

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

Date: 04 September, 2019

Kind Attention: Ms. Bhagyashri Anchan, Manager - Listing

To,
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai - 400 001

Dear Sir,

Sub: Filing of notice of proposed scheme of amalgamation of Meloy Metals Private Limited ('Transferor Company') with Pondy Oxides and Chemicals Limited ('Transferee Company') under Section 230(5) of the Companies Act, 2013 ('the Act') read with Rule 8 of Companies (Compromises, Arrangements and Amalgamations) Rules 2016 ('the Rules') with BSE Limited ('the Exchange')

This is with reference to your Observation Letter dated July 23, 2019 for the proposed scheme of amalgamation of Meloy Metals Private Limited with Pondy Oxides and Chemicals Limited and their respective shareholders and creditors.

The Transferor and Transferee companies had filed an application with National Company Law Tribunal, Chennai ('NCLT') and received an order dated 09 August, 2019 which inter-alia required the Transferee Company to send a notice to the Exchange. In connection with the abovementioned direction, we hereby inform that a notice along with the following documents has been filed with the Exchange through the BSE Listing Centre:

- i. Copy of CAA / 800-801 / CAA / 2019 filed with the Hon'ble NCLT, Special Bench, Chennai.
- ii. Copy of the notice to equity shareholders, secured creditors and unsecured creditors with statement as required under Section 230(3) of the Act.
- iii. Copy of the Scheme of Amalgamation.
- iv. Copy of the order dated 09 August, 2019 of the Hon'ble NCLT, Special Bench, Chennai.

A notice seeking representations or objections, if any, will also be sent to Securities and Exchange Board of India ('SEBI') in line with NCLT's direction.

You are hereby informed that representations, if any, in connection with the proposed Scheme may be made to the National Company Law Tribunal within 30 (thirty) days from the receipt of this notice. Copy of the representation(s), if any, may simultaneously be sent to the above named Transferee Company's registered office situated at 4th Floor, KRM Centre, No. 2, Harrington Road, Chetpet, Chennai – 600031, Tamil Nadu.

In case no representation is received within the stated period of 30 (thirty) days, it shall be presumed that you have no representation to make on the proposed Scheme.

Request you to consider the above documents and place the same on your website in compliance with the provisions of Section 230(3) of the Act.

Kindly acknowledge receipt.

Thanking you.

Yours faithfully
For Pondy Oxides and Chemicals Limited

K Kumaravel
GM Finance & Company Secretary



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

Ph. : +91 - 44 - 4296 5454, Fax : +91 - 44 - 4296 5455

e-mail : info@pocl.co.in Web : www.pocl.co.in

CIN No. : L24294TN1995PLC030586

GSTIN : 33AAACPS102D4Z4

Form No. NCLT 1

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL

BENCH AT CHENNAI

ORIGINAL APPLICATION NO. ____ Of 2019

In the matter of the Companies Act, 2013

And

In the matter of Sections 230 to 232 and other applicable provisions of the
Companies Act, 2013

And

In the matter of Scheme of Amalgamation of
Meloy Metals Private Limited with Pandy Oxides and Chemicals Limited
and their respective Shareholders and Creditors

Pandy Oxides and Chemicals Limited

a Company incorporated under the Companies

Act, 1956, having its Registered Office at

4th Floor, KRM Centre, No.2, Harrington Road,

Chetpet, Chennai – 600 031, Tamil Nadu,

Represented by its GM Finance and Company Secretary, K.Kumaravel

... Applicant/ Transferee Company

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For PANDY OXIDES AND CHEMICALS LTD



GM Finance & Company Secretary

APPLICATION FILED UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (COMPROMISES, AMALGAMATIONS AND AMALGAMATIONS) RULES, 2016 AND THE NATIONAL COMPANY LAW TRIBUNAL RULES, 2016

(I) DETAILS OF ORIGINAL APPLICATION

The Applicant Company, Pondy Oxides and Chemicals Limited ('POCL' or 'Applicant Company' or Transferee Company') was incorporated on the 21 March 1995 under the provisions of the Companies Act, 1956. The registered office of the Applicant Company is situated at 4th Floor, KRM Centre, No.2, Harrington Road, Chetpet, Chennai – 600031, Tamil Nadu.

(i) JURISDICTION OF THE BENCH

The registered office of the Applicant Company is situated in Chennai in the State of Tamil Nadu. Therefore, the Applicant Company declares that the subject matter of the present application is within the jurisdiction of this Hon'ble Tribunal's Bench.

(ii) LIMITATION

The Applicant declares that the application is filed within the period of limitation.

(iii) FACTS OF THE CASE ARE GIVEN BELOW

1. The Applicant Company is presently engaged in the production of Lead, Lead Alloys, Zinc Metal and Zinc Oxide. The Scheme of Amalgamation (hereinafter referred to as the 'Scheme') provides for the Amalgamation of the entire Undertaking of Meloy Metals Private Limited (hereinafter referred to as the "Transferor Company" or "Amalgamating Company") with the Applicant Company, as a going concern.
2. The Applicant Company is filing the present application praying for an order/directions for the convening, conducting and holding of the meeting of the Secured Creditors of the Applicant Company.
3. The Applicant Company is filing the present application praying for an order/directions for the convening, conducting and holding of the meeting of the Unsecured Creditors of the Applicant Company.
4. The Applicant Company is filing the present application praying for an order/directions for the convening, conducting and holding of the meeting of the Equity Shareholders of the Applicant Company.
5. The Authorized capital of the Applicant Company as on 31 March 2019 is Rs. 12.40,00,000/- (Rupees Twelve Crores and Forty Lakhs only), consisting of 1,24,00,000 Equity Shares of Rs. 10/- each. The Issued, Subscribed and Paid-up capital of the Applicant Company as on 31 March 2019 is

For PONDY OXIDES AND CHEMICALS LTD



GM Finance & Company Secretary

Rs. 5,57,59,930/- (Rupees Five Crores Fifty Seven Lakhs Fifty Nine Thousand and Nine Hundred Thirty only) consisting of 55,75,993 Equity Shares of Rs. 10/- each. Subsequent to 31 March 2019, there has been no change in the issued, subscribed and paid up share capital of the Applicant Company.

6. The Main Objects of the Applicant Company are set out in Clause III of its Memorandum of Association. The extracts of the main objects, *inter alia*, are briefly as under:

1. *To take over the existing business of "PONDY OXIDES AND CHEMICALS" a partnership firm as a running concern with all assets and liabilities including tenancy rights, patent rights, brand rights, and bank liabilities.*
2. *To carry on the business of manufacturing, distributing, buying, selling, supplying, converting, importing, exporting, storing, stocking, treating, refining, repairing, maintaining, charging, re-charging, re-storing, re-conditioning, Zinc Metal, Lead Metal, Zinc Ingots, Zinc Dross, Zinc Oxide, Lead Sub Oxide, Lead Oxide, Litharge, Red Lead, Zinc Lead Salt and Oxide, Salts and Oxides of other metals including PVC Stabilizers and all types of batteries, including storage batteries, dry batteries, button batteries, solar power batteries or other batteries, their components, parts ingredients, substances, systems, consumables, accessories or fittings and to do all acts and things necessary for the attainment of foregoing objects.*

For PONDY OXIDES AND CHEMICALS LTD



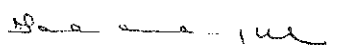
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3. *To carry on the business of manufacturing, importing, exporters, dealers in heavy chemicals, acids alkalies, petrochemicals, petrochemical derivatives, refrigerants, carbon black, cresols, chemical compounds and chemical of all kinds (solid, flakes, liquid and gaseous), analytical chemists, antibiotics, tans, chemicals auxiliaries, disinfectants, insecticides, fungicides, deodorants and dealers in chemical products of any kind whatsoever and as wholesale and retail chemicals and druggists and as chemical engineers and analytical chemists.*
4. *To manufacture, prepare, import, export, buy, sell, supply, distribute, store, stock maintain and or otherwise handle, deal in and carry on business in therapeutic, chemotherapeutic, pharmaceutical, bacteriological, parasitological, virological, immunological, endocrinological, biological, microbiological, chemical and biochemical, electrolytic, homeopathic, ayurvedic, and other tropical and or Indian theropatic, nutritional, herbal, vegetable, vertinary, botanical, chemicals, drugs, ingredients, products, compounds, mixtures, tablets, pills, capsules, powders, preparations and materials, injections, vaccines, sera and such other substances as may be put to medical and or biomedical use.*

The Applicant Company craves leave of this Hon'ble Bench to refer to the Memorandum of Association of the Applicant Company for its entire main objects clause and ancillary objects clause. An updated printed copy of the Certificate of

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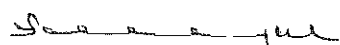
Incorporation, Memorandum and Articles of Association of the said Applicant Company is annexed hereto and marked as **Annexure A 1 (COLLY)**.

7. The latest audited financial statements of the Applicant Company as at 31 March 2019 show the position of the assets and liabilities of the Applicant Company. Copy of the latest printed audited financial statements of the Applicant Company as at 31 March 2019 is enclosed herewith and marked as **Annexure A 2**.

The Applicant Company submits that the summary of the latest financial position of the Applicant Company as at 31 March 2019 as per the audited financial statements of the Applicant Company are provided below:

Particulars	Amount in Rs. (Lakhs)
	As at 31 st March 2019 (as per audited financials)
Net worth	13,040.03
Turnover (Gross Sales)	1,04,888.55
Current Assets	24,202.93
Non-Current Assets	3,943.69
Current Liabilities	14,676.30
Long Term Liabilities	430.29

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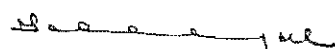

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8. The Applicant Company further submits that the Auditor's Report as provided for 31 March 2019 provides that the financial position of the Applicant Company is true and fair.

9. The Board of Directors of the Applicant Company has, at its meeting held on 27 May 2019 had approved and adopted the Scheme by virtue of which the entire undertaking of the Transferor Company is to be amalgamated and vested with the Applicant Company, as a going concern. A copy of the aforesaid Board Resolution passed by the Board of Directors of the Applicant Company is annexed herewith and marked as **Annexure A 3**.

10. Under the Scheme approved and adopted by the Board of Directors, it is proposed that with effect from the Appointed Date and upon this Scheme coming into effect, the Transferor Company shall without any further act, instrument or deed, be and stand merged with, transferred to and vested in or be deemed to be transferred to and vested in the Transferee Company as a going concern, so as to vest in the Applicant Company, all the rights, titles and interests pertaining to the Transferor Company pursuant to the provisions of Sections 230 to 232 of the Act and pursuant to the orders of the jurisdictional Tribunal(s) sanctioning this Scheme. The Scheme set out herein in its present form or with any modification(s) and amendment(s), approved or imposed or directed by the Tribunal, shall be effective from the Appointed Date i.e. 1 April 2019 but shall be made operative from Effective Date. The Scheme is annexed and attached hereto as **Annexure A 4**.

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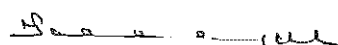
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11. Upon the Scheme becoming effective, the authorised share capital of the Transferor Company shall stand combined with the authorised share capital of Applicant Company. Filing fees and stamp duty, if any, paid by the Transferor Company, shall be deemed to have been so paid by the Applicant Company on the combined authorised share capital and accordingly, Applicant Company shall not be required to pay any fee / stamp duty for its increased authorised share capital.
12. The combined authorised share capital upon amalgamation shall be reorganized into shares of Rs.10 each. Accordingly, the revised authorized share capital of the Transferee Company shall be Rs. 20,15,00,000 (Rupees Twenty Crores and Fifteen Lakhs Only) divided into 2,01,50,000 (Two Crores and One Lakh and Fifty Thousand) Equity Shares of Rs.10/- (Rupees Ten Only) each. The revised authorized share capital after giving effect to the above is provided below:

Clause V of the Memorandum of Association of the Transferee Company shall stand altered without any further act or deed to include the following:

"The Authorized Share Capital of the Company shall be Rs 20,15,00,000/- (Rupees Twenty Crores and Fifteen Lakhs only) divided into 2,01,50,000 (Two Crores and One Lakh and Fifty Thousand) equity shares of Rs.10/- (Rupees Ten) each, with the rights, privileges and conditions in attaching thereto as are provided by the regulations of the Company for the time being with powers to increase or reduce the Capital for the time being into several classes, and

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to attach thereto respectively such preferential, qualified or special rights, privileges or conditions as may be determined by or in accordance with the regulations of the company to vary, modify or abrogate, any such rights, privileges or conditions in such manner as may for the time being be provided for by the regulations of the Company."

13. The rationale and benefits for the Scheme are provided below:


(iv) **RATIONALE FOR THE SCHEME:**

The Board of Directors of the Transferor Company and the Transferee Company are of the opinion that the proposed amalgamation of the Transferor Company with the Transferee Company shall be advantageous and beneficial to both the Transferor Company and the Transferee Company in the following manner:

(i) **Consolidation of business:**

The amalgamation will enable consolidation of the businesses into one amalgamated entity which, will facilitate in focused growth, operational efficiency, integration synergies and better supervision of the business of the group. The Amalgamated Company would also have a better credit rating in the market enabling it to have better access to market funds.

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(ii) Pooling of resources:

The amalgamation will enable pooling of resources of the Companies to their advantage, resulting in more productive utilization of the resources and achieving cost and operational efficiency which will be beneficial to all stakeholders.

(iii) Scaling of operations:

The amalgamation would facilitate scaling of operations i.e. achieving economies of scale, reduce administrative, managerial, compliance costs and other expenditure and bring operational rationalization resulting in greater visibility for the resultant amalgamated entity in the market.

(iv) Financial consolidation and flexibility:

The amalgamation will lead to combination of funds of the companies. This will lead to consolidation of the financial strengths of the companies and will also result in fungibility of funds amongst various projects.

(v) Implementation of policy changes:

From a management perspective, the amalgamation will also enable smoother implementation of policy changes at a higher level and help enhance the efficiency of the entities.

(vi) Operational efficiencies:

The amalgamation will result in reduction of multiplicity of compliances.

Recognizing the strengths of each other and with the ultimate intent of aligning the business operations undertaken by the Transferor Company and the Transferee

Company, the Transferor Company and the Transferee Company propose to amalgamate by way of and in accordance with the terms of the Scheme of Amalgamation which will cause benefits to both the Companies, the employees, the shareholders, the creditors and the public at large.

There is no likelihood that the interests of any shareholder or creditor of either the Transferor Company or the Transferee Company would be prejudiced as a result of the proposed Scheme. The amalgamation will not impose any additional burden on the shareholders of the Transferor Company or the Transferee Company.

14. The Applicant submits that as per the requirement of the Circular No. CFD/DIL3/CIR/2017/21 dated 10 March 2017 issued by Securities and Exchange Board of India (SEBI Circular), R Vaidyanathan, an Independent Chartered Accountant has given a valuation report dated 25 May 2019, whereby the share entitlement ratio has been provided. Based on the said valuation report, Vivro Financial Services Private Limited, a SEBI appointed merchant banker has provided its Fairness Report dated 27 May 2019 and both these reports are enclosed herewith and marked as **Annexure A 5A and Annexure A 5B**.
15. The Applicant submits that in terms of Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a copy of the Scheme was filed with the Bombay Stock Exchange of India Ltd. ("BSE") by the Applicant Company along with the above reports and all other documents required as per the SEBI Circular. The Applicant Company has obtained "No Objection Certificate"

from BSE, vide letter dated 23 July, 2019, which *inter alia* include the observations made by the Securities and Exchange Board of India ("SEBI") on the Scheme of Amalgamation. The observations of SEBI are reproduced hereunder:

- a) *The Company shall duly comply with various provisions of the Circulars.*
- b) *The Company shall ensure that additional information and undertaking, if any, submitted by the Company, after filing the scheme with the Stock Exchange, and from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges.*
- c) *The Company is advised that the observations of SEBI/ Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.*
- d) *It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments/observations/ representations.*

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A Copy of the "No Objection Certificate" obtained from BSE on the Scheme of Amalgamation, vide letter dated 23 July, 2019, is marked and annexed as **Annexure A 6.**

16. The requirements as stated under Para 9(b)(ii) of Annexure I of Circular No. CFD/DIL3/CIR/2017/21 dated 10 March 2017 issued by SEBI in relation to the approval of public shareholders to the Scheme through e-voting is applicable to the Applicant Company.
17. The assets of the Applicant Company and the Transferor Company are more than sufficient to meet the liabilities of both the companies and the said Scheme will not adversely affect the rights of any of the creditors of the Applicant Company in any manner whatsoever. The Applicant Company submits that as on 30 June 2019, there are 6 (Six) Secured Creditors in the Applicant Company whose outstanding value as on 30 June 2019 is Rs.83,97,62,561. The Applicant Company submits that the Certificate dated 20 July 2019 issued by an independent chartered accountant listing out the Secured Creditors of the Applicant Company is marked and annexed as **Annexure A7.** The Applicant further submits that this Hon'ble Tribunal may be pleased to fix a date for convening, holding and conducting meeting of the secured creditors of the Applicant Company at such time and place as this Hon'ble Tribunal may direct and to appoint a Chairman for the said meeting.

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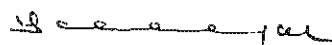
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18. The Applicant Company submits that as on 30 June 2019, there are 99 (Ninety Nine) Unsecured Creditors in the Applicant Company whose outstanding value as on 30 June 2019 is Rs. 4,18,12,090. The Applicant Company submits that the Certificate dated 20 July 2019 issued by an independent chartered accountant listing out the Unsecured Creditors of the Applicant Company is marked and annexed as **Annexure A 8**. The Applicant further submits that this Hon'ble Tribunal may be pleased to fix a date for convening, holding and conducting meeting of the unsecured creditors of the Applicant Company at such time and place as this Hon'ble Tribunal may direct and to appoint a Chairman for the said meeting.
19. The Applicant submits that there are 12,622 Equity Shareholders in the Applicant Company as on 30 June 2019. The Applicant further state that it does not have any other class of shares other than Equity Shares. The list of the Equity Shareholders of the Applicant Company is marked and annexed herewith as **Annexure A 9**. The requirements as stated under Para 9(b)(ii) of Annexure I of Circular No. CFD/DIL3/CIR/2017/21 dated 10 March 2017 issued by SEBI in relation to the approval of public shareholders to the Scheme through e-voting is applicable to the Applicant Company. The Applicant further submits that this Hon'ble Tribunal may be pleased to fix a date for convening, holding and conducting meeting of the Equity Shareholders of the Applicant Company at such time and place as this Hon'ble Tribunal may direct and to appoint a Chairman for the said meeting.
20. The Applicant Company submits that the notice of the meeting of Unsecured Creditors, Secured Creditors and the Equity Shareholders of the Applicant

Company may be published in one issue of "Trinity Mirror" in English and one issue of "Makkal Kural" in Tamil or such dailies as this Hon'ble Tribunal may direct.

21. The Applicant submits that this Hon'ble Tribunal may be pleased to appoint Mr. Anil Kumar Bansal, Chairman of the Applicant Company, failing him Mr. Anilkumar Sachdev, Director of the Applicant Company, failing him Mr. A Vijay Anand, Director of the Applicant Company, as Chairman to preside over and **conduct the meeting of Unsecured Creditors, Secured Creditors and the Equity Shareholders of the Applicant Company.**
22. The basis of classifying the said creditors as "unsecured" is because no security or charge or lien over any of the assets of the Applicant Company exists with the said unsecured creditors. The said unsecured creditors are in the nature of trade creditors which are involved in day to day affairs of the Applicant Company and other borrowings. The said unsecured creditors do not comprise of any statutory liabilities or due which shall be paid and honored by the Applicant Company in accordance with the relevant act, rules and regulations as may be applicable to the said statutory liability.
23. The proposed Scheme is sought to be made under the provisions of Section 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules thereunder and the same if sanctioned by this Hon'ble Tribunal will take effect from 1 April 2019, being the "Appointed Date".

For PONDY OXIDES AND CHEMICALS LTD



GM Finance & Company Secretary

24. The Applicant Company has no investigation proceedings initiated or pending against the Applicant Company under the provisions of the Companies Act, 1956 or the Companies Act, 2013. Further, there exists no adverse comments or qualifications in the Auditors' Report for the financial year 2018-19 of the Applicant.
25. The Applicant Company states that it is not required to obtain any approval from the Competition Commission of India as the Transferor Company is exempted from the definition of Combination under Section 5(c) of the Competition Act, 2002 read with Notification S.O. 988(E) dated 27 March 2017.
26. The certificate issued by the Statutory Auditor of the Applicant Company stating that the accounting treatment as provided for in the Scheme is in accordance with the accounting principles laid down under the Companies Act, 2013. The certificate issued by the Statutory Auditor of the Applicant Company is marked and annexed as **Annexure A 10**.

