil) from Sri. Punit Choudhari and Rs.4.00 lacs (Nil) from Sri. Sagar Bansal.
- 10 Loan paid Include Rs. 50.00 lacs (Nil) to M/s. Daman Metallic Oxides, Nil (Nil) to Sri. Padam C Bansal, Rs.43.00 lacs (Rs. 43.00 lacs) to Sri. Anil Kumar Bansal, Rs.13.50 lacs (Rs.13.50 lac) to Sri. Sunil Kumar Bansal, Rs.16.00 lacs (Rs. 16.00 lacs) to Sri.Devakar Bansal, Rs.12.00 lacs (Rs. 12.00 lacs) to Sri. R. P. Bansal, Rs.0.50 lacs (Rs.0.50 lacs) to Sri Y.V.Raman, Nil (Nil) to Sri. P.N.Sridharan, Rs.46.00 lacs (Rs.46.00 lacs) to Sri. Ashish Bansal, Rs.51.00 lacs (Rs.10.00 lacs) to Mrs.Neelam Bansal, Rs.18.88 lacs (Rs.1.00 lac) to Mrs.Manju Bansal, Rs.38.00 lacs (Rs.2.50 lacs) to Mrs.Charu Bansal, Rs.82.99 lacs (Rs. 3.00 lacs) to Mrs.Megha Choudhari, Rs.24.50 lacs

Pondy Oxides and Chemicals Limited

(Rs.1.30 lacs) to Mrs.Vandana Bansal, Nil (Rs. 2.95 lacs) to Sri. Harsh Bansal, Rs.13.11 lacs (Rs.1.10 lacs) to Mrs.Saroj Bansal, Nil (Rs. 0.34 lacs) to Sri. Narendra Kumar Gupta, Rs. 4.00 lacs (Nil) to Sri. Sagar Bansal and Rs. 2.27 lacs (Nil) to Mrs. Sashi Gupta

- 11 Trade and other payable include Rs.65.93 lacs (Rs.105.76 lacs) to M/s.Daman Metallic Oxides, Nil (Rs.1.40 lacs) to M/s.Ardee Industries Pvt Ltd, Rs.3.30 lacs (Rs. 5.63 lacs) to M/s. Bansal Metallic Oxides and Nil (Rs 0.98 lacs) to M/s.Bansal Chemicals (India), Rs. 45.72 lacs (Rs. 105.47) to Sri. Anil Kumar Bansal; Rs.113.83 lacs (Rs.120.62 lacs) to Sri.Devakar Bansal, Rs.58.58 lacs (Rs.42.15 lacs) to Sri.Padam C Bansal, Rs.56.29 lacs (Rs.67.04 lacs) to Sri.R. P. Bansal, Rs. 0.81 lacs (Nil) to Sri. Sunil Kumar Bansal, Rs.26.83 lacs (Rs.20.85 lacs) to Sri. Ashish Bansal, Rs.0.50 lac (Rs.0.50 lac) to Sri.Y.V. Raman , Rs.106.43 lacs (Rs. 98.18 lacs) to Mrs.Vijaya Bansal, Rs.0.79 lacs (Rs. 7.35 lacs) to Mrs.Neelam Bansal, Rs.19.90 lacs (Rs.7.13 lacs) to Mrs.Manju Bansal, Rs.9.12 lacs (Rs. 8.29 lacs) to Sri.Pawan Bansal, Nil (Rs. 29.57 lacs) to Mrs.Charu Bansal, Rs.13.74 lacs (Rs. 17.95 lacs) to Mrs.Megha Choudhari, Rs.64.03 lacs (Rs. 2.47 lacs) to Mrs.Vandana Bansal, Nil (Rs. 1.62 lacs) to Sri.Harsh Bansal, Nil (Rs. 2.51 lacs) to Mr.Sagar Bansal, Rs.10.00 lacs (Rs. 11.72 lacs) to Mrs.Sashi Gupta, Rs.19.91 lacs (Rs.11.70 lacs) to Mrs.Saroj Bansal, Rs.0.79 lacs (Rs. 7.35 lacs) to Mrs.Neelam Bansal and Rs.3.19 lacs (Rs.3.19 lacs)to Mr.Narendra Kumar Gupta.
- 12 Trade and other receivables includes Rs.89.77 lacs (Rs.2.16 lacs) from M/s. Bansal Chemicals (India)
- 13 Inter corporate deposit outstanding include Rs. 112.34 lacs (Rs. 91.62 lacs) payable to M/s Ardee Industries Pvt. Ltd.