(v) **RELIEFS SOUGHT/MAIN PRAYERS**

In view of the facts mentioned above, the Applicant Company seeks reliefs/makes prayers before the Hon'ble Tribunal as follows:

- A) It is prayed that necessary directions may be given for convening, holding and conducting of a meeting of Equity Shareholders of the Applicant Company and fix

For PONDY OXIDES AND CHEMICALS LTD

[Signature]
GM Finance & Company Secretary

a date for the presentation of the Company Petition and pass such other order or orders as this Hon'ble Tribunal may deem fit and proper in the circumstances of the case and render justice.

B) It is prayed that necessary directions may be given for the convening, holding and conducting of a meeting of the Secured Creditors of the Applicant Company and fix a date for presentation of the Company Petition and pass such other order or orders as this Hon'ble Tribunal may deem fit and proper in the circumstances of the case and render justice.

C) It is prayed that necessary directions may be given for the convening, holding and conducting of a meeting of the Unsecured Creditors of the Applicant Company and fix a date for presentation of the Company Petition and pass such other order or orders as this Hon'ble Tribunal may deem fit and proper in the circumstances of the case and render justice.

C) It is prayed that notices to the statutory authorities may be ordered by this Hon'ble Tribunal as per the provisions of section 230(5) of the Companies Act 2013 and rule 8 of the Companies (Compromise, Arrangements and Amalgamations) Rules, 2016.

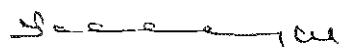
PARTICULARS OF THE BANK REMITTANCE DETAILS EVIDENCING**PAYMENT OF FEE FOR THE APPLICATION MADE:**

- (i) Branch of the bank: **HDFC Bank (Credit Card)**
- (ii) Name of the remitting branch: **-**
- (iii) Reference No.: **2907190003689**
- (iv) Date: **29-07-2019**
- (v) Amount: Rs. 5,000/-

D) LIST OF ENCLOSURES:

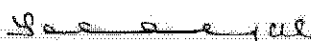
S. No.	Date	Particulars
1	-	Certificate of Incorporation, Memorandum and Article of Association of the Applicant Company marked and annexed as Annexure A 1.
2	27-05-2019	Audited Financial Statements of the Applicant Company as on 31 March 2019 marked and annexed as Annexure A 2.
3	27-05-2019	Board Resolution passed by the Applicant Company in furtherance of the Scheme marked and annexed as Annexure A 3.
4	-	The Scheme marked and annexed as Annexure A 4.

For PONDY OXIDES AND CHEMICALS LTD


 GM Finance & Company Secretary

5	25-05-2019 27-05-2019	Valuation Report by Independent Chartered Accountant and Fairness Opinion by Merchant Banker marked and annexed as Annexure A 5A and Annexure A 5B.
6	23-07-2019	Observation letter dated 23 July, 2019 issued by BSE Limited ('BSE') marked and annexed as Annexure A 6.
7	27-07-2019	Independent Chartered Accountant Certificate confirming the number and value of Secured Creditors of the Applicant Company marked and annexed as Annexure A 7.
8	27-07-2019	Independent Chartered Accountant's Certificate confirming the number and value of Unsecured Creditors of the Applicant Company marked and annexed as Annexure A 8.
9	25-07-2019	The List of Equity Shareholders of the Applicant Company is marked and annexed as Annexure A 9.

For PONDY OXIDES AND CHEMICALS LTD



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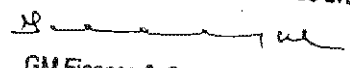
10	27-05-2019	The certificate issued by the Statutory Auditor of the Applicant Company confirming the accounting treatment is marked and annexed as Annexure A 10.
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(Signature of the Authorised Signatory)

Date: 25-07-2019

Place: Chennai

For PONDY OXIDES AND CHEMICALS LTD



GM Finance & Company Secretary



20.7.19
 தமிழ்நாடு TAMIL NADU

PONDY OXIDES & CHEMICALS LTD

65AB 637508

S. Manickam

S. MANICKAM
 STAMP VENDOR
 L. No: 13835/B3/93
 CHENNAI-600 029.

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
 BENCH AT CHENNAI

ORIGINAL APPLICATION NO. ____ of 2019

In the matter of the Companies Act. 2013

And

In the matter of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013

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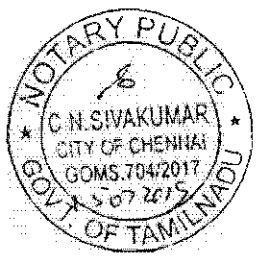
In the matter of Scheme of Amalgamation of Meloy Metals Private Limited with Pondy Oxides and Chemicals Limited and their respective Shareholders and Creditors

Pondy Oxides and Chemicals Limited
 a Company incorporated under the Indian Companies Act, 1956, having its Registered Office at 4th Floor, KRM Centre, No. 2, Harrington Road, Chetpet, Chennai – 600031, Tamil Nadu, India

represented by its GM Finance and Company Secretary, K Kumaravel.

...Applicant/
 Transferee Company

K. Kumaravel



AFFIDAVIT OF MR. K. KUMARAVEL

I, Mr. K. Kumaravel, S/o Krishnamoorthy aged about 56 years, residing at Jana Villa, Anjugam Nagar 3rd Street, Jafferkhanpet. Ashok Nagar. Chennai- 600083, do hereby solemnly affirm and sincerely state as follows:

1. I am the GM Finance and Company Secretary of Pandy Oxides and Chemicals Limited, the Applicant Company and I have been authorized to sign the present Company Application.
2. I state that the statements made in Para No.(i) to Para No.(v) in the Application as shown to me are true to the best of my knowledge, information and I believe them to be true.
3. I solemnly affirm that this declaration is true, that it conceals nothing and that no part of it is false.

K. Kumaravel

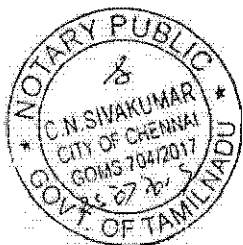
Solemnly affirmed at Chennai

Before me

on this 25th day of July 2019

and signed his name in my presence

Advocate, Chennai



C.N. Sivakumar
25 07 2019
C.N. SIVAKUMAR
Advocate & Notary Public
"Nataraj Nivas"
No. 8 (Old 12), Balasubramani St.,
P.S. Sivaswamy Road, Mylapore,
Chennai-600 004. ☎: 24991667

PONDY OXIDES AND CHEMICALS LIMITED

(CIN: L24294TN1995PLC030586)

Registered Office: 4th Floor, KRM Centre, No. 2, Harrington Road,
Chetpet, Chennai – 600031, Tamil Nadu

Tel No: +91-044-42965454 **Fax No:** +91-044-42965455

Email: info@pocl.co.in **Website:** <http://www.pocl.co.in>

**NOTICE OF THE MEETING OF THE EQUITY SHAREHOLDERS
OF
PONDY OXIDES AND CHEMICALS LIMITED
CONVENED AS PER THE DIRECTIONS OF THE NATIONAL COMPANY LAW TRIBUNAL,
SPECIAL BENCH, CHENNAI ('NCLT' OR 'THE TRIBUNAL')
VIDE ORDER DATED 09 AUGUST, 2019**

COURT CONVENED MEETING

Day	Thursday
Date	10 October, 2019
Time	11.30 a.m.
Venue	Kasturi Srinivasan Hall (Mini Hall), Music Academy, 306, T.T.K Road, Chennai – 600 014

POSTAL BALLOT AND E-VOTING:

Commencing on	10 September, 2019 , 09.00 A.M.
Ending on	9 October, 2019, 05.00 P.M.

Volume 1 – Notice and Explanatory Statement

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1.	Notice of the meeting of the Equity Shareholders of Pandy Oxides and Chemicals Limited under the provisions of Sections 230 to 232 and other relevant provisions of the Companies Act, 2013 and any amendments thereto read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 convened as per the directions of the National Company Law Tribunal, Special Bench, Chennai.	03
2.	Explanatory Statement under Section 230(3), 232(2) and Section 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.	09

Volume 2 – Annexures

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	and Chemicals Limited and their Respective Shareholders and Creditors ('Scheme' or 'the Scheme') - Annexure A	
2.	Detailed background about Pondy Oxides and Chemicals Limited, its main objects, its authorized, issued, subscribed and paid up share capital – Annexure B	13
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15.	Report adopted by the Board of Directors of Pondy Oxides and Chemicals Limited pursuant to Section 232(2)(c) of the Companies Act, 2013 explaining the effect of the Amalgamation - Annexure O	130
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17.	Applicable information of Meloy Metals Private Limited in the format specified for Abridged Prospectus in Part E of Schedule VI of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), Regulations, 2018 – Annexure Q	136
18.	Route map to the venue	Attached in loose leaf form
19.	Form of proxy	
20.	Attendance Slip	
21.	Postal Ballot Form with instructions and self-addressed postage prepaid Business Reply Envelope	

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
SPECIAL BENCH, CHENNAI

FORM NO. CAA. 2

[Pursuant to Section 230(3) and Rule 6 and 7]

CA/800-801/CAA/2019

In the Matter of Sections 230 to 232 of the Companies Act, 2013

And

In the Matter of Scheme of Amalgamation

Of

MELOY METALS PRIVATE LIMITED

('MMPL') (Transferor Company)

With

PONDY OXIDES AND CHEMICALS LIMITED

('POCL') (Transferee Company)

And

Their Respective Share Holders and Creditors

Pondy Oxides and Chemicals Limited

Having its registered office at
4th Floor, KRM Centre, No. 2, Harrington Road,
Chetpet, Chennai 600 031

.... Transferee Company

**NOTICE CONVENING MEETING OF THE EQUITY SHAREHOLDERS OF
PONDY OXIDES AND CHEMICALS LIMITED**

To,

The Equity Shareholders of Pondy Oxides and Chemicals Limited

NOTICE is hereby given that by an Order dated 09 August, 2019, ('**the Order**') the Hon'ble National Company Law Tribunal, Special Bench at Chennai ('**NCLT**' or '**the Tribunal**') has directed that a meeting of the Equity Shareholders of Pondy Oxides and Chemicals Limited ('**Transferee Company**' or '**POCL**') be held for the purpose of considering, and if thought fit, approving, with or without modification(s), the Scheme of Amalgamation of Meloy Metals Private Limited ('**Transferor Company**') with the Transferee Company and their respective shareholders and creditors ('**the Scheme**') under Sections 230 to 232 of the Companies Act, 2013 ('**the Act**') and other applicable provisions of the Act.

Take further notice that in pursuance of the said Order, a meeting of the Equity Shareholders of the Transferee Company will be convened and held at Kasturi Srinivasan Hall (Mini Hall), Music Academy,

306, T.T.K Road, Chennai – 600 014, on Thursday, 10 October, 2019 at 11.30 a.m. ('the Meeting'), at which time and place the said Equity Shareholders of the Company are requested to attend.

At the Meeting, the following resolution(s) will be considered and if thought fit, be passed, with or without modification(s):

APPROVAL OF THE SCHEME OF AMALGAMATION

"RESOLVED THAT pursuant to the provisions of Sections 230 to 232 and other relevant provisions of the Companies Act, 2013, as may be applicable, read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016; any other applicable rules and / or regulations (including any statutory modification or re-enactment thereof); and the relevant provisions of the Memorandum of Association and the Articles of Association of Pondy Oxides and Chemicals Limited ("the Company") and subject to the approval of the Hon'ble National Company Law Tribunal ("the NCLT") or such regulatory / government authority as may be applicable and such other approvals / permissions / exemptions as may be required under applicable laws, regulations, listing regulations and guidelines issued by the regulatory authorities, and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company, the Scheme of Amalgamation of Meloy Metals Private Limited with Pondy Oxides and Chemicals Limited and their respective shareholders and creditors, placed before this meeting, be and is hereby approved.

RESOLVED FURTHER that the Board of Directors of the Company and any person(s) nominated by the Board of Directors, be and are hereby severally authorised to take all steps as may be necessary or desirable and to do all such acts, deeds, things and matters, as may be considered necessary to give effect to the aforesaid Scheme of Amalgamation and this resolution and to accept such additions, alterations, amendments, rectifications and changes in the said Scheme and other documents related thereto, at any stage as may be expedient or necessary in this regard."

In compliance with the provisions of (i) Section 230(4) read with Sections 108 and 110 of the Companies Act, 2013; (ii) Rule 6(3) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016; (iii) Rule 22 read with Rule 20 and other applicable provisions of the Companies (Management and Administration) Rules, 2014; (iv) Regulation 44 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and (v) Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended from time to time, issued by the Securities and Exchange Board of India, the Transferee Company has provided the facility of voting by postal ballot and e-voting so as to enable the equity shareholders, which includes the Public shareholders to consider and approve the Scheme by way of a resolution.

It is clarified that the votes cast by means of postal ballot or remote e-voting does not disentitle an equity shareholder as on the cut-off date from attending the meeting. However, the equity shareholders who have cast their votes by postal ballot or e-voting will not be eligible to cast their votes at the meeting.

The quorum for the Meeting shall be 50 (Fifty) members. In case the quorum is not in place at the designated time, the Meeting shall be adjourned by half an hour and thereafter, the persons present for voting shall be deemed to constitute the quorum.

Copies of the Scheme of Amalgamation and of the Statement under Section 230 and Section 102 of the Companies Act, 2013 can be obtained free of charge at the Registered Office of the Company.

Persons entitled to attend and vote at the meeting may vote in person or by proxy, provided that all proxies in the prescribed form are deposited at the Registered Office of the Company at 4th Floor, KRM Centre, No. 2, Harrington Road, Chetpet, Chennai – 600031, not later than 48 hours before the meeting. The form of proxy can be obtained from the registered office of the Transferee Company or can be downloaded from the website of the Transferee Company.

Copies of the Scheme, the Statement under Section 230 of the Act, Form of Proxy and Attendance Slip and other annexures as stated in the Index are enclosed herewith.

The Tribunal has appointed Mr. Anil Kumar Bansal, Director of the Company, failing him, Mr. Anilkumar Sachdev, Director of the Company, failing him, Mr. A. Vijay Anand, Director of the Company as the Chairman of the said meeting. The Scheme, if approved by the meeting, will be subject to the subsequent approval of the Tribunal.

Dated this the 26th day of August 2019
Place: Chennai

Sd/-

Anil Kumar Bansal
Chairman Appointed for the Meeting

Pondy Oxides and Chemicals Limited
CIN: L24294TN1995PLC030586
Registered Office: 4th Floor, KRM Centre,
No. 2, Harrington Road, Chetpet, Chennai – 600031

Notes:

- 1 A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE FORM OF PROXY DULY COMPLETED SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 (FORTY-EIGHT) HOURS BEFORE THE MEETING. AS PER SECTION 105 OF THE ACT AND THE RULES MADE THEREUNDER, A PERSON CAN ACT AS A PROXY ON BEHALF OF NOT MORE THAN 50 (FIFTY) MEMBERS AND HOLDING IN THE AGGREGATE NOT MORE THAN 10 (TEN) PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN 10 (TEN) PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.
- 2 ALL ALTERATIONS MADE IN THE FORM OF PROXY SHOULD BE INITIALLED.
- 3 During the period beginning 24 (twenty-four) hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, an equity shareholder would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than 3 (three) days of notice in writing is given to the Company.
- 4 Only registered Equity Shareholders of the Company may attend and vote (either in person or by proxy or by authorised representative under applicable provisions of the Companies Act, 2013) at the Equity Shareholders meeting. The authorised representative of a body corporate which is a registered Equity Shareholder of the Company may attend and vote at the Equity Shareholders meeting provided a certified true copy of the resolution of the Board of Directors or other governing body of the body corporate authorising such representative to attend and vote at the Equity Shareholders meeting is deposited at the Registered Office of the Company not later than 48 (forty-eight) hours before the meeting.
- 5 Foreign Portfolio Investors (FPIs) who are registered Equity Shareholder(s) of the Company would be required to deposit certified copies of Custodial resolutions/Power of Attorney, as the case may be, authorising the individuals named therein, to attend and vote at the meeting on its behalf. These

documents must be deposited at the Registered Office of the Company not later than 48 (forty-eight) hours before the commencement of the meeting.

- 6 A Member or his proxy is requested to hand over the enclosed attendance slip, duly completed and signed as per the specimen signature(s) registered with the Company at the entrance of the meeting hall.
- 7 Members who hold shares in dematerialized form may be required to quote their Client ID and DP ID number for easy identification for attendance at the meeting.
- 8 Members are informed that in case of joint holders attending the meeting, only such joint holders whose name stands first in the Register of Members of the Company/list of Beneficial Owners as received from the National Securities Depository Limited/Central Depository Services (India) Limited in respect of such joint holding will be entitled to vote.
- 9 An individual shareholder or the authorized representative of the shareholder (in case such shareholder is a body corporate) or the proxy should carry their valid and legible identity proof (i.e. a PAN Card / Aadhaar Card / Passport / Driving License / Voter ID Card) to the meeting.
- 10 The Notice is being sent to all the Equity Shareholders, whose names appeared in the Register of Members/Beneficial Owners as per the details furnished by the depositories as on 23 August, 2019. A soft/electronic copy of the Notice indicating the process and manner of e-voting along with the Attendance Slip and Proxy Form is being sent to all the Equity Shareholders whose e-mail ids are registered with the Transferee Company/Registrar and Transfer Agent (RTA)/Depository Participant(s) for communication purposes unless any Member has requested for a physical copy of the same. For those Members who have not registered their e-mail addresses, physical copies of this Notice along with Attendance Slip and Proxy Form are being sent in the permitted mode. This Notice is also displayed/posted on the website of the Company <http://www.pocl.co.in>.
- 11 In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 ('Amended Rules 2015') and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), the Company is providing the Members the facility to exercise their right to vote on the resolution proposed for consideration at the meeting by electronic means and the business may be transacted through e-voting services. Since, the Company is seeking the approval of its equity shareholders (which includes Public Shareholders) to the Scheme by way of voting through postal ballot and e-voting, this notice will be deemed to be (i) issued in accordance with the provisions of the Companies Act, 2013; and (ii) the notice sent to the public shareholders of the Company in accordance with the SEBI Circular. For this purpose, the term "Public" shall have the meaning assigned to it in rule 2(d) of the Securities Contracts (Regulations) Rules, 1957 and the term "Public Shareholders" shall be construed accordingly.
- 12 The facility of casting the votes by the Members using an e-voting system from a place other than the venue of the meeting ("remote e-voting") is also being provided by the Company through Central Depository Services (India) Limited (CDSL).
- 13 The equity shareholders have the option either to vote through e-voting process or through postal ballot form.
- 14 Pursuant to Rule 7 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the advertisement of the notice convening the aforesaid meeting, will be published in Business Standard in English language and in Malai Chudar in Tamil language.
- 15 A postal ballot form along with self-addressed postage pre-paid envelope is enclosed. Equity shareholders voting in physical form are requested to carefully read the instructions printed in the attached postal ballot form. Equity shareholders who have received postal ballot notice by e-mail and

who wish to vote through postal ballot form can download the postal ballot form from the Company's website (www.pocl.co.in) or seek duplicate postal ballot form from the Company.

- 16 Equity shareholders shall fill in the requisite details and send the duly completed and signed postal ballot form in the enclosed self-addressed postage pre-paid envelope to the Scrutinizer so as to reach the Scrutinizer before 5 p.m. on or before 09 October, 2019. Postal ballot form, if sent by courier or by registered post / speed post at the expense of the equity shareholder will also be accepted. Any postal ballot form received after the aforesaid date and time shall be treated as if the reply from the equity shareholder has not been received.
- 17 Incomplete, unsigned, improperly or incorrectly tick marked postal ballot forms will be rejected.
- 18 There will be only 1 (one) postal ballot form for every registered folio / client ID irrespective of the number of joint equity shareholders.
- 19 The Postal Ballot Form should be completed and signed by the Member (as per the specimen signature registered with the Company). Voting rights in a Postal Ballot cannot be exercised by a Proxy. In case of joint holding, this Form should be completed and signed (as per the specimen signature registered with the Company) by the first named Member and in his/her absence, by the next named Member. Holders of Power of Attorney ('POA') on behalf of the Members may vote on the Postal Ballot mentioning the registration number of the POA and enclosing an attested copy of the POA.
- 20 Members can only opt for one mode of voting, i.e., either by physical postal ballot or e-voting. If the Equity Shareholder opts for e-voting, then he/she should not vote by physical postal ballot form also and vice versa. However, in case equity shareholders cast their vote both via physical postal ballot and e-voting, then voting validly done through e-voting shall prevail and voting done by physical postal ballot shall be treated as invalid.
- 21 The equity shareholders of the Company attending the meeting and who have not cast their vote either through remote e-voting or postal ballot shall be entitled to exercise their vote at the venue of the meeting. Those Members who have cast their vote by postal ballot or remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their votes again.
- 22 The material documents referred to in the accompanying Statement shall be open for inspection by the Equity Shareholders at the Registered Office of the Company on all working days during normal business hours except Saturday, Sunday and Public Holidays.
- 23 The remote e-voting period commences on Tuesday, the 10th day of September 2019 at 9.00 A.M and ends on Wednesday, the 9th day of October 2019 at 5.00 P.M. During this period, the members of the Company, holding shares either in physical form or in dematerialised form, as on the 'cut-off date' of 23 August 2019, may cast their vote by remote e-voting. The remote e-voting module shall be disabled on 09 October, 2019 at 5.00 P.M. for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
- 24 However, a person who is not a member as on cut-off date should treat this notice for information purpose only.
- 25 **The instructions, as provided by CDSL, regarding the process and manner for remote e-voting are enclosed in loose leaf form.**
- 26 You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- 27 A person whose name is recorded in the Register of Members or in the register of beneficial owners maintained by the depositories as on the Cut-off Date only shall be entitled to avail the facility of voting by postal ballot or e-voting as well as voting at the meeting.
- 28 Mr. Krishna Sharan Mishra representing M/s. K S M Associates, Chennai will be acting as the Scrutinizer to conduct the postal ballot and e-voting process in a fair and transparent manner.

- 29 The Chairman of the meeting shall, at the meeting, at the end of discussion on the resolution on which voting is to be held, allow voting with the assistance of the Scrutinizer, for all those Members who are present at the meeting who have not cast their votes by availing the remote e-voting facility.
- 30 The Scrutinizer shall after the conclusion of voting at the meeting will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company who shall make, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
- 31 In terms of Regulation 44 of the SEBI Listing Regulations, the results of voting will be submitted to the Stock Exchanges within forty-eight hours of the conclusion of the meeting. The results declared along with the Scrutinizer's Report shall be placed on the Company's website, <http://www.pocl.co.in>.

Enclosure: As above.

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
SPECIAL BENCH, CHENNAI**

FORM NO. CAA. 2

[Pursuant to Section 230 (3) and Rule 6 and 7]

CA/800-801/CAA/2019

In the Matter of Section 230 to 232 of the Companies Act, 2013

And

In the Matter of Scheme of Amalgamation

Of

MELOY METALS PRIVATE LIMITED

('MMPL') (Transferor Company)

And

PONDY OXIDES AND CHEMICALS LIMITED

('POCL') (Transferee Company)

And

Their Respective Shareholders and Creditors

Pondy Oxides and Chemicals Limited

Having its registered office at
4th Floor, KRM Centre, No. 2, Harrington Road, Chetpet
Chennai – 600031

.... Transferee Company

EXPLANATORY STATEMENT UNDER SECTION 230(3) OF THE COMPANIES ACT, 2013 READ WITH SECTION 102 OF THE COMPANIES ACT 2013 FOR THE MEETING OF EQUITY SHAREHOLDERS OF PONDY OXIDES AND CHEMICALS LIMITED CONVENED AS PER THE DIRECTIONS OF THE NATIONAL COMPANY LAW TRIBUNAL, SPECIAL BENCH, CHENNAI

1. Pursuant to the Order dated 09 August, 2019, passed by Hon'ble National Company Law Tribunal, Special Bench, Chennai in the Company Application No. 800-801, a meeting of the Equity Shareholders of the Transferee Company is scheduled to be held on 10 October, 2019 at 11.30 A.M to obtain their approval to the Scheme of Amalgamation of Meloy Metals Private Limited ('**Transferor Company**' or '**MMPL**') with Pondy Oxides and Chemicals Limited ('**Transferee Company**' or '**POCL**') and their respective Shareholders and Creditors ('**the Scheme**').
2. The Hon'ble National Company Law Tribunal, Special Bench, Chennai by an Order dated 09 August, 2019 was pleased to issue directions for convening of the meeting of the Equity Shareholders of the

Transferee Company at Kasturi Srinivasan Hall (Mini Hall), Music Academy, 306, T.T.K Road, Chennai – 600 014 on Thursday, 10 October, 2019 at 11.30 A.M. to be presided over by, Mr. Anil Kumar Bansal, Director of the Transferee Company, failing him, Mr. Anilkumar Sachdev, Director of the Transferee Company, failing him, Mr. A. Vijay Anand, Director of the Transferee Company as the Chairman of the Meeting. The said Order will be available for inspection at the Registered Office of the Transferee Company at 4th Floor, KRM Centre, No. 2, Harrington Road, Chetpet, Chennai – 600031 on any working day of the Company up to the date of meeting, after receipt from the Court.

3. The Board of Directors of the Transferor Company and the Transferee Company at their respective meetings held on 27 May, 2019 have unanimously approved the Scheme under which the entire business and undertaking of the Transferor Company shall, in accordance with Section 2(1B) of the Income-Tax Act, 1961 ('IT Act') stand transferred to and be vested in or deemed to be transferred to and vested in Transferee Company, as a going concern.
4. A copy of the Scheme, setting out the terms and conditions of the amalgamation, as approved by the Board of Directors of Meloy Metals Private Limited and Pondy Oxides and Chemicals Limited is enclosed herewith as **Annexure A**. The proposed Scheme is envisaged to be effective from the Appointed Date but shall be made operative from the Effective Date (as defined in the Scheme).

5. Particulars of the Companies

5.1. Pondy Oxides and Chemicals Limited

- 5.1.1. Detailed background about Pondy Oxides and Chemicals Limited, its main objects, the details of authorized, issued, subscribed and paid up share capital are provided in **Annexure B**.
- 5.1.2. The details of the Directors and Promoters of the Transferee Company along with their addresses are given in **Annexure D**.
- 5.1.3. The amount due to unsecured creditors of the Transferee Company as on 30 June, 2019 is Rs. 4,18,12,090/-
- 5.1.4. The amount due to secured creditors of the Transferee Company as on 30 June, 2019 is Rs. 83,97,62,561/-

5.2. Meloy Metals Private Limited

- 5.2.1. Detailed background about Meloy Metals Private Limited, its main objects, the details of authorised, issued, subscribed and paid up share capital are provided in **Annexure C**.
- 5.2.2. The details of the Directors and Promoters of the Transferor Company along with their addresses are given in **Annexure E**.
- 5.2.3. The amount due to unsecured creditors of the Transferor Company as on 30 June, 2019 is Rs.18,48,82,734/-.
- 5.2.4. The amount due to secured creditors of the Transferor Company as on 30 June, 2019 is Rs.8,76,02,035/-

6. Relationship subsisting between the companies who are parties to the Scheme of Amalgamation:

The Transferor Company and the Transferee Company have common promoters and the shareholding of such promoters is as follows:

- a) Mr. Ashish Bansal, Mr. R P Bansal, Ms. Megha Choudhari and Ms. Charu Bansal, the promoters of POCL , are shareholders in MMPL holding 92% of the paid up share capital of MMPL.
- b) Mr. K Kumaravel, GM – Finance and Company Secretary of POCL, holds 4.59% shareholding in MMPL.
- c) Ms. Usha Sankar, Chief Financial Officer of POCL, holds 3.01% shareholding in MMPL.
- d) Mr. Ashish Bansal, Mr. R P Bansal, Ms. Megha Choudhari and Ms. Charu Bansal, the promoters of MMPL, are shareholders in POCL holding 20.52% of the paid up share capital of POCL.

7. Rationale and Benefits of the Scheme of Amalgamation

The Board of Directors of the Transferor Company and the Transferee Company are of the opinion that the proposed amalgamation of the Transferor Company with the Transferee Company shall be advantageous and beneficial to both the Transferor Company and the Transferee Company in the following manner:

(i) Consolidation of business:

The amalgamation will enable consolidation of the businesses into one amalgamated entity which, will facilitate in focused growth, operational efficiency, integration synergies and better supervision of the business of the group. The Amalgamated Company would also have a better credit rating in the market enabling it to have better access to market funds.

(ii) Pooling of resources:

The amalgamation will enable pooling of resources of the Companies to their advantage, resulting in more productive utilization of the resources, and achieving cost and operational efficiency which will be beneficial to all stakeholders.

(iii) Scaling of operations:

The amalgamation would facilitate scaling of operations i.e. achieving economies of scale, reduce administrative, managerial, compliance costs and other expenditure and bring operational rationalization resulting in greater visibility for the resultant amalgamated entity in the market.

(iv) Financial consolidation and flexibility:

The amalgamation will lead to combination of funds of the companies. This will lead to consolidation of the financial strengths of the companies and will also result in fungibility of funds amongst various projects.

(v) Implementation of policy changes:

From a management perspective, the amalgamation will also enable smoother implementation of policy changes at a higher level and help enhance the efficiency of the entities.

(vi) Operational efficiencies:

The amalgamation will result in reduction of multiplicity of compliances.

Recognizing the strengths of each other and with the ultimate intent of aligning the business operations undertaken by the Transferor Company and the Transferee Company, the Transferor Company and the Transferee Company propose to amalgamate by way of and in accordance

with the terms of the Scheme of Amalgamation (as detailed below) which will cause benefits to both the Companies, the employees, the shareholders, the creditors and the public at large.

There is no likelihood that the interests of any shareholder or creditor of either the Transferor Company or the Transferee Company would be prejudiced as a result of the proposed Scheme. The amalgamation will not impose any additional burden on the shareholders of the Transferor Company or the Transferee Company.

8. The salient features of the Scheme are as follows:

- a. This scheme is for Amalgamation of Meloy Metals Private Limited with Pandy Oxides and Chemicals Limited and their respective shareholders and creditors under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 and rules framed thereunder.
- b. 'Appointed Date' means opening hours of business on 1 April 2019 or any other date as the Tribunal may direct or approve under the relevant provisions of the Act.
- c. 'Effective Date' means the last of the dates on which the conditions specified in Clause 18 (Part C) of this Scheme are fulfilled with respect to the Scheme. Any references in this Scheme to "upon the Scheme becoming effective", "coming into effect of this Scheme", "upon this Scheme coming into effect", shall mean the "Effective Date".
- d. With effect from the Appointed Date and upon coming into effect of this Scheme, the entire business and Undertaking of the Transferor Company shall, in accordance with Section 2(1B) of the Income-tax Act, 1961 stand transferred to and be vested in or deemed to be transferred to and vested in Transferee Company, as a going concern.
- e. Upon this Scheme becoming effective and upon the entire business and the whole of the undertaking of the Transferor Company being transferred to and vested in the Transferee Company, the Transferee Company shall without any further application or deed, issue, allot and credit as fully paid up, to every shareholder of the Transferor Company whose names appear in the Register of Members of the Transferor Company (or his / her heirs, executors, administrators or successors - in title, as the case may be, and as may be recognized by the Board of the Transferee Company) as on the Record Date, Equity Shares in the following proportion:
102 (One Hundred and Two) Equity Shares of Rs. 10/- (Rupees Ten only) each fully paid up of the Transferee Company, for every 100 (One Hundred) Equity Shares of Rs. 100/- (Rupees Hundred only) each fully paid up held in the Transferor Company.
- f. Upon the equity shares being issued and allotted, as aforesaid by the Transferee Company, the equity shares issued by the Transferor Company and held by its Shareholders, whether in dematerialized or physical form, shall be deemed to have been automatically cancelled.
- g. This Scheme is and shall be conditional upon and subject to:
 - i. The Scheme being approved by the requisite majority in number and value of such classes of persons including the respective shareholders and/or creditors of the Transferor Company and the Transferee Company as may be directed by the Tribunal.
 - ii. The sanction of the Tribunal under Sections 230 to 232 and other applicable provisions of the Act in favour of the Transferor and the Transferee Company under the said provisions and necessary Order being obtained.

- iii. The Scheme being approved by the public shareholders through e-voting in terms of Para 9 (a) of Part I of Annexure I of Securities and Exchange Board of India ('SEBI') circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 and subsequent modifications thereof ('SEBI Circular') and the scheme shall be acted upon only if vote cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it.
 - iv. Receipt of approval from the Stock Exchange and the Securities and Exchange Board of India.
 - v. Filing with the Registrar of Companies, Chennai, certified copies of all necessary orders, sanctions and approvals mentioned above by the Transferor and the Transferee Company.
- h. The Scheme, inter-alia, provides for the following matters:
- i. From the Effective Date, all legal or other proceedings (including before any statutory or quasi-judicial authority or tribunal or administrative or any adjudicating authorities) by or against the Transferor Company, whether pending on the Appointed Date, or which may be instituted any time in the future (irrespective of whether they relate to periods on or prior to the Appointed Date) shall be continued and enforced by or against the Transferee Company after the Effective Date, to the extent legally permissible.
 - ii. Upon this Scheme becoming effective, all staff, executives workmen and other employees of the Transferor Company as on the Effective Date, shall be deemed to have become Employees of the Transferee Company, without any interruption of service and on the basis of continuity of service with reference to the Transferor Company from the Appointed Date or their respective joining date, whichever is later and, subject to the provisions, hereof, on the terms and conditions not less favorable than those on which they are engaged by the Transferor Company. The services of such employees, if any, with the Transferor Company up to the Effective Date shall be taken into account for the purposes of all benefits to which the Employees, may be eligible under Applicable Law.

The Salient features as set out above being only the salient features of the Scheme of Amalgamation as are statutorily required to be included in this explanatory statement, the members are requested to read the entire text of the Scheme of Amalgamation (annexed herewith) to get fully acquainted with the provisions thereof and the rationale and objectives of the proposed Scheme of Amalgamation.

EXTENT OF SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

9. The Directors of the Transferor Company and the Transferee Company may be deemed to be concerned and/or interested in the Scheme to the extent of their shares that may be held by them, if any, or by the Companies, firms, institutions, trusts of which they are directors, partners, members or trustee in the Transferor Company and the Transferee Company. None of the Directors, Key Managerial Personnel ('KMPs') or relatives of the Directors and KMPs of the Transferor Company and the Transferee Company have any material, financial or other interest, in the Scheme, except as shareholders to the extent appearing in the Register of Directors' shareholding and Register of Members maintained by the Transferor Company and the Transferee Company, respectively. The Directors holding the shares in the Transferee Company do not have any other interest in the Scheme otherwise than that as shareholder in general.

Further, none of the managers, key managerial personnel and relatives of the Directors of the Transferee Company is concerned or interested, financial or otherwise in the proposed Scheme. Save as aforesaid, none of the Directors of the Transferee Company have any material interest in the proposed Scheme otherwise than that as shareholders in general

10. The details of the present Directors and Key Managerial Personnel of the Transferee Company and their shareholding either individually or jointly as a first holder or as a nominee in the Transferor Company and the Transferee Company, as on 31 March, 2019, is as under:

Name of the Director & Key Managerial Personnel	Position	Equity Shares held in	
		POCL	MMPL
Mr. Ashish Bansal	Managing Director	6,36,620	1,81,058
Mr. Anil Kumar Bansal	Chairman	6,23,461	-
Mr. R P Bansal	Whole time Director	5,02,737	27,503
Mr. Anilkumar Sachdev	Independent Director	1,815	-
Dr. Shoba Ramakrishnan	Independent Director	17	-
Mr. G P Venkateswaran	Independent Director	275	-
Mr. A Vijay Anand	Independent Director	1,681	-
Mr. K Kumaravel	GM – Finance & Company Secretary	3,220	10,650
Ms. Usha Sankar	Chief Financial Officer	330	6,985

11. The details of the present Directors and Key Managerial Personnel of the Transferor Company and their shareholding either individually or jointly as a first holder or as a nominee in the Transferor Company and the Transferee Company, as on 31 March, 2019, is as under:

Name of the Director & Key Managerial Personnel	Position	Equity Shares held in	
		MMPL	POCL
Mr. Ashish Bansal	Managing Director	1,81,058	6,36,620
Mr. K. Kumaravel	Director	10,650	3,220
Ms. Usha Sankar	Director	6,985	330
Mr. Anush Cherukuri	Director	10	-

PRE AND POST AMALGAMATION CAPITAL STRUCTURE

12. The Pre Amalgamation capital structure of MMPL and POCL has already been provided under Para 5 read with **Annexure B** and **Annexure C** of this Statement.

13. The Post Amalgamation capital structure of POCL is as follows:

Name of the Company: Pondy Oxides and Chemicals Limited

Particulars	Amount in Rs.
Authorised Share Capital:	
Equity Shares of Rs.10/- each	20,15,00,000
Total	20,15,00,000
Issued, Subscribed and Paid Up:	
Equity Shares of Rs.10/- each	5,81,23,900
Total	5,81,23,900

Name of the Company: Meloy Metals Private Limited

Upon the proposed Scheme becoming effective, the entire share capital of Meloy Metals Private Limited shall stand cancelled.

PRE- AND POST-AMALGAMATION SHAREHOLDING PATTERN

14. The expected pre and post Scheme shareholding pattern of the Transferee Company/POCL is given in **Annexure F**.
15. The expected pre and post Scheme shareholding pattern of Transferor Company/MMPL is given in **Annexure G**.
- 16. Valuation, Fairness Opinion and Approvals**
- 16.1. Mr. R Vaidyanathan, an Independent Chartered Accountant and a registered valuer, based on his Independent Valuation Report dated 25 May, 2019, the addendum dated 31 May, 2019 and the addendum dated 21 June, 2019 (Share Entitlement Ratio Report) recommended to the Board of Directors of the Transferee Company, the share exchange ratio in which Equity Shares of POCL should be issued to the shareholders of the Transferor Company. A copy of the Share Entitlement Ratio Report is enclosed herewith as **Annexure H**.
- 16.2. Fairness Opinion dated 27 May, 2019 on the Independent Valuation Report was obtained from M/s. Vivro Financial Services Private Limited, a SEBI appointed Merchant Banker. The copy of Fairness Opinion issued by M/s. Vivro Financial Services Private Limited is enclosed herewith as **Annexure I**.
- 16.3. The proposed Scheme was placed before the Audit Committee of the Transferee Company at its meeting held on 27 May, 2019. The Audit committee recommended and approved the proposed Scheme after considering the Independent Valuation report and fairness opinion.
- 16.4. The Board of Directors of the Transferee Company have at their board meeting held on 27 May, 2019 unanimously approved the Scheme based on the recommendation of the Audit Committee, Independent Valuation Report recommending the share exchange ratio in which Equity Shares should be issued by POCL to the shareholders of the Transferor Company, and the Fairness Opinion. The copies of the said report, fairness opinion and other documents submitted to the Stock Exchange are also displayed on the website of the Transferee Company at <http://www.pocl.co.in> and the website of BSE, the designated stock exchange where the shares of the Transferee Company are listed, in terms of the SEBI circular.

- 16.5. At the Board Meeting held on 27 May, 2019, all the Directors of the Transferee Company, as mentioned under Para 5.1.2 read with **Annexure D**, approved the Scheme.
- 16.6. Pursuant to the SEBI circular read with Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations") the Transferee Company had applied to BSE on 29 May, 2019 for seeking their No Objection to the proposed Scheme of Amalgamation. BSE, the Designated Stock Exchange forwarded the said application along with Draft Scheme to SEBI for its approval and/or comments. BSE gave its Observation letter on 23 July, 2019 which is enclosed herewith as **Annexure J**.
- 16.7. A copy of the Audited Financial Statements of the Transferor Company and the Transferee Company for the year ended 31 March, 2019 is enclosed herewith as **Annexure K**.
- 16.8. The unaudited Financial Statements of Transferee Company together with Limited Review Report for the period ending 30 June 2019 are enclosed herewith as **Annexure L**.
- 16.9. The Provisional Unaudited Financial Statements of the Transferor Company for the period ending 30 June, 2019 are enclosed herewith as **Annexure M**.
- 16.10. The Scheme of Amalgamation along with related documents were hosted on the websites of the Transferee Company and BSE and had been kept open for complaints/comments from 03 June, 2019 to 24 June, 2019. During the above period, the Transferee Company has received **no complaint/comment** and accordingly the complaints report (indicating Nil complaints) was filed with BSE on 25 June, 2019 and taken on record by BSE. A copy of the said Complaints Report is enclosed herewith as **Annexure N**.
17. The Transferee Company will make a petition under Section 230-232 and other applicable provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 to the Hon'ble National Company Law Tribunal, Special Bench, Chennai for sanctioning of the Scheme.
18. Under Section 230 of the Companies Act, 2013, the proposed Scheme will have to be approved by a majority in number representing three-fourths in value of the Equity Shareholders present and voting either in person or by proxy at the meeting. A proxy form is enclosed. It is hoped that in view of the importance of the business to be transacted, you will personally attend the meeting. The signing of the form or forms of proxy will, however, not prevent you from attending and voting in person, if you so desire. Further, in accordance with the SEBI Circular, the Scheme shall be acted upon only if the votes cast by the Public Shareholders in favour of the aforesaid resolution for approval of the Scheme are more than the number of votes cast by the Public Shareholders against it.