35.0 Contingent Liabilities and Commitments

(Rs. in Lakhs)

(A) Contingent Liabilities

Particulars	As at 31 March, 2013	As at 31 March, 2012
(I) (i) Gurantees to bank and Financial Institutions against credit facilities extended to third parties	-	-
(ii) Performance Guarantees	146.47	120.05
(iii) Other Money for which the company is contingently liable	138.60	-
(iv) Liability in respect of Bills Discounted with Banks	1.27	340.55
(II) Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	27.25	20.50

36.0 Segment Reporting (AS -17)

Segment Revenue

External Turnover

a. Metal	26,221.96	23,798.38
b. Metallic Oxides	7,730.75	5,432.61
c. Plastic Additives	6,515.61	4,989.50
d. Others	1,827.82	503.93
Total	42,296.14	34,724.42
Less: Inter segment Turnover	3,177.21	22,41.32
Net sales / Income from operations	39,118.93	32,483.10



Particulars	Rs in Lakhs	
	As at 31 March, 2013	As at 31 March, 2012
Segment Results		
Profit / (loss) (before tax and interest from each segment)		
a. Metal	519.76	723.86
b. Metallic Oxides	260.76	256.09
c. Plastic Additives	476.44	322.67
d. Others	85.26	(13.44)
Total	1,342.22	1,289.18
Interest	776.03	559.62
Other unallocable expenditure net of un-allocable income	151.16	344.04
Profit before tax before exceptional Income / (Expenses) - Net	415.03	385.51
Exceptional Income / (Expense)	60.85	54.60
Profit from ordinary activities before tax	475.89	440.11
Capital employed (Segment Assets Less Segment Liabilities)		
a. Metal	1,416.81	662.31
b. Metallic Oxides	1,197.87	716.52
c. Plastic Additives	185.21	587.56
d. Others	167.38	222.71
d. Un-allocable Assets less Liabilities	833.74	1,433.48
Total Capital Employed	3,801.01	3,622.57

37.0 Previous year figures have been regrouped/rearranged wherever necessary.

As per our Report of even date

For Jeeravla & Co.,
Chartered Accountants
FRN No : 001323S

Sohan C.J. Parmar
Proprietor
M.No.22321

Place : Chennai
Date : May 30, 2013

For and on behalf of the Board

Anil Kumar Bansal
Managing Director

Sunil Kumar Bansal
Director

K.Kumaravel
GM Finance & Company Secretary

PROXY FORM

PONDY OXIDES AND CHEMICALS LIMITED

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

No. of shares	Folio / ID No.

I / We of
 being a member / members of PONDY Oxides and Chemicals Limited, hereby appoint
 of or failing him
 of as my / our
 proxy to attend and vote for me / us on my / our behalf at the Eighteenth Annual General Meeting of the
 Company to be held on Tuesday the 27th August, 2013 and at any adjournment thereof.

Affix Revenue Stamp Rs.1

Signature

Note : A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. This form duly completed should be deposited at the Registered Office of the Company at Chennai not later than 48 hours before the commencement of the meeting.

ATTENDANCE SLIP

[To be handed over at the entrance of the meeting hall]

PONDY OXIDES AND CHEMICALS LIMITED

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

Name and Address

--

No. of shares	Folio / ID No.