RESOLUTION PROPOSED TO BE APPROVED AT THE MEETING

19. It is in the interest of the Equity Shareholders of the Transferee Company that the said Scheme of Amalgamation be approved. Accordingly, the following resolutions will be moved at the meeting convened pursuant to this Notice.

"RESOLVED THAT pursuant to the provisions of Sections 230 to 232 and other relevant provisions of the Companies Act, 2013, as may be applicable, read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016; any other applicable rules and / or regulations (including any statutory modification or re-enactment thereof); and the relevant provisions of the Memorandum of Association

and the Articles of Association of Pondy Oxides and Chemicals Limited ("the Company") and subject to the approval of the Hon'ble National Company Law Tribunal ("the NCLT") or such regulatory / government authority as may be applicable and such other approvals / permissions / exemptions as may be required under applicable laws, regulations, listing regulations and guidelines issued by the regulatory authorities, and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company, the Scheme of Amalgamation of Meloy Metals Private Limited with Pondy Oxides and Chemicals Limited and their respective shareholders and creditors, placed before this meeting, be and is hereby approved.

RESOLVED FURTHER *that the Board of Directors of the Company and any person(s) nominated by the Board of Directors, be and are hereby severally authorised to take all steps as may be necessary or desirable and to do all such acts, deeds, things and matters, as may be considered necessary to give effect to the aforesaid Scheme of Amalgamation and this resolution and to accept such additions, alterations, amendments, rectifications and changes in the said Scheme and other documents related thereto, at any stage as may be expedient or necessary in this regard."*

20. The Scheme is not expected to have any adverse effect on the Key Managerial personnel, Directors, secured or unsecured creditors, non-promoter members, and employees of the Transferee Company and the Transferor Company wherever relevant, as no sacrifice or waiver is at all called from them nor their rights sought to be modified in any manner. The rights and interests of the members, creditors and employees of POCL and MMPL will not be prejudicially affected by this Scheme of Amalgamation. The Scheme does not seek any compromise / waiver of any rights or outstanding obligations towards the creditors and hence the repayment will be made according to the already stipulated and agreed terms of business. Further, POCL and MMPL do not have depositors, debenture holders, deposit trustee and debenture trustee.
21. No investigation proceedings are pending under the provisions of the Companies Act, 2013 or under the provisions of the Companies Act, 1956 against the Transferor or the Transferee Company
22. A copy of the Scheme along with the necessary statement under Section 230 read with Rule 6 and 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, is also being forwarded to the Regional Director, Registrar of Companies, Chennai, Income Tax authorities, Securities and Exchange Board of India and BSE Limited in terms of the order dated 09 August, 2019 of the Tribunal.
23. A certified copy of the Order from the Tribunal dated 9 August, 2019 has been filed with the Registrar on 22 August, 2019.
24. No winding up petition is pending against the Transferee Company.
25. In compliance with the provisions of Section 232(2)(c) of the Companies Act, 2013, the Board of Directors of the Transferee Company, vide a resolution, have adopted a report, inter-alia, explaining the effect of the Scheme on each class of shareholders (promoter and non-promoter shareholders) and key managerial personnel. A copy of the report adopted by the Board of Directors of the Transferee Company is enclosed to this Explanatory Statement as **Annexure O**.
26. In compliance with the provisions of Section 232(2)(c) of the Companies Act, 2013, the Board of Directors of the Transferor Company, vide a resolution, have adopted a report, inter-alia, explaining the

effect of the Scheme on each class of shareholders (promoter and non-promoter shareholders) and key managerial personnel. A copy of the report adopted by the Board of Directors of the Transferor Company is enclosed to this Explanatory Statement as **Annexure P**.

27. The applicable information of MMPL in the format specified for abridged prospectus as provided in Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 is enclosed as **Annexure Q**.
28. The interests of the non-promoter shareholders are in no way affected due to amalgamation as there will be no change in the Non-Promoter shareholding, pursuant to the amalgamation. However, the percentage of public shareholding will get reduced from the present level owing to the enhancement of paid-up capital.
29. An equity shareholder entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him/her. Such proxy need not be a member of the Transferee Company. The instrument appointing the proxy should however be deposited at the registered office of the Transferee Company not later than 48 (Forty Eight) hours prior to the commencement of the meeting.
30. Corporate members intending to send their authorised representatives to attend the meeting are requested to lodge a certified true copy of the resolution of the Board of Directors or other governing body of the body corporate not later than 48 (Forty Eight) hours before commencement of the meeting, authorising such person to attend and vote on its behalf at the meeting.
31. The following documents will be available for inspection by the Shareholders of the Transferee Company at its Registered Office during normal business hours on all working days (except Saturdays, Sundays and public holidays):
 - a) Certified copy of the Order of the Hon'ble National Company Law Tribunal, Special Bench, Chennai dated 09 August, 2019 passed in Company Application No. 800-801/CAA/2019 directing and convening of the meeting of Equity Shareholders of the Transferee Company/ POCL which will be available for inspection after receipt from the NCLT.
 - b) Scheme of Amalgamation.
 - c) Memorandum and Articles of Association of POCL and MMPL.
 - d) Copies of the Audited Financial Statements along with the Auditor's Report of POCL and MMPL for the year ended 31 March, 2019.
 - e) Copy of Unaudited Financial Statements of POCL together with the Limited Review Report as on 30 June, 2019.
 - f) Copy of the Provisional Unaudited Financial Statements of Meloy Metals Private Limited for the period ending 30 June, 2019.
 - g) Copy of the Observation Letter dated 23 July, 2019 received from BSE.
 - h) Share Entitlement Ratio Report dated 25 May, 2019 from Mr. R Vaidyanathan, an Independent Chartered Accountant and its addendum thereto.
 - i) Copy of the Fairness opinion by merchant banker, M/s. Vivro Financial Services Private Limited dated 27 May, 2019.
 - j) Copy of the Audit Committee Report dated 27 May, 2019.

- k) Copies of the resolutions passed by the respective Board of Directors of POCL and MMPL on 27 May, 2019.
 - l) Report adopted by the Board of Directors of the Transferee company as required under Section 232(2)(c) of the Companies Act, 2013.
 - m) Report adopted by the Board of Directors of the Transferor company as required under Section 232(2)(c) of the Companies Act, 2013.
 - n) Copy of the applicable information of MMPL in the format specified for abridged prospectus as provided in Part E of Schedule VI of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), Regulations, 2018.
 - o) Complaints Report dated 25 June, 2019 submitted by the Company to BSE and also uploaded on its website.
 - p) Copy of the Statutory Auditors' Certificate dated 27 May 2019 issued by M/s. L. Mukundan & Associates, Chartered Accountants, Chennai, of the Transferee Company/POCL confirming that the accounting treatment provided in the Scheme is in compliance with Section 133 of the Companies Act, 2013.
 - q) Copy of the Company Application No. 800-801/CAA/2019 and the Affidavit in support thereof.
32. This statement may be treated as an Explanatory Statement under Section 230 of the Companies Act, 2013 read with Sections 102 and 110 of the Companies Act, 2013. A copy of the Scheme and Explanatory statement may also be obtained free of cost from the registered office of the Transferee Company.

Dated at Chennai on this the 26th day of August 2019

Sd/-

Anil Kumar Bansal

Chairman Appointed for the Meeting

Registered Office
Pondy Oxides and Chemicals Limited
4th Floor, KRM Centre, No.2, Harrington Road,
Chetpet, Chennai – 600 002.

PONDY OXIDES AND CHEMICALS LIMITED

(CIN: L24294TN1995PLC030586)

Regd. Office: KRM Centre, 4th Floor, No. 2, Harrington Road,
Chetpet, Chennai – 600 031, Tamil Nadu.

Tel No.: +91-044-42965454 **Fax:** +91-044-42965455

Email: info@pocl.co.in **Website:** <http://www.pocl.co.in>

**BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL
SPECIAL BENCH, CHENNAI
CA / 800-801 / CAA / 2019**

**In the matter of Sections 230 to 232 of the Companies Act, 2013 read with Companies
(Compromises, Arrangements and Amalgamations) Rules, 2016**

And

**In the matter of the Scheme of Amalgamation of Meloy Metals Private Limited with
Pondy Oxides and Chemicals Limited and their respective Shareholders and Creditors**

Pondy Oxides and Chemicals Limited

Having its registered office at :

KRM Centre, 4th Floor, No. 2, Harrington Road,
Chetpet, Chennai - 600 031.

...Transferee Company

ATTENDANCE SLIP

**MEETING OF THE EQUITY SHAREHOLDERS OF PONDY OXIDES AND CHEMICALS LIMITED
CONVENED ON THE DIRECTIONS OF NATIONAL COMPANY LAW TRIBUNAL, SPECIAL BENCH,
CHENNAI**

**TO BE HELD ON THURSDAY, 10 OCTOBER, 2019 AT 11:30 A.M. AT KASTURI SRINIVASAN HALL
(MINI HALL), MUSIC ACADEMY, 306, T.T.K ROAD, CHENNAI – 600 014**

I/We certify that I/We am/are equity shareholder/proxy for the equity shareholder of the Company.

I/We, _____ hereby record my/our presence at the meeting of the equity shareholders of
Pondy Oxides and Chemicals Limited, convened on Thursday, 10 October, 2019 at Kasturi Srinivasan
Hall (Mini Hall), Music Academy, 306, T.T.K Road, Chennai – 600 014 at 11:30 a.m., pursuant to the Order
dated 09 August, 2019 of the Hon'ble National Company Law Tribunal, Special Bench at Chennai.

Folio No. / DP ID / Client ID No. : _____

**Name & Address of the
Equity Shareholder** : _____

No. of shares held : _____

**Name & Address of the
Authorised Representative /
Proxy Holder** : _____

**Signature of the equity shareholder/
Signature of the
Proxy Holder / Authorized
Representative** : _____

Notes:

Equity shareholders attending the meeting in person or by proxy or through authorised representative are requested to complete and bring the attendance slip with them and hand it over at the entrance of the meeting hall.

PONDY OXIDES AND CHEMICALS LIMITED

(CIN: L24294TN1995PLC030586)

Regd. Office: KRM Centre, 4th Floor, No. 2, Harrington Road,
Chetpet, Chennai – 600 031, Tamil Nadu.

Tel No.: +91-044-42965454 **Fax:** +91-044-42965455

Email: info@pocl.co.in **Website:** <http://www.pocl.co.in>

BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL SPECIAL BENCH, CHENNAI

CA / 800-801 / CAA / 2019

**In the matter of Sections 230 to 232 of the Companies Act, 2013 read with Companies
(Compromises, Arrangements and Amalgamations) Rules, 2016**

And

**In the matter of the Scheme of Amalgamation of Meloy Metals Private Limited with
Pondy Oxides and Chemicals Limited and their respective Shareholders and Creditors**

Pondy Oxides and Chemicals Limited

Having its registered office at : KRM Centre, 4th Floor, No. 2, Harrington Road,
Chetpet, Chennai - 600 031.

...Transferee Company

FORM NO. MGT-11

PROXY FORM

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

MEETING OF THE EQUITY SHAREHOLDERS OF PONDY OXIDES AND CHEMICALS LIMITED

CIN:	
Name of the company:	
Registered Office:	

Name of the member(s):	
Registered address:	
E-mail ID:	
Client ID:	
DP ID:	

I/We, the undersigned, as an equity shareholder of Pondy Oxides and Chemicals Limited ('**Company**'), do hereby appoint:

1. Name:
Address:.....
E-mail Id:.....
Signature:, or failing him
2. Name:
Address:.....
E-mail Id:.....
Signature:

as my / our proxy, to act for me/us at the meeting of the equity shareholders of the Company, to be held at Kasturi Srinivasan Hall (Mini Hall), Music Academy, 306, T.T.K Road, Chennai – 600 014 on Thursday, 10 October, 2019 at 11.30 a.m. and at any adjournment thereof in respect of resolution as indicated below:-

Resolution

SI.No.	Resolution(s)	Vote	
		For	Against
1	Approval for the Scheme of Amalgamation, with or without modification(s), of Meloy Metals Private Limited with Pandy Oxides and Chemicals Limited and their respective Shareholders and Creditors, under Section 230 to 232 of the Companies Act, 2013 (the 'Act') and other applicable provisions of the Act read with Rules 3 and 5 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and the National Company Law Tribunal Rules, 2016.		

Signed this _____ day of _____ 2019.

Signature of Equity Shareholder

Signature of Proxy:

Affix Rs. 1/- revenue stamp

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
2. The authorized representative of a body corporate which is an equity shareholder of the Company may attend and vote at the meeting of the equity shareholders of the Company provided a certified true copy of the resolution of the board of directors or other governing body of the body corporate authorizing such representative to attend and vote at the meeting of the equity shareholders of the Company is deposited at the registered office of the Transferee Company not later than 48 (forty eight) hours before the scheduled time of the commencement of the meeting of the equity shareholders of the Company.
3. All alterations made in the form of proxy should be initialed
4. Please affix appropriate revenue stamp before putting signature.
5. In case of multiple proxies, the proxy later in time shall be accepted.
6. Proxy need not be an equity shareholder of Pandy Oxides and Chemicals Limited.
7. No person who is a minor shall be appointed as proxy.

PONDY OXIDES AND CHEMICALS LIMITED
(CIN: L24294TN1995PLC030586)
Regd. Office: 4th Floor, KRM Centre, No. 2, Harrington Road, Chetpet,
Chennai – 600031, Tamil Nadu

Tel No.: +91-044-42965454 **Fax:** +91-044-42965455
Email: info@pocl.co.in **Website:** <http://www.pocl.co.in>

**NOTICE OF THE MEETING OF THE SECURED CREDITORS
OF
PONDY OXIDES AND CHEMICALS LIMITED
CONVENED AS PER THE DIRECTIONS OF THE NATIONAL COMPANY LAW TRIBUNAL,
SPECIAL BENCH, CHENNAI ('NCLT' OR 'THE TRIBUNAL') VIDE ORDER DATED
09 AUGUST, 2019**

COURT CONVENED MEETING

Day	Friday
Date	11 October, 2019
Time	11.30 A.M.
Venue	4th Floor, KRM Centre, No: 2, Harrington Rd, Chetpet, Chennai, Tamil Nadu 600031

POSTAL BALLOT VOTING:

Commencing on	11 September 2019, 09.00 A.M.
Ending on	10 October 2019, 05.00 P.M.

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2.	Explanatory Statement under Sections 230(3), 232(2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.	7

Volume 2 – Annexures

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2.	Detailed background about Pandy Oxides and Chemicals Limited, its main objects, its authorized, issued, subscribed and paid up share capital (Pre Amalgamation)	Annexure B
3.	Detailed background about Meloy Metals Private Limited, its main objects, its authorized, issued, subscribed and paid up share capital (Pre Amalgamation)	Annexure C

4.	Details of Promoters and Directors of PONDY OXIDES AND CHEMICALS LIMITED	Annexure D
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11.	Audited Financial Statements of PONDY OXIDES AND CHEMICALS LIMITED and MELLOY METALS PRIVATE LIMITED as on 31 March, 2019	Annexure K
12.	Unaudited Financial Statements of PONDY OXIDES AND CHEMICALS LIMITED as on 30 June 2019 together with the Limited Review Report	Annexure L
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14.	Complaints Report filed with BSE	Annexure N
15.	Report adopted by the Board of Directors of PONDY OXIDES AND CHEMICALS LIMITED pursuant to the provisions of Section 232(2)(c) of the Companies Act, 2013 explaining the effect of the Amalgamation	Annexure O
16.	Report adopted by the Board of Directors of MELLOY METALS PRIVATE LIMITED pursuant to the provisions of Sections 232(2)(c) of the Companies Act, 2013 explaining the effect of the Amalgamation	Annexure P
17.	Applicable information of MELLOY METALS PRIVATE LIMITED in the format specified for Abridged Prospectus in Part E of Schedule VI of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), Regulations, 2018	Annexure Q
18.	Proxy Form	Attached in loose leaf form
19.	Attendance Slip	
20.	Postal Ballot Form with instructions and self-addressed postage prepaid Business Reply Envelope	

**BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL
SPECIAL BENCH, CHENNAI
FORM NO. CAA2**

[Pursuant to Section 230(3) and Rule 6]

CA / 800-801 / CAA / 2019

**In the Matter of Sections 230 to 232 of the Companies Act, 2013 And
In the matter of the Scheme of Amalgamation Of
MELOY METALS PRIVATE LIMITED
(‘MMPL’)(‘Transferor Company’)
With
PONDY OXIDES AND CHEMICALS LIMITED
(‘POCL’)(‘Transferee Company’)
And
Their Respective Shareholders and Creditors**

Pondy Oxides and Chemicals Limited

having its registered office at
4th Floor, KRM Centre, No. 2, Harrington Road,
Chetpet, Chennai 600 031

... Transferee Company

**NOTICE OF THE MEETING OF SECURED CREDITORS OF
PONDY OXIDES AND CHEMICALS LIMITED**

To,
The Secured Creditors of Pondy Oxides and Chemicals Limited

NOTICE is hereby given that by an order dated 09 August, 2019 (**‘the Order’**), the Hon'ble National Company Law Tribunal, Special Bench at Chennai (**‘the Tribunal’**) has directed to convene a meeting of the secured creditors of Pondy Oxides and Chemicals Limited (**‘Transferee Company’** or **‘POCL’**), for the purpose of considering, and if thought fit, approving, with or without modification(s), the Scheme of Amalgamation of Meloy Metals Private Limited (**‘Transferor Company’** or **‘MMPL’**) with the Transferee Company and their respective shareholders and creditors (**‘the Scheme’**) under sections 230 to 232 of the Companies Act, 2013 (**‘the Act’**) and other applicable provisions of the Act.

Take further notice that in pursuance of the said Order, a meeting of the secured creditors of the Transferee Company will be convened and held at 4th Floor, KRM Centre, No: 2, Harrington Road, Chetpet, Chennai, Tamil Nadu 600031, on Friday, 11 October, 2019 at 11.30 A.M.. (‘the Meeting’), at which time and place the said secured creditors of the Company are requested to attend.

At the Meeting, the following resolution(s) will be considered and if thought fit, be passed, with or without modification(s):

APPROVAL OF THE SCHEME OF AMALGAMATION

“RESOLVED THAT pursuant to the provisions of Sections 230 to 232 and other relevant provisions of the Companies Act, 2013, as may be applicable, read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016; any other applicable rules and / or regulations (including any statutory modification or re-enactment thereof); and the relevant provisions of the Memorandum of Association and the Articles of Association of Pondy Oxides and Chemicals Limited (**“the Company”**) and subject to the approval of the Hon'ble National Company Law Tribunal (**“the NCLT”**) or such regulatory / government authority as may be applicable and such other approvals / permissions / exemptions as may be required under applicable laws, regulations, listing regulations and guidelines issued by the regulatory authorities, and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company, the Scheme of Amalgamation of Meloy Metals Private Limited with Pondy Oxides and Chemicals Limited and their respective shareholders and creditors, placed before this meeting, be and is hereby approved.

RESOLVED FURTHER that the Board of Directors of the Company and any person(s) nominated by the Board of Directors, be and are hereby severally authorised to take all steps as may be necessary or desirable and to do all such acts, deeds, things and matters, as may be considered necessary to give effect to the aforesaid Scheme of Amalgamation and this resolution and to accept such additions, alterations, amendments, rectifications and changes in the said Scheme and other documents related thereto, at any stage as may be expedient or necessary in this regard.”

Please note that you may attend and vote at the Meeting in person or by proxy, provided that all the proxies in the prescribed form duly signed by you or your authorized representative, is deposited at the registered office of the Transferee Company situated at 4th Floor, KRM Centre, No. 2, Harrington Road, Chetpet, Chennai – 600031, not later than 48 (forty-eight) hours before the time fixed for the aforesaid meeting. The form of proxy can be obtained from the registered office of the Transferee Company or can be downloaded from the website of the Transferee Company.

Further, the secured creditor(s) being a body corporate, intending to send their authorized representative to attend the Meeting are requested to send a duly certified copy of the board / governing body resolution authorizing such representative to attend and vote at the Meeting at the registered office of the company, not later than 48 hours before the Meeting.

Take further notice that in compliance with the provisions of (i) Section 230(4) read with Section 110 of the Act and (ii) Rule 6(3)(xi) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and other applicable rules, the Transferee company has provided the facility of voting by postal ballot, so as to enable the secured creditors to consider and approve the Scheme by way of the aforesaid resolution. The Transferee Company has also provided the facility of voting through ballot paper at the venue of the Meeting. Accordingly, you may cast your vote either through postal ballot or through ballot paper at the venue of the Meeting.

It is further clarified that votes may be cast personally or by proxy at the Meeting as provided in this notice.

Copies of the Scheme and of the Explanatory Statement, under Section 230(3) and Section 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamation) Rules, 2016, along with the enclosures as indicated in the Index, can be obtained free of charge from the registered office of the Transferee company situated at 4th Floor, KRM Centre, No. 2, Harrington Road, Chetpet, Chennai – 600031.

The Tribunal has appointed Mr. Anil Kumar Bansal, Director of the Company, failing him Mr. Ashish Bansal, Director of the Company as the Chairperson of the meeting of the secured creditors of the Transferee Company. The Scheme, if approved in the Meeting, will be subject to the subsequent approval of the Tribunal.

A copy of the Explanatory Statement, under Sections 230(3), 232(2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the Scheme and the other enclosures as indicated in the Index are enclosed.

Sd/-
Anil Kumar Bansal
Chairperson appointed for the Meeting

Dated this the 26th day of August, 2019

Registered office:
4th Floor, KRM Centre, No. 2, Harrington Road,
Chetpet, Chennai – 600031

NOTES:

1. A SECURED CREDITOR ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. THE FORM OF PROXY DULY COMPLETED SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE TRANSFEEE COMPANY NOT LESS THAN 48 (FORTY-EIGHT) HOURS BEFORE THE MEETING.
2. ALL ALTERATIONS MADE IN THE FORM OF PROXY SHOULD BE INITIALED.
3. Only secured creditors of the Company may attend and vote (either in person or by proxy or by authorized representative under applicable provisions of the Companies Act, 2013) at the secured creditors' meeting. The authorized representative under Section 113 of the Companies Act, 2013, of a body corporate which is a secured creditor of the Transferee Company may attend and vote at the Meeting of the secured creditors of the Transferee Company provided a certified true copy of the resolution of the board of directors or other governing body of the body corporate authorizing such representative to attend and vote at the Meeting of the secured creditors of the Transferee Company is deposited at the registered office of the Transferee Company not later than 48 (forty eight) hours before the scheduled time of the commencement of the Meeting of the secured creditors of the Transferee Company.
4. A Secured Creditor or his / her Proxy is requested to bring the copy of the Notice to the Meeting and produce the Attendance Slip, duly completed and signed at the entrance of the Meeting venue.
5. An individual shareholder or the authorized representative of the shareholder (in case such shareholder is a body corporate) or the proxy should carry a copy of their valid and legible identity proof (i.e. a PAN Card / Aadhaar Card / Passport / Driving License / Voter ID Card) to the meeting.
6. The secured creditor or his proxy or authorized representative, as the case may be, attending the Meeting, is requested to hand over the enclosed Attendance Slip duly completed and signed, for admission to the meeting hall.
7. The Notice, together with the documents accompanying the same, is being sent to the secured creditors by Speed Post or by Courier or by e-mail (for such secured creditors who have registered their e-mail address with the Company). The Notice will also be displayed on the notice board at the registered office of the Transferee Company. The Notice is also displayed / posted on the website of the Transferee Company at <http://www.pocl.co.in>.
8. Pursuant to Rule 7 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the advertisement of the notice convening the aforesaid meeting is being published in Business Standard in English language and in Malai Chudar in Tamil language.
9. Further, the Company is offering the facility for voting through postal ballot form. A postal ballot form along with self-addressed postage pre-paid envelope is enclosed. Secured creditors are requested to carefully read the instructions printed in the enclosed postal ballot form and return the form duly completed with assent (for) or dissent (against), in the attached Business Reply Envelope, so as to reach the Scrutinizer on or before Thursday, October 10, 2019 by 5.00 p.m. Secured creditors who have received the notice by e-mail and who wish to vote through postal ballot form can download the postal ballot form from the Company's website <http://www.pocl.co.in>.
10. Also, the Company is offering facility for voting by way of ballot papers at the meeting for the secured creditors attending the meeting who have not cast their vote by postal ballot.
11. Secured creditors can opt only for one mode of voting out of the aforementioned modes viz. postal ballot or ballot paper at the meeting.
12. It is clarified that, casting of votes by postal ballot does not disentitle any secured creditor, from attending the meeting. However, the secured creditor after exercising his / her right to vote through postal ballot shall not be allowed to vote again at the meeting.

13. Voting rights shall be in proportion to the principal amount due to the secured creditors.
14. The voting period for postal ballot shall commence on and from Wednesday, 11th day of September 2019 at 09.00 A.M and end on Thursday the 10th day of October 2019 at 05.00 P.M.
15. No other form or photocopy of the postal ballot form is permitted.
16. The material documents referred to in the accompanying explanatory statement shall be open for inspection by the secured creditors at the registered office of the Transferee Company during normal business hours on all working days (except Saturdays, Sundays and public holidays) upto the date of the Meeting.
17. In terms of the order dated 09 August, 2019 passed by the Tribunal, Special Bench at Chennai, the quorum for Meeting of the secured creditors of the Transferee company is fixed at 2 (Two). In case the prescribed quorum is not there at the designated time when the Meeting is called, then the Meeting shall be adjourned by half an hour, and thereafter, the persons/secured creditors present for voting shall be deemed to constitute the quorum.
18. In accordance with the provisions of Sections 230 to 232 of the Companies Act, 2013, the Scheme shall be acted upon only if a majority of persons representing three fourth in value of the secured creditors of the Transferee Company, who have voted either by postal ballot or voting by ballot paper at the meeting, agree to the Scheme.
19. Mr. Krishna Sharan Mishra representing M/s. KSM Associates, Chennai, will be acting as the Scrutinizer to scrutinize the voting process through ballot/poll paper at the venue of the meeting in a fair and transparent manner.
20. The Chairman of the meeting shall, at the meeting, at the end of discussion on the resolution on which voting is to be held, allow voting with the assistance of the Scrutinizer, for all those secured creditors who are present at the meeting.
21. The Scrutinizer will submit his report to the Chairman of the meeting after completion of the scrutiny of the votes cast by the secured creditors. The Scrutinizer's decision on the validity of the vote shall be final. The result, together with the Scrutinizer's Report, will be displayed at the Registered Office of the Company and on the website of the Company i.e. <http://www.pocl.co.in>, besides being communicated to BSE Limited.

Enclosure: As above

**BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL
SPECIAL BENCH, CHENNAI
CA / 800-801 / CAA / 2019**

**In the Matter of Sections 230 to 232 of the Companies Act, 2013 read with Companies
(Compromises, Arrangements and Amalgamations) Rules, 2016**

And

**In the matter of the Scheme of Amalgamation of
Meloy Metals Private Limited ('MMPL') (Transferor Company) with Pondy Oxides and
Chemicals Limited ('POCL') (Transferee Company) and their respective Shareholders and
Creditors**

Pondy Oxides and Chemicals Limited

Having its registered office at
4th Floor, KRM Centre, No. 2, Harrington Road, Chetpet
Chennai – 600031

...Transferee Company

**EXPLANATORY STATEMENT UNDER SECTION 102, 230(3) AND 232(2) OF THE COMPANIES
ACT, 2013 READ WITH RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND
AMALGAMATIONS) RULES, 2016 FOR THE MEETING OF SECURED CREDITORS OF PONDY
OXIDES AND CHEMICALS LIMITED CONVENED AS PER THE DIRECTIONS OF THE NATIONAL
COMPANY LAW TRIBUNAL, SPECIAL BENCH, CHENNAI**

1. Pursuant to an order dated 09 August, 2019 (**'the Order'**) passed by the Hon'ble National Company Law Tribunal, Special Bench at Chennai (**'the Tribunal'**) in CA / 800 - 801 / CAA / 2019, a meeting of the secured creditors of Pondy Oxides and Chemicals Limited (**'Transferee company' or 'POCL'**) is being convened and held at 4th Floor, KRM Centre, No: 2, Harrington Rd, Chetpet, Chennai, Tamil Nadu 600031 on Friday, 11 October, 2019 at 11.30 A.M. (**'the Meeting'**) for the purpose of considering, and if thought fit, approving, with or without modification(s), the Scheme of Amalgamation of Meloy Metals Private Limited (**'Transferor Company' or 'MMPL'**) with the Transferee Company and their respective shareholders and creditors (**'the Scheme'**) under sections 230 to 232 of the Companies Act, 2013 (**'the Act'**) and other applicable provisions of the Act read with Rules 3 and 5 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and the National Company Law Tribunal Rules, 2016.
2. In terms of the Order passed by the Tribunal, the quorum for Meeting of the secured creditors of the Transferee Company is fixed at 2 (Two). In case the prescribed quorum is not there at the designated time when the Meeting is called, then the Meeting shall be adjourned by half an hour, and thereafter, the persons/secured creditors present for voting shall be deemed to constitute the quorum. Further, the Tribunal has appointed Mr. Anil Kumar Bansal, Director, or alternatively Mr. Ashish Bansal, Director as Chairperson of the Meeting of the secured creditors of the Transferee Company to conduct the voting process in a fair and transparent manner.
3. This statement is being furnished as required under Sections 230(3), 232(1) and (2) and 102 of the Act read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (**'the Rules'**). The other definitions contained in the Scheme will apply to this statement also. The following statement as required under Section 230(3) of the Act sets forth the details of the proposed scheme and its effect on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders of the Transferee Company.
4. The Board of Directors of the Transferee Company at their meeting held on 27 May, 2019 unanimously approved the Scheme vide a board resolution, subject to the approval of various authorities and shareholders and creditors of the Company. The Board of Directors have come to a conclusion that the Scheme of Amalgamation is in the best interest of the Company and its shareholders and creditors.

5. In accordance with the provisions of Sections 230 to 232 of the Act, the Scheme shall be acted upon only if a majority of persons representing three fourths in value of the secured creditors of the Transferee Company, who have voted either by postal ballot or voting by ballot paper at the meeting, agree to the Scheme.
6. A copy of the Scheme, setting out the terms and conditions of the amalgamation as approved by the Board of Directors of Meloy Metals Private Limited and Pondy Oxides and Chemicals Limited is enclosed herewith as **Annexure A**. The proposed Scheme is envisaged to be effective from the Appointed Date but shall be made operative from the Effective Date (as defined in the Scheme).
7. **Particulars of The Companies**

7.1 Pondy Oxides and Chemicals Limited

- 7.1.1 Detailed background about Pondy Oxides and Chemicals Limited, its main objects, the details of authorized, issued, subscribed and paid up share capital are provided in **Annexure B**.
- 7.1.2 The details of the Directors and Promoters of the Transferee Company along with their addresses are given in **Annexure D**.
- 7.1.3 The Board of Directors of the Transferee Company had at its meeting held on 27 May, 2019, *inter alia*, approved the Scheme and the filing thereof with the Tribunal.

7.2 Meloy Metals Private Limited

- 7.2.1 Detailed background about Meloy Metals Private Limited, its main objects, the details of authorised, issued, subscribed and paid up share capital are provided in **Annexure C**.
- 7.2.2 The details of the Directors and Promoters of the Transferor Company along with their addresses are given in **Annexure E**.
- 7.2.3 The board of directors of the Transferor Company had at its meeting held on 27 May, 2019, *inter alia*, approved the Scheme and the filing thereof with the Tribunal.

8. Relationship between the Transferor Company and the Transferee Company

The Transferor Company and the Transferee Company have common promoters and the shareholding of such promoters is as follows:

- a) Mr. Ashish Bansal, Mr. R P Bansal, Ms. Megha Choudhari and Ms. Charu Bansal, the promoters of POCL, are shareholders in MMPL holding 91.95% of the paid up share capital of MMPL.
- b) Mr. K Kumaravel, GM – Finance and Company Secretary of POCL, holds 4.59% shareholding in MMPL.
- c) Ms. Usha Sankar, Chief Financial Officer of POCL, holds 3.01% shareholding in MMPL.
- d) Mr. Ashish Bansal, Mr. R P Bansal, Ms. Megha Choudhari and Ms. Charu Bansal, the promoters of MMPL, are shareholders in POCL holding 20.52% of the paid up share capital of POCL.

9. Parties involved

S.No.	Name of Company	Particular
1.	Meloy Metals Private Limited	Transferor Company
2.	Pondy Oxides and Chemicals Limited	Transferee Company

10. The Scheme does not contemplate any scheme of corporate debt restructuring as provided for under Section 230(2) (c) of the Act.

11. Rationale and Benefits of the Scheme of Amalgamation

The Board of Directors of the Transferor Company and the Transferee Company are of the opinion that the proposed amalgamation of the Transferor Company with the Transferee Company shall be advantageous and beneficial to both the Transferor Company and the Transferee Company in the following manner:

- (i) Consolidation of business:
The amalgamation will enable consolidation of the businesses into one amalgamated entity which, will facilitate in focused growth, operational efficiency, integration synergies and better supervision of the business of the group. The Amalgamated Company would also have a better credit rating in the market enabling it to have better access to market funds.
- (ii) Pooling of resources:
The amalgamation will enable pooling of resources of the Companies to their advantage, resulting in more productive utilization of the resources, and achieving cost and operational efficiency which will be beneficial to all stakeholders.
- (iii) Scaling of operations:
The amalgamation would facilitate scaling of operations i.e. achieving economies of scale, reduce administrative, managerial, compliance costs and other expenditure and bring operational rationalization resulting in greater visibility for the resultant amalgamated entity in the market.
- (iv) Financial consolidation and flexibility:
The amalgamation will lead to combination of funds of the companies. This will lead to consolidation of the financial strengths of the companies and will also result in fungibility of funds amongst various projects.
- (v) Implementation of policy changes:
From a management perspective, the amalgamation will also enable smoother implementation of policy changes at a higher level and help enhance the efficiency of the entities.
- (vi) Operational efficiencies:
The amalgamation will result in reduction of multiplicity of compliances.

Recognizing the strengths of each other and with the ultimate intent of aligning the business operations undertaken by the Transferor Company and the Transferee Company, the Transferor Company and the Transferee Company propose to amalgamate by way of and in accordance with the terms of the Scheme of Amalgamation (as detailed below) which will cause benefits to both the Companies, the employees, the shareholders, the creditors and the public at large.

There is no likelihood that the interests of any shareholder or creditor of either the Transferor Company or the Transferee Company would be prejudiced as a result of the proposed Scheme. The amalgamation will not impose any additional burden on the shareholders of the Transferor Company or the Transferee Company.

12. The salient features of the Scheme are as follows:

- a. This scheme is for Amalgamation of Meloy Metals Private Limited with Pondy Oxides and Chemicals Limited and their respective shareholders and creditors under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 and rules framed thereunder.
- b. 'Appointed Date' means opening hours of business on 1 April 2019 or any other date as the Tribunal may direct or approve under the relevant provisions of the Act.
- c. 'Effective Date' means the last of the dates on which the conditions specified in Clause 18 (Part C) of this Scheme are fulfilled with respect to the Scheme. Any references in

this Scheme to 'upon the Scheme becoming effective', 'coming into effect of this Scheme', 'upon this Scheme coming into effect', shall mean the 'Effective Date'.

- d. With effect from the Appointed Date and upon coming into effect of this Scheme, the entire business and Undertaking of the Transferor Company shall, in accordance with Section 2(1B) of the Income-tax Act, 1961 stand transferred to and be vested in or deemed to be transferred to and vested in Transferee Company, as a going concern.
- e. Upon this Scheme becoming effective and upon the entire business and the whole of the undertaking of the Transferor Company being transferred to and vested in the Transferee Company, the Transferee Company shall without any further application or deed, issue, allot and credit as fully paid up, to every shareholder of the Transferor Company whose names appear in the Register of Members of the Transferor Company (or his / her heirs, executors, administrators or successors - in title, as the case may be, and as may be recognized by the Board of the Transferee Company) as on the Record Date, Equity Shares in the following proportion:

102 (One Hundred and Two) Equity Shares of Rs.10/- (Rupees Ten only) each fully paid up of the Transferee Company, for every 100 (One Hundred) Equity Shares of Rs.100/- (Rupees Hundred only) each fully paid up held in the Transferor Company.
- f. Upon the equity shares being issued and allotted, as aforesaid by the Transferee Company, the equity shares issued by the Transferor Company and held by its Shareholders, whether in dematerialized or physical form, shall be deemed to have been automatically cancelled.
- g. This Scheme is and shall be conditional upon and subject to:
 - i. The Scheme being approved by the requisite majority in number and value of such classes of persons including the respective shareholders and/or creditors of the Transferor Company and the Transferee Company as may be directed by the Tribunal.
 - ii. The sanction of the Tribunal under Sections 230 to 232 and other applicable provisions of the Act in favour of the Transferor and the Transferee Company under the said provisions and necessary Order being obtained.
 - iii. The Scheme being approved by the public shareholders through e-voting in terms of Para 9 (a) of Part I of Annexure I of the Securities and Exchange Board of India ('SEBI') circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 and subsequent modifications thereof ('SEBI Circular') and the scheme shall be acted upon only if votes cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it.
 - iv. Receipt of approval from the Stock Exchange and SEBI.
 - v. Filing with the Registrar of Companies, Chennai, certified copies of all necessary orders, sanctions and approvals mentioned above by the Transferor and the Transferee Company.
- h. The Scheme, inter-alia, provides for the following matters:
 - i. From the Effective Date, all legal or other proceedings (including before any statutory or quasi-judicial authority or tribunal or administrative or any adjudicating authorities) by or against the Transferor Company, whether pending on the Appointed Date, or which may be instituted any time in the future (irrespective of whether they relate to periods on or prior to the Appointed Date) shall be continued and enforced by or against the Transferee Company after the Effective Date, to the extent legally permissible.
 - ii. Upon this Scheme becoming effective, all staff, executives workmen and other employees of the Transferor Company as on the Effective Date, shall be deemed to have become Employees of the Transferee Company, without any interruption of service and on the basis of continuity of service with reference to the Transferor Company from the Appointed Date or their respective joining date, whichever is later

and, subject to the provisions, hereof, on the terms and conditions not less favorable than those on which they are engaged by the Transferor Company. The services of such Employees, if any, with the Transferor Company up to the Effective Date shall be taken into account for the purposes of all benefits to which the Employees, may be eligible under Applicable Law.

The Salient features as set out above being only the salient features of the Scheme of Amalgamation as are statutorily required to be included in this explanatory statement, the Creditors are requested to read the entire text of the Scheme of Amalgamation (annexed herewith) to get fully acquainted with the provisions thereof and the rationale and objectives of the proposed Scheme of Amalgamation.

EXTENT OF SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

13. The directors of the Transferor Company and the Transferee Company may be deemed to be concerned and/or interested in the Scheme to the extent of their shares that may be held by them, if any, or by the Companies, firms, institutions, trusts of which they are directors, partners, members or trustee in the Transferor Company and the Transferee Company. None of the directors, Key Managerial Personnel ('KMPs') or relatives of the directors and KMPs of the Transferor Company and the Transferee Company have any material, financial or other interest, in the Scheme, except as shareholders to the extent appearing in the Register of Directors' shareholding and Register of Members maintained by the Transferor Company and the Transferee Company, respectively. The directors holding the shares in the Transferee Company do not have any other interest in the Scheme otherwise than that as shareholder in general. Further, none of the managers, key managerial personnel and relatives of the directors of the Transferee Company is concerned or interested, financial or otherwise in the proposed Scheme. Save as aforesaid, none of the Directors of the Transferee Company have any material interest in the proposed Scheme otherwise than that as shareholders in general.
14. The details of the present Directors and Key Managerial Personnel of the Transferee Company and their shareholding either individually or jointly as a first holder or as a nominee in the Transferor Company and the Transferee Company, as on 31 March, 2019, is as under:

Name of the Director & Key Managerial Personnel	Position	Equity Shares held in	
		POCL	MMPL
Ashish Bansal	Managing Director	6,36,620	1,81,058
Anil Kumar Bansal	Chairman	6,23,461	-
R P Bansal	Whole time Director	5,02,737	27,503
Anilkumar Sachdev	Independent Director	1,815	-
Shoba Ramakrishnan	Independent Director	17	-
G P Venkateswaran	Independent Director	275	-
A Vijay Anand	Independent Director	1,681	-
K Kumaravel	GM – Finance & Company Secretary	3,220	10,650
Usha Sankar	Chief Financial Officer	330	6,985

15. The details of the present Directors and Key Managerial Personnel of the Transferor Company and their shareholding either individually or jointly as a first holder or as a nominee in the Transferor Company and the Transferee Company, as on 31 March, 2019, is as under:

Name of the Director & Key Managerial Personnel	Position	Equity Shares held in	
		MMPL	POCL
Ashish Bansal	Managing Director	1,81,058	6,36,620
K. Kumaravel	Director	10,650	3,220
Usha Sankar	Director	6,985	330
Anush Cherukuri	Director	10	-

PRE AND POST AMALGAMATION CAPITAL STRUCTURE

16. The Pre Amalgamation capital structure of POCL and MMPL has already been provided under Para 7 read with **Annexure B** and **Annexure C** of this Statement.