18th ANNUAL GENERAL MEETING AT 11.00 A.M.
 ON TUESDAY THE 27th AUGUST, 2013
 AT KASTURI SRINIVASAN HALL (MINI HALL),
 MUSIC ACADEMY, 306, T.T.K. ROAD, CHENNAI-600 014.

I certify that I am a registered shareholder / proxy of the registered shareholder of the Company.

I hereby record my presence at the above Annual General Meeting of the Company.

A member / proxy wishing to attend the meeting must complete this attendance slip and hand it over at the entrance of the meeting hall.

NO GIFTS WILL BE DISTRIBUTED

Name of Proxy [if any] in BLOCK LETTERS

Signature of Member / Proxy

PONDY OXIDES AND CHEMICALS LIMITED

FIVE YEARS FINANCIAL HIGHLIGHTS

[Rs. in lakhs]

Particulars	2008-09	2009-10	2010-11	2011-12	2012-13
Summary of Operations					
Total Income	12285.91	16979.48	27279.23	31979.17	37294.34
Profit Before Tax	(72.68)	741.55	826.52	432.34	403.73
Profit After Tax	(119.06)	576.70	551.67	287.59	276.06
Net Cash Accrual	40.60	735.54	789.00	570.64	508.96
Dividend [incl. Div. Tax]	59.13	141.90	165.00	130.00	130.00
Year-end Financial Position					
Fixed Assets : Net [incl. WIP]	1313.97	1751.67	2213.85	2255.27	2425.64
Investments	296.94	296.94	296.94	105.91	102.33
Net Current Assets	3109.72	4697.55	5851.33	6166.11	8792.17
Total Assets	4720.63	6746.16	8362.12	8527.29	11320.14
Represented by					
Equity Share Capital	1010.71	1010.71	1010.71	1115.20	1115.20
Reserves & Surplus	461.60	491.60	521.60	393.10	408.10
Profit and Loss Account	634.38	1033.89	1390.55	2057.19	2170.49
Net Worth	2106.69	2536.20	2922.86	3565.49	3693.79
Loan Funds	2574.50	4178.93	5415.51	4929.45	7563.01
Deferred Tax Liability [Net]	39.44	31.03	23.75	32.35	63.34
Total Funds	4720.63	6746.16	8362.12	8527.29	11320.14
Per Share Data					
Earning per share	(1.18)	5.71	5.46	2.84	2.48
Dividend per share	0.50	1.20	1.40	1.00	1.00

QUALITY POLICY

We at Pondy Oxides and Chemicals Limited as a team, are committed to

- Continually improve quality management systems
- Timely delivery of quality products
- Maintain suitable work environment

For enhancing customer satisfaction

If undelivered, please return to :
Pondy Oxides and Chemicals Limited
KRM Centre, 4th Floor,
2, Harrington Road,
Chetpet, Chennai - 600 031.



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

Form A

Format of covering letter of the annual audit report to be filed with the Stock Exchanges

1.	Name of the Company	M/s.Pondy Oxides and Chemicals Ltd
2.	Annual financial statements for the year ended	31 st March 2013
3.	Type of Audit observation	Unqualified
4.	Frequency of observation	N.A
5.	To be signed by –	
	<ul style="list-style-type: none"> • CEO / Managing Director 	<p>For PONDY OXIDES & CHEMICALS LTD.</p> <p><i>[Signature]</i> Managing Director / Director</p>
	<ul style="list-style-type: none"> • CFO 	<p>For PONDY OXIDES & CHEMICALS LTD.</p> <p><i>[Signature]</i> GM Finance & Company Secretary</p>
	<ul style="list-style-type: none"> • Auditor of the company 	<p>For JEERAVLA & CO. CHARTERED ACCOUNTANTS</p> <p><i>[Signature]</i> SOHAN C.J.PARMAR PROPRIETOR M.No. 22321 FRN 001323S</p>
	<ul style="list-style-type: none"> • Audit Committee Chairman 	<p><i>[Signature]</i></p>



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

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