The Post Amalgamation capital structure of POCL is as follows:

Name of the Company: Pandy Oxides and Chemicals Limited

Particulars	Amount in Rs.
Authorised Share Capital:	
Equity Shares of Rs.10/- each	20,15,00,000
Total	20,15,00,000
Issued, Subscribed and Paid Up:	
Equity Shares of Rs.10/- each	5,81,23,900
Total	5,81,23,900

Name of the Company: Meloy Metals Private Limited

Upon the proposed Scheme becoming effective, the entire share capital of Meloy Metals Private Limited shall stand cancelled.

PRE- AND POST-AMALGAMATION SHAREHOLDING PATTERN

17. The expected pre and post Scheme shareholding pattern of the Transferee Company/POCL is given in **Annexure F**.
18. The expected pre and post Scheme shareholding pattern of Transferor Company/MMPL is given in **Annexure G**.
19. **Valuation, Fairness Opinion and Approvals**
- 19.1. R Vaidyanathan, an Independent Chartered Accountant and a registered valuer, based on his Independent Valuation Report dated 25 May, 2019, the addendum dated 31 May, 2019 and the addendum dated 21 June, 2019 (Share Entitlement Ratio Report) recommended to the Board of Directors of the Transferee Company, the share exchange ratio in which Equity Shares of POCL should be issued to the shareholders of the Transferor Company. A copy of the Share Entitlement Ratio Report is enclosed herewith as **Annexure H**.

- 19.2. Fairness Opinion dated 27 May, 2019 on the Independent Valuation Report was obtained from M/s. Vivro Financial Services Private Limited, a SEBI appointed Merchant Banker. The copy of Fairness Opinion issued by M/s. Vivro Financial Services Private Limited is enclosed herewith as **Annexure I**.
- 19.3. The proposed Scheme was placed before the Audit Committee of the Transferee Company at its meeting held on 27 May, 2019. The Audit committee recommended and approved the proposed Scheme after considering the Independent Valuation Report and Fairness Opinion.
- 19.4. The Board of Directors of the Transferee Company have at their board meeting held on 27 May, 2019 unanimously approved the Scheme based on the recommendation of the Audit Committee, Independent Valuation Report recommending the share exchange ratio in which Equity Shares should be issued by POCL to the shareholders of the Transferor Company and Fairness Opinion. The copies of the said report, Fairness Opinion and other documents submitted to the Stock Exchange are also displayed on the website of the Transferee Company at <http://www.pocl.co.in> and the website of BSE, the designated stock exchange where the shares of the Transferee Company are listed, in terms of the SEBI Circular.
- 19.5. At the Board Meeting held on 27 May, 2019, all the Directors of the Transferee Company, as mentioned under Para 7.1.2 read with **Annexure D**, approved the Scheme.
- 19.6. Pursuant to the SEBI Circular read with Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR Regulations') the Transferee Company had applied to BSE on 29 May, 2019 for seeking their No Objection to the proposed Scheme of Amalgamation. BSE, the Designated Stock Exchange forwarded the said application along with Draft Scheme to SEBI for its approval and/or comments. BSE gave its Observation letter on 23 July, 2019 which is enclosed herewith as **Annexure J**.
- 19.7. A copy of the Audited Financial Statements of the Transferor Company and the Transferee Company for the year ended 31 March, 2019 is enclosed herewith as **Annexure K**.
- 19.8. The Unaudited Financial Statements of the Transferee Company together with the Limited Review Report for the period ending 30 June, 2019 are enclosed herewith as **Annexure L**.
- 19.9. The Provisional Unaudited Financial Statements of the Transferor Company for the period ending 30 June, 2019 are enclosed herewith as **Annexure M**.
- 19.10. The Scheme of Amalgamation along with related documents were hosted on the websites of the Transferee Company and BSE and have been open for complaints/comments from 03 June, 2019 to 24 June, 2019. During the above period, the Transferee Company has received **no complaint/comment** and accordingly the complaints report (indicating Nil complaints) was filed with BSE on 25 June, 2019 and taken on record by BSE. A copy of the said Complaints Report is enclosed herewith as **Annexure N**.
20. The Transferee Company will make a petition under Section 230-232 and other applicable provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 to the Hon'ble National Company Law Tribunal, Special Bench, for sanctioning of the Scheme.
21. Under Section 230 of the Companies Act, 2013, the proposed Scheme will have to be approved by a majority in number representing three-fourths in value of the secured creditors present and voting either in person or by proxy or by Postal Ballot at the meeting. A proxy form is enclosed. It is hoped that in view of the importance of the business to be transacted, you will personally attend the meeting. The signing of the form or forms of proxy will, however, not prevent you from attending and voting in person, if you so desire.

RESOLUTION PROPOSED TO BE APPROVED AT THE MEETING

22. It is in the interest of the secured creditors of the Transferee Company that the said Scheme of Amalgamation be approved. Accordingly, the following resolutions will be moved at the meeting convened pursuant to this Notice.

"RESOLVED THAT pursuant to the provisions of Sections 230 to 232 and other relevant provisions of the Companies Act, 2013, as may be applicable, read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016; any other applicable rules and / or regulations (including any statutory modification or re-enactment thereof); and the relevant provisions of the Memorandum of Association and the Articles of Association of Pondy Oxides and Chemicals Limited ("the Company") and subject to the approval of the Hon'ble National Company Law Tribunal ("the NCLT") or such regulatory / government authority as may be applicable and such other approvals / permissions / exemptions as may be required under applicable laws, regulations, listing regulations and guidelines issued by the regulatory authorities, and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company, the Scheme of Amalgamation of Meloy Metals Private Limited with Pondy Oxides and Chemicals Limited and their respective shareholders and creditors, placed before this meeting, be and is hereby approved.

RESOLVED FURTHER that the Board of Directors of the Company and any person(s) nominated by the Board of Directors, be and are hereby severally authorised to take all steps as may be necessary or desirable and to do all such acts, deeds, things and matters, as may be considered necessary to give effect to the aforesaid Scheme of Amalgamation and this resolution and to accept such additions, alterations, amendments, rectifications and changes in the said Scheme and other documents related thereto, at any stage as may be expedient or necessary in this regard."

23. The Scheme is not expected to have any adverse effect on the Key Managerial personnel, directors, secured or unsecured creditors, non-promoter members, and employees of the Transferee Company and the Transferor Company wherever relevant, as no sacrifice or waiver is at all called from them nor their rights sought to be modified in any manner. The rights and interests of the members, creditors and employees of POCL and MMPL will not be prejudicially affected by this Scheme of Amalgamation. The Scheme does not seek any compromise / waiver of any rights or outstanding obligations towards the creditors and hence the repayment will be made according to the already stipulated and agreed terms of business. Further, POCL and MMPL do not have depositors, debenture holders, deposit trustee and debenture trustee.
24. No investigation proceedings are pending under the provisions of the Companies Act, 2013 or under the provisions of the Companies Act, 1956 against the Transferor or the Transferee Company.
25. A copy of the Scheme along with the necessary statement under Section 230 read with Rule 6 and 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, is also being forwarded to the Regional Director, Registrar of Companies, Chennai, Income Tax authorities, BSE Limited and Securities and Exchange Board of India in terms of the order dated 09 August, 2019 of the Tribunal.
26. A Certified copy of the Order from the Tribunal dated 9th August 2019 has been filed with the Registrar on 22nd August 2019.
27. No winding up petition is pending against the Transferee Company.
28. In compliance with the provisions of Section 232(2)(c) of the Companies Act, 2013, the Board of Directors of the Transferee Company, vide a resolution, have adopted a Report, inter-alia, explaining the effect of the Scheme on each class of shareholders (promoter and non-promoter shareholders) and key managerial personnel. A copy of the Report adopted by the Board of Directors of the Transferee Company is enclosed to this Explanatory Statement as **Annexure O**.

29. In compliance with the provisions of Section 232(2)(c) of the Companies Act, 2013, the Board of Directors of the Transferor Company, vide a resolution, have adopted a Report, inter-alia, explaining the effect of the Scheme on each class of shareholders (promoter and non-promoter shareholders) and key managerial personnel. A copy of the Report adopted by the Board of Directors of the Transferor Company is enclosed to this Explanatory Statement as **Annexure P**.
30. The applicable information of MMPL in the format specified for abridged prospectus as provided in Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 is enclosed as **Annexure Q**.
31. As on 30 June 2019, the Transferee Company has 99 unsecured creditors and the total amount due and payable by the Transferee Company to the said unsecured creditors is Rs.4,18,12,090 (Rupees Four Crores eighteen lakhs twelve thousand and ninety only). As on 30 June 2019, the Transferee Company has 6 secured creditors and the total amount due and payable by the Transferee Company to the said secured creditors is Rs. 83,97,62,561 (Rupees Eighty three crores ninety seven lakhs sixty two thousand five hundred and sixty one only).
32. As on 30 June 2019, the Transferor Company has 69 unsecured creditors and the total amount due and payable by the Transferor Company to the said unsecured creditors is 18,48,82,734 (Rupees Eighteen crores forty eight lakhs eighty two thousand seven hundred and thirty four only). As on 30 June 2019, the Transferor Company has one secured creditor and the total amount due and payable by the Transferor Company to the said secured creditor is Rs.8,76,02,035 (Rupees Eight crores seventy six lakhs two thousand and thirty five only).
33. The security offered to the secured creditors shall not be compromised pursuant to the amalgamation.
34. The interests of the non-promoter shareholders are in no way affected due to amalgamation as there will be no change in the Non-Promoter shareholding, pursuant to the amalgamation. However, the percentage of public shareholding will get reduced from the present level owing to the enhancement of paid-up capital.
35. A secured creditor entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him/her. Such proxy need not be a member of the Transferee Company. The instrument appointing the proxy should however be deposited at the registered office of the Transferee Company not later than 48 (Forty Eight) hours prior to the commencement of the meeting.
36. Corporate secured creditors intending to send their authorised representatives to attend the meeting are requested to lodge a certified true copy of the resolution of the Board of Directors or other governing body of the body corporate not later than 48 (Forty Eight) hours before commencement of the meeting, authorizing such person to attend and vote on its behalf at the meeting.
37. The following documents will be available for inspection by the secured creditors of the Transferee Company at its Registered Office during normal business hours on all working days (except Saturdays, Sundays and public holidays):
 - a) Certified copy of the Order of the Hon'ble National Company Law Tribunal, Special Bench, Chennai dated 09 August 2019, passed in Company Application No. 800-801/CAA/2019 directing and convening of the meeting of secured creditors of the Transferee Company/POCL which will be available for inspection after receipt from the NCLT.
 - b) Scheme of Amalgamation.
 - c) Memorandum and Articles of Association of POCL and MMPL.
 - d) Copies of the Audited Financial Statements along with the Auditor's Report of POCL and MMPL for the year ended 31 March, 2019.

- e) Copy of Unaudited financial statements of POCL along with the Limited Review Report as on 30th June 2019.
 - f) Copy of the Provisional Unaudited Financial Statements of MMPL for the period ending 30 June, 2019.
 - g) Copy of the Observation Letter dated 23 July, 2019 received from BSE.
 - h) Share Entitlement Ratio Report dated 25 May, 2019 from Mr. R Vaidyanathan, an Independent Chartered Accountant and its addendum thereto.
 - i) Copy of the Fairness opinion by Merchant Banker, M/s. Vivro Financial Services Private Limited dated 27 May, 2019.
 - j) Copy of the Audit Committee Report dated 27 May, 2019.
 - k) Copies of the resolutions passed by the respective Board of Directors of POCL and MMPL on 27 May, 2019.
 - l) Report adopted by the Board of Directors of the Transferee company as required under Section 232(2)(c) of the Companies Act, 2013.
 - m) Report adopted by the Board of Directors of the Transferor company as required under Section 232(2)(c) of the Companies Act, 2013.
 - n) Copy of the applicable information of MMPL in the format specified for abridged prospectus as provided in Part E of Schedule VI of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), Regulations, 2018.
 - o) Complaints Report dated 25 June, 2019 submitted by the Company to BSE and also uploaded on its website.
 - p) Copy of the Statutory Auditors' Certificate dated 27 May 2019 issued by M/s. L. Mukundan & Associates, Chartered Accountants, Chennai, of the Transferee Company/POCL confirming that the accounting treatment provided in the Scheme is in compliance with Section 133 of the Companies Act, 2013.
38. This statement may be treated as an Explanatory Statement under Section 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromise, Arrangements and Amalgamations) Rules, 2016. A copy of the Scheme, Explanatory statement and Form of Proxy may be obtained free of charge on any working day (except Saturdays, Sundays and public holidays) prior to the date of the Meeting, from the registered office of the Transferee Company.

Dated at Chennai on this the 26th day of August 2019

**Sd/-
Anil Kumar Bansal
Chairman Appointed for the Meeting**

Registered Office
Pondy Oxides and Chemicals Limited
4th Floor, KRM Centre, No.2, Harrington Road,
Chetpet, Chennai – 600 031.

PONDY OXIDES AND CHEMICALS LIMITED

(CIN: L24294TN1995PLC030586)

Regd. Office: 4th Floor, KRM Centre, No. 2, Harrington Road, Chetpet,
Chennai – 600031, Tamil Nadu

Tel No.: +91-044-42965454 **Fax:** +91-044-42965455

Email: info@pocl.co.in **Website:** <http://www.pocl.co.in>

**BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL
SPECIAL BENCH, CHENNAI
CA / 800-801 / CAA / 2019**

**In the matter of Sections 230 to 232 of the Companies Act, 2013 read with Companies
(Compromises, Arrangements and Amalgamations) Rules, 2016**

And

**In the matter of the Scheme of Amalgamation of Meloy Metals Private Limited with
Pondy Oxides and Chemicals Limited and their respective Shareholders and Creditors**

Pondy Oxides and Chemicals Limited

Having its registered office at
4th Floor, KRM Centre, No. 2, Harrington Road,
Chetpet, Chennai 600 031

...Transferee Company

**FORM NO. MGT-11
PROXY FORM**

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

MEETING OF THE SECURED CREDITORS OF PONDY OXIDES AND CHEMICALS LIMITED

CIN:

Name of the company:

Registered Office:

Name of the Secured Creditor(s):

Registered address:

E-mail ID:

I/We, the undersigned, as a Secured Creditor of Pondy Oxides and Chemicals Limited ('Company'),
do hereby appoint:

1. Name:
Address:.....
E-mail Id:.....
Signature:, or failing him

2. Name:
Address:.....
E-mail Id:.....
Signature:

as my / our proxy, to act for me/us at the meeting of the secured creditors of the Company, to be held
at 4th Floor, KRM Centre, No: 2, Harrington Rd, Chetpet, Chennai, Tamil Nadu 600031 on Friday,
11 October, 2019 at 11.30 a.m. and at any adjournment thereof in respect of the resolution as indicated
below:-

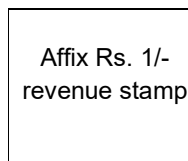
Resolution

Sr.No.	Resolution(s)	Vote	
		For	Against
1	Approval for the Scheme of Amalgamation, with or without modification(s), of Meloy Metals Private Limited with Pondy Oxides and Chemicals Limited and their respective Shareholders and Creditors, under Section 230 to 232 of the Companies Act, 2013 (the 'Act') and other applicable provisions of the Act read with Rules 3 and 5 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and the National Company Law Tribunal Rules, 2016.		

Signed this _____ day of _____ 2019.

Signature of Secured Creditor:

Signature of Proxy:



Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
2. The authorized representative of a body corporate which is a secured creditor of the Company may attend and vote at the meeting of the secured creditors of the Company provided a certified true copy of the resolution of the board of directors or other governing body of the body corporate authorizing such representative to attend and vote at the meeting of the secured creditors of the Company is deposited at the registered office of the Transferee Company not later than 48 (forty eight) hours before the scheduled time of the commencement of the meeting of the secured creditors of the Company.
3. All alterations made in the form of proxy should be initialed
4. Please affix appropriate revenue stamp before putting signature.
5. In case of multiple proxies, the proxy later in time shall be accepted.
6. Proxy need not be a secured creditor of Pondy Oxides and Chemicals Limited.
7. No person who is a minor shall be appointed as proxy.

PONDY OXIDES AND CHEMICALS LIMITED

(CIN: L24294TN1995PLC030586)

Regd. Office: 4th Floor, KRM Centre, No. 2, Harrington Road, Chetpet,
Chennai – 600031, Tamil Nadu

Tel No.: +91-044-42965454 **Fax:** +91-044-42965455

Email: info@pocl.co.in **Website:** <http://www.pocl.co.in>

**BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL
SPECIAL BENCH, CHENNAI
CA / 800-801 / CAA / 2019**

**In the matter of Sections 230 to 232 of the Companies Act, 2013 read with Companies
(Compromises, Arrangements and Amalgamations) Rules, 2016**

And

**in the matter of the Scheme of Amalgamation of Meloy Metals Private Limited with Pondy
Oxides and Chemicals Limited and their respective Shareholders and Creditors**

Pondy Oxides and Chemicals Limited

Having its registered office at
4th Floor, KRM Centre, No. 2, Harrington Road,
Chetpet, Chennai 600 031

...Transferee Company

ATTENDANCE SLIP

**MEETING OF THE SECURED CREDITORS OF PONDY OXIDES AND CHEMICALS LIMITED
CONVENED ON THE DIRECTIONS OF NATIONAL COMPANY LAW TRIBUNAL, SPECIAL
BENCH, CHENNAI**

**TO BE HELD ON FRIDAY THE 11TH OCTOBER 2019 AT 11.30 A.M. AT 4TH FLOOR, KRM
CENTRE, NO.2, HARRINGTON ROAD. CHETPET. CHENNAI- 600031**

I/We certify that I/We am/are secured creditor/proxy for the secured creditor of the Company.

I/We, _____ hereby record my/our presence at the meeting of the secured creditors of
Pondy Oxides and Chemicals Limited, convened on Friday the 11th day of October 2019 at the
registered office of the Company at 4th floor, KRM Centre, No.2, Harrington Road. Chetpet. Chennai-
600031 at 11.30 A.M, pursuant to the Order dated 9th August 2019 of the Hon'ble National Company
Law Tribunal, Special Bench at Chennai.

**Amount of
outstanding debt** :

**Name & Address of the
Secured Creditor** :

**Name & Address of the
Authorised Representative /
Proxy Holder** :

**Signature of the Secured
Creditor/Signature of the
Proxy Holder/ Authorized
Representative** :

Notes:

Secured creditors attending the meeting in person or by proxy or through authorised representative are requested to complete and bring the attendance slip with them and hand it over at the entrance of the meeting hall.

PONDY OXIDES AND CHEMICALS LIMITED

CIN: L24294TN1995PLC030586

Registered Office: 4th Floor, KRM Centre, No. 2, Harrington Road, Chetpet,
Chennai – 600031, Tamil Nadu

Ph.: +91 -044-42965454 , Fax: +91-044-42965455
Email: info@pocl.co.in Website: <http://www.pocl.co.in>

**POSTAL BALLOT FORM
Secured Creditors**

Postal Ballot No.

S.No.	Particulars	Details of Secured Creditors
1.	Name(s) of Secured Creditor [In BLOCK letters]	
2.	Address of Secured Creditor [In BLOCK letters]	
3.	Principal Amount due as on 30.06.2019 (in INR) as per the books of accounts of the Company	

I / We hereby exercise my / our vote in respect of the Resolution to be passed through postal ballot for the business stated in the Notice conveying the meeting of the secured creditors of the Company pursuant to Order dated 09 August, 2019 passed by the Hon'ble National Company Law Tribunal, Special Bench, Chennai by sending my / our assent or dissent to the said Resolution by placing tick [✓] mark at the appropriate box below:

Item No.	Description	I / We assent [agree] to the Resolution [FOR]	I / We dissent [disagree] to the Resolution [AGAINST]
1.	Resolution for approval of the Scheme of Amalgamation of Meloy Metals Private Limited with Pandy Oxides and Chemicals Limited and their respective shareholders and creditors under sections 230-232 and other applicable provisions of the Companies Act, 2013.		

Place:

Date:

Signature of Secured Creditor

NOTE: Please read the instructions printed overleaf carefully before exercising your vote through this Postal Ballot Form.

INSTRUCTIONS:

1. Pursuant to sections 230 to 232 and section 110 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, assent or dissent of the secured creditors in respect of the resolution detailed in the Notice dated 26 August, 2019 is being additionally sought through Postal Ballot process.
2. The voting period for postal ballot shall commence on and from Wednesday, 11th day of September 2019 at 09.00 A.M and end on Thursday the 10th day of October 2019 at 05.00 P.M.
3. Duly completed Postal Ballot Form should reach the Scrutinizer not later than Thursday, 10 October, 2019 at 5:00 p.m. (IST). Postal Ballot Forms received thereafter will be strictly treated as if reply from such secured creditor has not been received. The secured creditors are requested to send the duly completed postal ballot forms well before the last date, providing sufficient time for postal transit. Secured creditors from whom no postal ballot form is received or received after the aforesaid stipulated date shall not be counted for voting on the resolution.
4. A secured creditor desiring to exercise vote by postal ballot form is requested to carefully read the instructions and return the duly completed form in the attached self-addressed postage pre-paid business reply envelope.
5. Please convey your assent in column "FOR" or dissent in the column "AGAINST" by placing a tick (✓) mark in the appropriate column in the Postal Ballot Form only. The assent or dissent received in any other form or manner shall be considered as invalid.
6. The voting rights will be in proportion to the principal amount due in the name of the respective secured creditor.
7. Voting by postal ballot can be exercised only by the secured creditor or his / her duly constituted attorney or, in case of bodies corporate, the duly authorized person. Voting rights in a postal ballot cannot be exercised by a proxy. Secured creditors can opt only one mode for voting i.e. Postal Ballot Form or Ballot Paper at the meeting.
8. Secured creditors who have cast their votes by postal ballot can also attend the meeting.
9. A secured creditor desirous of exercising vote by postal ballot should complete the Postal Ballot Form in all respects and send it after signature to the Scrutinizer in the attached self-addressed postage pre-paid business reply envelope which shall be properly sealed with adhesive or adhesive tape. Envelopes containing Postal Ballot Form, if sent by courier at the expense of the secured creditor but using the self-addressed postage pre-paid envelope will also be accepted. Secured creditors are requested to convey their assent or dissent in this postal ballot form only.
10. The self-addressed envelope bears the name and address of the Scrutinizer appointed by the Chairperson as per the directions of the Hon'ble NCLT.
11. In case the secured creditor is an entity, the duly completed postal ballot form should be accompanied by a certified copy of the Board resolution / Authority and preferably with attested signature(s) of the duly authorized signatory(ies) giving requisite authority to the person voting on the postal ballot form.
12. Secured creditors are requested not to send any paper (other than resolution / authority / Power of Attorney) along with the postal ballot form in the enclosed self-addressed postage pre-paid business reply envelope as all such envelopes will be sent to the Scrutinizer and if any extraneous paper is found in such envelope the same would not be considered and would be destroyed by the Scrutinizer.
13. An incomplete, unsigned, incorrectly completed, incorrectly ticked, defaced, torn, mutilated, overwritten, wrongly signed Postal Ballot Form will be rejected.

14. A secured creditor may download the Postal Ballot Form from the website of the Company i.e. www.pocl.co.in.
15. The proposed Scheme of Amalgamation, if assented by majority of secured creditors representing three-fourth in value of those secured creditors who have voted either by postal ballot or voting by ballot paper at the meeting, shall be considered as passed on the date of the meeting i.e. Friday, October 11, 2019. The result of the voting on the resolution will be declared on or before the 13th day of October 2019.
16. The scrutinizer's decision on the validity of the postal ballot form shall be final.
17. Any query in relation to the resolution may be sent to: info@pocl.co.in.

PONDY OXIDES AND CHEMICALS LIMITED
(CIN: L24294TN1995PLC030586)
Regd. Office: 4th Floor, KRM Centre, No. 2, Harrington Road, Chetpet,
Chennai – 600031, Tamil Nadu

Tel No.: +91-044-42965454 **Fax:** +91-044-42965455
Email: info@pocl.co.in **Website:** <http://www.pocl.co.in>

**NOTICE OF THE MEETING OF THE UNSECURED CREDITORS
OF
PONDY OXIDES AND CHEMICALS LIMITED
CONVENED AS PER THE DIRECTIONS OF THE NATIONAL COMPANY LAW TRIBUNAL,
SPECIAL BENCH, CHENNAI ('NCLT' OR 'THE TRIBUNAL') VIDE ORDER DATED
09 AUGUST, 2019**

COURT CONVENED MEETING

Day	Friday
Date	11 October, 2019
Time	2.30 PM
Venue	4th Floor, KRM Centre, No: 2, Harrington Rd, Chetpet, Chennai, Tamil Nadu 600031

POSTAL BALLOT VOTING:

Commencing on	11 th September 2019, 09.00 A.M.
Ending on	10 th October 2019, 05.00 P.M.

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2.	Explanatory Statement under Sections 230(3), 232(2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.	7

Volume 2 – Annexures

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2.	Detailed background about Pandy Oxides and Chemicals Limited, its main objects, its authorized, issued, subscribed and paid up share capital (Pre Amalgamation)	Annexure B
3.	Detailed background about Meloy Metals Private Limited, its main objects, its authorized, issued, subscribed and paid up share capital (Pre Amalgamation)	Annexure C

4.	Details of Promoters and Directors of Pandy Oxides and Chemicals Limited	Annexure D
5.	Details of Promoters and Directors of Meloy Metals Private Limited	Annexure E
6.	The expected Pre and Post Amalgamation shareholding pattern of Pandy Oxides and Chemicals Limited	Annexure F
7.	The expected Pre and Post Amalgamation shareholding pattern of Meloy Metals Private Limited	Annexure G
8.	Share Entitlement Ratio Report dated 25 May, 2019 issued by R Vaidyanathan, Chartered Accountant and a registered valuer.	Annexure H
9.	Fairness Opinion dated 27 May, 2019 issued by Vivro Financial Services Private Limited	Annexure I
10.	Observation Letter dated 23 July, 2019 from BSE Limited ('BSE')	Annexure J
11.	Audited Financial Statements of Pandy Oxides and Chemicals Limited and Meloy Metals Private Limited as on 31 March, 2019	Annexure K
12.	Unaudited Financial Statements of Pandy Oxides and Chemicals Limited as on 30 June 2019 together with the Limited Review Report	Annexure L
13.	Provisional Unaudited Financial Statements of Meloy Metals Private Limited as on 30 June 2019	Annexure M
14.	Complaints Report filed with BSE	Annexure N
15.	Report adopted by the Board of Directors of Pandy Oxides and Chemicals Limited pursuant to the provisions of Section 232(2)(c) of the Companies Act, 2013 explaining the effect of the Amalgamation	Annexure O
16.	Report adopted by the Board of Directors of Meloy Metals Private Limited pursuant to the provisions of Sections 232(2)(c) of the Companies Act, 2013 explaining the effect of the Amalgamation	Annexure P
17.	Applicable information of Meloy Metals Private Limited in the format specified for Abridged Prospectus in Part E of Schedule VI of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), Regulations, 2018	Annexure Q
18.	Proxy Form	Attached in loose leaf form
19.	Attendance Slip	
20.	Postal Ballot Form with instructions and self-addressed postage prepaid Business Reply Envelope	

**BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL
SPECIAL BENCH, CHENNAI
FORM NO. CAA2**

[Pursuant to Section 230(3) and Rule 6]

**CA / 800-801 / CAA / 2019
In the Matter of Sections 230 to 232 of the Companies Act, 2013 And
In the matter of the Scheme of Amalgamation Of
MELOY METALS PRIVATE LIMITED
(‘MMPL’)(‘Transferor Company’)
With
PONDY OXIDES AND CHEMICALS LIMITED
(‘POCL’)(‘Transferee Company’)
And
Their Respective Shareholders and Creditors**

Pondy Oxides and Chemicals Limited

having its registered office at
4th Floor, KRM Centre, No. 2, Harrington Road,
Chetpet, Chennai 600 031

... Transferee Company

**NOTICE OF THE MEETING OF UNSECURED CREDITORS OF
PONDY OXIDES AND CHEMICALS LIMITED**

To,
The Unsecured Creditors of Pondy Oxides and Chemicals Limited

NOTICE is hereby given that by an order dated 09 August, 2019 (**‘the Order’**), the Hon’ble National Company Law Tribunal, Special Bench at Chennai (**‘the Tribunal’**) has directed to convene a meeting of the unsecured creditors of Pondy Oxides and Chemicals Limited (**‘Transferee Company’** or **‘POCL’**), for the purpose of considering, and if thought fit, approving, with or without modification(s), the Scheme of Amalgamation of Meloy Metals Private Limited (**‘Transferor Company’** or **‘MMPL’**) with the Transferee Company and their respective shareholders and creditors (**‘the Scheme’**) under sections 230 to 232 of the Companies Act, 2013 (**‘the Act’**) and other applicable provisions of the Act.

Take further notice that in pursuance of the said Order, a meeting of the Unsecured Creditors of the Transferee Company will be convened and held at 4th Floor, KRM Centre, No: 2, Harrington Road, Chetpet, Chennai, Tamil Nadu 600031, on Friday, 11 October, 2019 at 2.30 P.M. (‘the Meeting’), at which time and place the said unsecured creditors of the Company are requested to attend.

At the Meeting, the following resolution(s) will be considered and if thought fit, be passed, with or without modification(s):

APPROVAL OF THE SCHEME OF AMALGAMATION

“RESOLVED THAT pursuant to the provisions of Sections 230 to 232 and other relevant provisions of the Companies Act, 2013, as may be applicable, read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016; any other applicable rules and / or regulations (including any statutory modification or re-enactment thereof); and the relevant provisions of the Memorandum of Association and the Articles of Association of Pondy Oxides and Chemicals Limited (“the Company”) and subject to the approval of the Hon'ble National Company Law Tribunal (“the NCLT”) or such regulatory / government authority as may be applicable and such other approvals / permissions / exemptions as may be required under applicable laws, regulations, listing regulations and guidelines issued by the regulatory authorities, and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company, the Scheme of Amalgamation of Meloy Metals Private Limited with Pondy Oxides and Chemicals Limited and their respective shareholders and creditors, placed before this meeting, be and is hereby approved.

RESOLVED FURTHER that the Board of Directors of the Company and any person(s) nominated by the Board of Directors, be and are hereby severally authorised to take all steps as may be necessary or desirable and to do all such acts, deeds, things and matters, as may be considered necessary to give effect to the aforesaid Scheme of Amalgamation and this resolution and to accept such additions, alterations, amendments, rectifications and changes in the said Scheme and other documents related thereto, at any stage as may be expedient or necessary in this regard.”

Please note that you may attend and vote at the Meeting in person or by proxy, provided that all the proxies in the prescribed form duly signed by you or your authorized representative, is deposited at the registered office of the Transferee Company situated at 4th Floor, KRM Centre, No. 2, Harrington Road, Chetpet, Chennai – 600031, not later than 48 (forty-eight) hours before the time fixed for the aforesaid meeting. The form of proxy can be obtained from the registered office of the Transferee Company or can be downloaded from the website of the Transferee Company.

Further, the unsecured creditor(s) being a body corporate, intending to send their authorized representative to attend the Meeting are requested to send a duly certified copy of the board / governing body resolution authorizing such representative to attend and vote at the Meeting at the registered office of the company, not later than 48 hours before the Meeting.

Take further notice that in compliance with the provisions of (i) Section 230(4) read with Section 110 of the Act and (ii) Rule 6(3)(xi) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and other applicable rules, the Transferee company has provided the facility of voting by postal ballot, so as to enable the unsecured creditors to consider and approve the Scheme by way of the aforesaid resolution. The Transferee Company has also provided the facility of voting through ballot paper at the venue of the Meeting. Accordingly, you may cast your vote either through postal ballot or through ballot paper at the venue of the Meeting.

It is further clarified that votes may be casted personally or by proxy at the Meeting as provided in this notice.

Copies of the Scheme and of the Explanatory Statement, under Section 230(3) and Section 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamation) Rules, 2016, along with the enclosures as indicated in the Index, can be obtained free of charge from the registered office of the Transferee company situated at 4th Floor, KRM Centre, No. 2, Harrington Road, Chetpet, Chennai – 600031.

The Tribunal has appointed Mr. Anil Kumar Bansal, Director of the Company, failing him Mr. Ashish Bansal, Director of the Company as the Chairperson of the meeting of the unsecured creditors of the Transferee Company. The Scheme, if approved in the Meeting, will be subject to the subsequent approval of the Tribunal.

A copy of the Explanatory Statement, under Sections 230(3), 232(2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the Scheme and the other enclosures as indicated in the Index are enclosed.

Sd/-
Anil Kumar Bansal
Chairperson appointed for the Meeting

Dated this 26th day of August, 2019

Registered office:
4th Floor, KRM Centre, No. 2, Harrington Road,
Chetpet, Chennai – 600031

NOTES:

1. AN UNSECURED CREDITOR ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. THE FORM OF PROXY DULY COMPLETED SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE TRANSFEEE COMPANY NOT LESS THAN 48 (FORTY-EIGHT) HOURS BEFORE THE MEETING.
2. ALL ALTERATIONS MADE IN THE FORM OF PROXY SHOULD BE INITIALED.
3. Only unsecured creditors of the Company may attend and vote (either in person or by proxy or by authorized representative under applicable provisions of the Companies Act, 2013) at the unsecured creditors' meeting. The authorized representative under Section 113 of the Companies Act, 2013, of a body corporate which is an unsecured creditor of the Transferee Company may attend and vote at the Meeting of the unsecured creditors of the Transferee Company provided a certified true copy of the resolution of the board of directors or other governing body of the body corporate authorizing such representative to attend and vote at the Meeting of the unsecured creditors of the Transferee Company is deposited at the registered office of the Transferee Company not later than 48 (forty eight) hours before the scheduled time of the commencement of the Meeting of the unsecured creditors of the Transferee Company.
4. An Unsecured Creditor or his / her Proxy is requested to bring the copy of the Notice to the Meeting and produce the Attendance Slip, duly completed and signed at the entrance of the Meeting venue.
5. An individual shareholder or the authorized representative of the shareholder (in case such shareholder is a body corporate) or the proxy should carry a copy of their valid and legible identity proof (i.e. a PAN Card / Aadhaar Card / Passport / Driving License / Voter ID Card) to the meeting.
6. The unsecured creditor or his proxy or authorized representative, as the case may be, attending the Meeting, is requested to hand over the enclosed Attendance Slip duly completed and signed, for admission to the meeting hall.
7. The Notice, together with the documents accompanying the same, is being sent to the unsecured creditors by Speed Post or by Courier or by e-mail (for such unsecured creditors who have registered their e-mail address with the Company). The Notice will also be displayed on the notice board at the registered office of the Transferee Company. The Notice is also displayed / posted on the website of the Transferee Company <http://www.pocl.co.in>.
8. Pursuant to Rule 7 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the advertisement of the notice convening the aforesaid meeting is being published in Business Standard in English language and in Malai Chudar in Tamil language.
9. Further, the Company is offering the facility for voting through postal ballot form. A postal ballot form along with self-addressed postage pre-paid envelope is enclosed. Unsecured creditors are requested to carefully read the instructions printed in the enclosed postal ballot form and return the form duly completed with assent (for) or dissent (against), in the attached Business Reply Envelope, so as to reach the Scrutinizer on or before Thursday, October 10, 2019 by 5.00 p.m. Unsecured creditors who have received the notice by e-mail and who wish to vote through postal ballot form can download the postal ballot form from the Company's website <http://www.pocl.co.in>.
10. Also, the Company is offering facility for voting by way of ballot papers at the meeting for the unsecured creditors attending the meeting who have not cast their vote by postal ballot.
11. Unsecured creditors can opt only for one mode of voting out of the aforementioned modes viz. postal ballot or ballot paper at the meeting.
12. It is clarified that, casting of votes by postal ballot does not disentitle any unsecured creditor, from attending the meeting. However, the unsecured creditor after exercising his / her right to vote through postal ballot shall not be allowed to vote again at the meeting.

13. Voting rights shall be in proportion to the principal amount due to the unsecured creditors.
14. The voting period for postal ballot shall commence on and from Wednesday, 11th day of September 2019 at 09.00 A.M and end on Thursday the 10th day of October 2019 at 05.00 P.M.
15. No other form or photocopy of the postal ballot form is permitted.
16. The material documents referred to in the accompanying explanatory statement shall be open for inspection by the unsecured creditors at the registered office of the Transferee Company during normal business hours on all working days (except Saturdays, Sundays and public holidays) upto the date of the Meeting.
17. In terms of the order dated 09 August, 2019 passed by the Tribunal, Special Bench at Chennai, the quorum for Meeting of the unsecured creditors of the Transferee company is fixed at 15 (Fifteen). In case the prescribed quorum is not there at the designated time when the Meeting is called, then the Meeting shall be adjourned by half an hour, and thereafter, the persons/unsecured creditors present for voting shall be deemed to constitute the quorum.
18. In accordance with the provisions of Sections 230 to 232 of the Companies Act, 2013, the Scheme shall be acted upon only if a majority of persons representing three fourth in value of the unsecured creditors of the Transferee Company, who have voted either by postal ballot or voting by ballot paper at the meeting, agree to the Scheme.
19. Mr. Krishna Sharan Mishra representing M/s. KSM Associates, Chennai, will be acting as the Scrutinizer to scrutinize the voting process through ballot/poll paper at the venue of the meeting in a fair and transparent manner.
20. The Chairman of the meeting shall, at the meeting, at the end of discussion on the resolution on which voting is to be held, allow voting with the assistance of the Scrutinizer, for all those unsecured creditors who are present at the meeting.
21. The Scrutinizer will submit his report to the Chairman of the meeting after completion of the scrutiny of the votes cast by the unsecured creditors. The Scrutinizer's decision on the validity of the vote shall be final. The result, together with the Scrutinizer's Report, will be displayed at the Registered Office of the Company and on the website of the Company i.e. <http://www.pocl.co.in>, besides being communicated to BSE Limited.

Enclosure: As above

**BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL
SPECIAL BENCH, CHENNAI
CA / 800-801 / CAA / 2019**

**In the Matter of Sections 230 to 232 of the Companies Act, 2013 read with Companies
(Compromises, Arrangements and Amalgamations) Rules, 2016**

And

**In the matter of the Scheme of Amalgamation of
Meloy Metals Private Limited ('MMPL') (Transferor Company) with Pondy Oxides and
Chemicals Limited ('POCL') (Transferee Company) and their respective Shareholders and
Creditors**

Pondy Oxides and Chemicals Limited

Having its registered office at
4th Floor, KRM Centre, No. 2, Harrington Road, Chetpet
Chennai – 600031

...Transferee Company

**EXPLANATORY STATEMENT UNDER SECTION 102, 230(3) AND 232(2) OF THE COMPANIES
ACT, 2013 READ WITH RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND
AMALGAMATIONS) RULES, 2016 FOR THE MEETING OF UNSECURED CREDITORS OF PONDY
OXIDES AND CHEMICALS LIMITED CONVENED AS PER THE DIRECTIONS OF THE NATIONAL
COMPANY LAW TRIBUNAL, SPECIAL BENCH, CHENNAI**

1. Pursuant to an order dated 09 August, 2019 (**'the Order'**) passed by the Hon'ble National Company Law Tribunal, Special Bench at Chennai (**'the Tribunal'**) in CA / 800-801 / CAA / 2019, a meeting of the unsecured creditors of Pondy Oxides and Chemicals Limited (**'Transferee Company'** or **'POCL'**) is being convened and held at 4th Floor, KRM Centre, No: 2, Harrington Rd, Chetpet, Chennai, Tamil Nadu 600031 on Friday, 11 October, 2019 at 2.30 p.m. (**'the Meeting'**) for the purpose of considering, and if thought fit, approving, with or without modification(s), the Scheme of Amalgamation of Meloy Metals Private Limited (**'Transferor Company'** or **'MMPL'**) with the Transferee Company and their respective shareholders and creditors (**'the Scheme'**) under sections 230 to 232 of the Companies Act, 2013 (**'the Act'**) and other applicable provisions of the Act read with Rules 3 and 5 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and the National Company Law Tribunal Rules, 2016.
2. In terms of the Order passed by the Tribunal, the quorum for Meeting of the unsecured creditors of the Transferee Company is fixed at 15 (Fifteen). In case the prescribed quorum is not there at the designated time when the Meeting is called, then the Meeting shall be adjourned by half an hour, and thereafter, the persons/unsecured creditors present for voting shall be deemed to constitute the quorum. Further, the Tribunal has appointed Mr. Anil Kumar Bansal, Director, or alternatively Mr. Ashish Bansal, Director as Chairperson of the Meeting of the unsecured creditors of the Transferee Company to conduct the voting process in a fair and transparent manner.
3. This statement is being furnished as required under Sections 230(3), 232(1) and (2) and 102 of the Act read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (**'the Rules'**). The other definitions contained in the Scheme will apply to this statement also. The following statement as required under Section 230(3) of the Act sets forth the details of the proposed scheme and its effect on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders of the Transferee Company.
4. The Board of Directors of the Transferee Company at their meeting held on 27 May, 2019 unanimously approved the Scheme vide a board resolution, subject to the approval of various authorities and shareholders and creditors of the Company. The Board of Directors have come to a conclusion that the Scheme of Amalgamation is in the best interest of the Company and its shareholders and the creditors.

5. In accordance with the provisions of Sections 230 to 232 of the Act, the Scheme shall be acted upon only if a majority of persons representing three fourths in value of the unsecured creditors of the Transferee Company, who have voted either by postal ballot or voting by ballot paper at the meeting agree to the Scheme.
6. A copy of the Scheme, setting out the terms and conditions of the amalgamation as approved by the Board of Directors of Meloy Metals Private Limited and Pondy Oxides and Chemicals Limited is enclosed herewith as **Annexure A**. The proposed Scheme is envisaged to be effective from the Appointed Date but shall be made operative from the Effective Date (as defined in the Scheme).

7. Particulars of The Companies

7.1 Pondy Oxides and Chemicals Limited

- 7.1.1 Detailed background about Pondy Oxides and Chemicals Limited, its main objects, the details of authorized, issued, subscribed and paid up share capital are provided in **Annexure B**.
- 7.1.2 The details of the Directors and Promoters of the Transferee Company along with their addresses are given in **Annexure D**.
- 7.1.3 The Board of Directors of the Transferee Company had at its meeting held on 27 May, 2019, *inter alia*, approved the Scheme and the filing thereof with the Tribunal.

7.2 Meloy Metals Private Limited

- 7.2.1 Detailed background about Meloy Metals Private Limited, its main objects, the details of authorised, issued, subscribed and paid up share capital are provided in **Annexure C**.
- 7.2.2 The details of the Directors and Promoters of the Transferor Company along with their addresses are given in **Annexure E**.
- 7.2.3 The board of directors of the Transferee Company had at its meeting held on 27 May, 2019, *inter alia*, approved the Scheme and the filing thereof with the Tribunal.

8. Relationship between the Transferor Company and the Transferee Company

The Transferor Company and the Transferee Company have common promoters and the shareholding of such promoters is as follows:

- a) Mr. Ashish Bansal, Mr. R P Bansal, Ms. Megha Choudhari and Ms. Charu Bansal, the promoters of POCL, are shareholders in MMPL holding 91.95% of the paid up share capital of MMPL.
- b) Mr. K Kumaravel, GM – Finance and Company Secretary of POCL, holds 4.59% shareholding in MMPL.
- c) Ms. Usha Sankar, Chief Financial Officer of POCL, holds 3.01% shareholding in MMPL.
- d) Mr. Ashish Bansal, Mr. R P Bansal, Ms. Megha Choudhari and Ms. Charu Bansal, the promoters of MMPL, are shareholders in POCL holding 20.52% of the paid up share capital of POCL.

9. Parties involved

S.No.	Name of Company	Particular
1.	Meloy Metals Private Limited	Transferor Company
2.	Pondy Oxides and Chemicals Limited	Transferee Company

10. The Scheme does not contemplate any scheme of corporate debt restructuring as provided for under Section 230(2)(c) of the Act.

11. Rationale and Benefits of the Scheme of Amalgamation

The Board of Directors of the Transferor Company and the Transferee Company are of the opinion that the proposed amalgamation of the Transferor Company with the Transferee Company shall be advantageous and beneficial to both the Transferor Company and the Transferee Company in the following manner:

- (i) Consolidation of business:
The amalgamation will enable consolidation of the businesses into one amalgamated entity which, will facilitate in focused growth, operational efficiency, integration synergies and better supervision of the business of the group. The Amalgamated Company would also have a better credit rating in the market enabling it to have better access to market funds.
- (ii) Pooling of resources:
The amalgamation will enable pooling of resources of the Companies to their advantage, resulting in more productive utilization of the resources, and achieving cost and operational efficiency which will be beneficial to all stakeholders.
- (iii) Scaling of operations:
The amalgamation would facilitate scaling of operations i.e. achieving economies of scale, reduce administrative, managerial, compliance costs and other expenditure and bring operational rationalization resulting in greater visibility for the resultant amalgamated entity in the market.
- (iv) Financial consolidation and flexibility:
The amalgamation will lead to combination of funds of the companies. This will lead to consolidation of the financial strengths of the companies and will also result in fungibility of funds amongst various projects.
- (v) Implementation of policy changes:
From a management perspective, the amalgamation will also enable smoother implementation of policy changes at a higher level and help enhance the efficiency of the entities.
- (vi) Operational efficiencies:
The amalgamation will result in reduction of multiplicity of compliances.

Recognizing the strengths of each other and with the ultimate intent of aligning the business operations undertaken by the Transferor Company and the Transferee Company, the Transferor Company and the Transferee Company propose to amalgamate by way of and in accordance with the terms of the Scheme of Amalgamation (as detailed below) which will cause benefits to both the Companies, the employees, the shareholders, the creditors and the public at large.

There is no likelihood that the interests of any shareholder or creditor of either the Transferor Company or the Transferee Company would be prejudiced as a result of the proposed Scheme. The amalgamation will not impose any additional burden on the shareholders of the Transferor Company or the Transferee Company.

12. The salient features of the Scheme are as follows:

- a. This scheme is for Amalgamation of Meloy Metals Private Limited with Pondy Oxides and Chemicals Limited and their respective shareholders and creditors under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 and rules framed thereunder.
- b. 'Appointed Date' means opening hours of business on 1 April 2019 or any other date as the Tribunal may direct or approve under the relevant provisions of the Act.
- c. 'Effective Date' means the last of the dates on which the conditions specified in Clause 18 (Part C) of this Scheme are fulfilled with respect to the Scheme. Any references in

this Scheme to 'upon the Scheme becoming effective', 'coming into effect of this Scheme', 'upon this Scheme coming into effect', shall mean the 'Effective Date'.

- d. With effect from the Appointed Date and upon coming into effect of this Scheme, the entire business and Undertaking of the Transferor Company shall, in accordance with Section 2(1B) of the Income-tax Act, 1961 stand transferred to and be vested in or deemed to be transferred to and vested in Transferee Company, as a going concern.
- e. Upon this Scheme becoming effective and upon the entire business and the whole of the undertaking of the Transferor Company being transferred to and vested in the Transferee Company, the Transferee Company shall without any further application or deed, issue, allot and credit as fully paid up, to every shareholder of the Transferor Company whose names appear in the Register of Members of the Transferor Company (or his / her heirs, executors, administrators or successors - in title, as the case may be, and as may be recognized by the Board of the Transferee Company) as on the Record Date, Equity Shares in the following proportion:

102 (One Hundred and Two) Equity Shares of Rs.10/- (Rupees Ten only) each fully paid up of the Transferee Company, for every 100 (One Hundred) Equity Shares of Rs.100/- (Rupees Hundred only) each fully paid up held in the Transferor Company.
- f. Upon the equity shares being issued and allotted, as aforesaid by the Transferee Company, the equity shares issued by the Transferor Company and held by its Shareholders, whether in dematerialized or physical form, shall be deemed to have been automatically cancelled.
- g. This Scheme is and shall be conditional upon and subject to:
 - i. The Scheme being approved by the requisite majority in number and value of such classes of persons including the respective shareholders and/or creditors of the Transferor Company and the Transferee Company as may be directed by the Tribunal.
 - ii. The sanction of the Tribunal under Sections 230 to 232 and other applicable provisions of the Act in favour of the Transferor and the Transferee Company under the said provisions and necessary Order being obtained.
 - iii. The Scheme being approved by the public shareholders through e-voting in terms of Para 9 (a) of Part I of Annexure I of the Securities and Exchange Board of India ('SEBI') circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 and subsequent modifications thereof ('SEBI Circular') and the scheme shall be acted upon only if votes cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it.
 - iv. Receipt of approval from the Stock Exchange and SEBI.
 - v. Filing with the Registrar of Companies, Chennai, certified copies of all necessary orders, sanctions and approvals mentioned above by the Transferor and the Transferee Company.
- h. The Scheme, inter-alia, provides for the following matters:
 - i. From the Effective Date, all legal or other proceedings (including before any statutory or quasi-judicial authority or tribunal or administrative or any adjudicating authorities) by or against the Transferor Company, whether pending on the Appointed Date, or which may be instituted any time in the future (irrespective of whether they relate to periods on or prior to the Appointed Date) shall be continued and enforced by or against the Transferee Company after the Effective Date, to the extent legally permissible.
 - ii. Upon this Scheme becoming effective, all staff, executives workmen and other employees of the Transferor Company as on the Effective Date, shall be deemed to have become Employees of the Transferee Company, without any interruption of

service and on the basis of continuity of service with reference to the Transferor Company from the Appointed Date or their respective joining date, whichever is later and, subject to the provisions, hereof, on the terms and conditions not less favorable than those on which they are engaged by the Transferor Company. The services of such Employees, if any, with the Transferor Company up to the Effective Date shall be taken into account for the purposes of all benefits to which the Employees, may be eligible under Applicable Law.

The Salient features as set out above being only the salient features of the Scheme of Amalgamation as are statutorily required to be included in this explanatory statement, the Creditors are requested to read the entire text of the Scheme of Amalgamation (annexed herewith) to get fully acquainted with the provisions thereof and the rationale and objectives of the proposed Scheme of Amalgamation.

EXTENT OF SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

13. The directors of the Transferor Company and the Transferee Company may be deemed to be concerned and/or interested in the Scheme to the extent of their shares that may be held by them, if any, or by the Companies, firms, institutions, trusts of which they are directors, partners, members or trustee in the Transferor Company and the Transferee Company. None of the directors, Key Managerial Personnel ('KMPs') or relatives of the directors and KMPs of the Transferor Company and the Transferee Company have any material, financial or other interest, in the Scheme, except as shareholders to the extent appearing in the Register of Directors' shareholding and Register of Members maintained by the Transferor Company and the Transferee Company, respectively. The directors holding the shares in the Transferee Company do not have any other interest in the Scheme otherwise than that as shareholder in general. Further, none of the managers, key managerial personnel and relatives of the directors of the Transferee Company is concerned or interested, financial or otherwise in the proposed Scheme. Save as aforesaid, none of the Directors of the Transferee Company have any material interest in the proposed Scheme otherwise than that as shareholders in general.
14. The details of the present Directors and Key Managerial Personnel of the Transferee Company and their shareholding either individually or jointly as a first holder or as a nominee in the Transferor Company and the Transferee Company, as on 31 March, 2019, is as under:

Name of the Director & Key Managerial Personnel	Position	Equity Shares held in	
		POCL	MMPL
Ashish Bansal	Managing Director	6,36,620	1,81,058
Anil Kumar Bansal	Chairman	6,23,461	-
R P Bansal	Whole time Director	5,02,737	27,503
Anilkumar Sachdev	Independent Director	1,815	-
Shoba Ramakrishnan	Independent Director	17	-
G P Venkateswaran	Independent Director	275	-
A Vijay Anand	Independent Director	1,681	-
K Kumaravel	GM – Finance & Company Secretary	3,220	10,650
Usha Sankar	Chief Financial Officer	330	6,985

15. The details of the present Directors and Key Managerial Personnel of the Transferor Company and their shareholding either individually or jointly as a first holder or as a nominee in the Transferor Company and the Transferee Company, as on 31 March, 2019, is as under:

Name of the Director & Key Managerial Personnel	Position	Equity Shares held in	
		MMPL	POCL
Ashish Bansal	Managing Director	1,81,058	6,36,620
K. Kumaravel	Director	10,650	3,220
Usha Sankar	Director	6,985	330
Anush Cherukuri	Director	10	-

PRE AND POST AMALGAMATION CAPITAL STRUCTURE

16. The Pre Amalgamation capital structure of POCL and MMPL has already been provided under Para 7 read with **Annexure B** and **Annexure C** of this Statement.

The Post Amalgamation capital structure of POCL is as follows:

Name of the Company: Pandy Oxides and Chemicals Limited

Particulars	Amount in Rs.
Authorised Share Capital:	
Equity Shares of Rs.10/- each	20,15,00,000
Total	20,15,00,000
Issued, Subscribed and Paid Up:	
Equity Shares of Rs.10/- each	5,81,23,900
Total	5,81,23,900

Name of the Company: Meloy Metals Private Limited

Upon the proposed Scheme becoming effective, the entire share capital of Meloy Metals Private Limited shall stand cancelled.

PRE- AND POST-AMALGAMATION SHAREHOLDING PATTERN

17. The expected pre and post Scheme shareholding pattern of the Transferee Company/POCL is given in **Annexure F**.
18. The expected pre and post Scheme shareholding pattern of Transferor Company/MMPL is given in **Annexure G**.
19. **Valuation, Fairness Opinion and Approvals**
- 19.1. R Vaidyanathan, an Independent Chartered Accountant and a registered valuer, based on his Independent Valuation Report dated 25 May, 2019, the addendum dated 31 May, 2019 and the addendum dated 21 June, 2019 (Share Entitlement Ratio Report) recommended to the Board of Directors of the Transferee Company, the share exchange ratio in which Equity Shares of POCL should be issued to the shareholders of the Transferor Company. A copy of the Share Entitlement Ratio Report is enclosed herewith as **Annexure H**.

- 19.2. Fairness Opinion dated 27 May, 2019 on the Independent Valuation Report was obtained from M/s. Vivro Financial Services Private Limited, a SEBI appointed Merchant Banker. The copy of Fairness Opinion issued by M/s. Vivro Financial Services Private Limited is enclosed herewith as **Annexure I**.
- 19.3. The proposed Scheme was placed before the Audit Committee of the Transferee Company at its meeting held on 27 May, 2019. The Audit committee recommended and approved the proposed Scheme after considering the Independent Valuation Report and Fairness Opinion.
- 19.4. The Board of Directors of the Transferee Company have at their board meeting held on 27 May, 2019 unanimously approved the Scheme based on the recommendation of the Audit Committee, Independent Valuation Report recommending the share exchange ratio in which Equity Shares should be issued by POCL to the shareholders of the Transferor Company and Fairness Opinion. The copies of the said report, Fairness Opinion and other documents submitted to the Stock Exchange are also displayed on the website of the Transferee Company at <http://www.pocl.co.in> and the website of BSE, the designated stock exchange where the shares of the Transferee Company are listed, in terms of the SEBI Circular.
- 19.5. At the Board Meeting held on 27 May, 2019, all the Directors of the Transferee Company, as mentioned under Para 7.1.2 read with **Annexure D**, approved the Scheme.
- 19.6. Pursuant to the SEBI circular read with Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR Regulations') the Transferee Company had applied to BSE on 29 May, 2019 for seeking their No Objection to the proposed Scheme of Amalgamation. BSE, the Designated Stock Exchange forwarded the said application along with Draft Scheme to SEBI for its approval and/or comments. BSE gave its Observation letter on 23 July, 2019 which is enclosed herewith as **Annexure J**.
- 19.7. A copy of the Audited Financial Statements of the Transferor Company and the Transferee Company for the year ended 31 March, 2019 is enclosed herewith as **Annexure K**.
- 19.8. The Unaudited Financial Statements of the Transferee Company together with the Limited Review Report for the period ending 30 June, 2019 are enclosed herewith as **Annexure L**.
- 19.9. The Provisional Unaudited Financial Statements of the Transferor Company for the period ending 30 June, 2019 are enclosed herewith as **Annexure M**.
- 19.10. The Scheme of Amalgamation along with related documents were hosted on the websites of the Transferee Company and BSE and had been kept open for complaints/comments from 03 June, 2019 to 24 June, 2019. During the above period, the Transferee Company has received **no complaint/comment** and accordingly the complaints report (indicating Nil complaints) was filed with BSE on 25 June, 2019 and taken on record by BSE. A copy of the said Complaints Report is enclosed herewith as **Annexure N**.
20. The Transferee Company will make a petition under Section 230-232 and other applicable provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 to the Hon'ble National Company Law Tribunal, Special Bench, for sanctioning of the Scheme.
21. Under Section 230 of the Companies Act, 2013, the proposed Scheme will have to be approved by a majority in number representing three-fourths in value of the unsecured creditors present and voting either in person or by proxy at the meeting or by Postal Ballot. A proxy form is enclosed. It is hoped that in view of the importance of the business to be transacted, you will personally attend the meeting. The signing of the form or forms of proxy will, however, not prevent you from attending and voting in person, if you so desire.

RESOLUTION PROPOSED TO BE APPROVED AT THE MEETING

22. It is in the interest of the unsecured creditors of the Transferee Company that the said Scheme of Amalgamation be approved. Accordingly, the following resolutions will be moved at the meeting convened pursuant to this Notice.

"RESOLVED THAT pursuant to the provisions of Sections 230 to 232 and other relevant provisions of the Companies Act, 2013, as may be applicable, read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016; any other applicable rules and / or regulations (including any statutory modification or re-enactment thereof); and the relevant provisions of the Memorandum of Association and the Articles of Association of Pondy Oxides and Chemicals Limited ("the Company") and subject to the approval of the Hon'ble National Company Law Tribunal ("the NCLT") or such regulatory / government authority as may be applicable and such other approvals / permissions / exemptions as may be required under applicable laws, regulations, listing regulations and guidelines issued by the regulatory authorities, and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company, the Scheme of Amalgamation of Meloy Metals Private Limited with Pondy Oxides and Chemicals Limited and their respective shareholders and creditors, placed before this meeting, be and is hereby approved.

RESOLVED FURTHER that the Board of Directors of the Company and any person(s) nominated by the Board of Directors, be and are hereby severally authorised to take all steps as may be necessary or desirable and to do all such acts, deeds, things and matters, as may be considered necessary to give effect to the aforesaid Scheme of Amalgamation and this resolution and to accept such additions, alterations, amendments, rectifications and changes in the said Scheme and other documents related thereto, at any stage as may be expedient or necessary in this regard."

23. The Scheme is not expected to have any adverse effect on the Key Managerial personnel, directors, secured or unsecured creditors, non-promoter members, and employees of the Transferor Company and Transferee Company wherever relevant, as no sacrifice or waiver is at all called from them nor their rights sought to be modified in any manner. The rights and interests of the members, creditors and employees of POCL and MMPL will not be prejudicially affected by this Scheme of Amalgamation. The Scheme does not seek any compromise / waiver of any rights or outstanding obligations towards the creditors and hence the repayment will be made according to the already stipulated and agreed terms of business. Further, POCL and MMPL do not have depositors, debenture holders, deposit trustee and debenture trustee.
24. No investigation proceedings are pending under the provisions of the Companies Act, 2013 or under the provisions of the Companies Act, 1956 against the Transferor or the Transferee Company
25. A copy of the Scheme along with the necessary statement under Section 230 read with Rule 6 and 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, is also being forwarded to the Regional Director, Registrar of Companies, Chennai, Income Tax authorities, BSE Limited and Securities and Exchange Board of India in terms of the order dated 09 August, 2019 of the Tribunal.
26. A Certified copy of the Order from the Tribunal dated 9th August 2019 has been filed with the Registrar on 22nd August 2019.
27. No winding up petition is pending against the Transferee Company.
28. In compliance with the provisions of Section 232(2)(c) of the Companies Act, 2013, the Board of Directors of the Transferee Company, vide a resolution, have adopted a Report, inter-alia, explaining the effect of the Scheme on each class of shareholders (promoter and non-promoter shareholders) and key managerial personnel. A copy of the Report adopted by the Board of Directors of the Transferee Company is enclosed to this Explanatory Statement as **Annexure O**.

29. In compliance with the provisions of Section 232(2)(c) of the Companies Act, 2013, the Board of Directors of the Transferor Company, vide a resolution, have adopted a Report, inter-alia, explaining the effect of the Scheme on each class of shareholders (promoter and non-promoter shareholders) and key managerial personnel. A copy of the Report adopted by the Board of Directors of the Transferor Company is enclosed to this Explanatory Statement as **Annexure P**.
30. The applicable information of MMPL in the format specified for abridged prospectus as provided in Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 is enclosed as **Annexure Q**.
31. As on 30 June 2019, the Transferee Company has 99 unsecured creditors and the total amount due and payable by the Transferee Company to the said unsecured creditors is Rs.4,18,12,090 (Rupees Four Crores eighteen lakhs twelve thousand and ninety only). As on 30 June 2019, the Transferee Company has 6 secured creditors and the total amount due and payable by the Transferee Company to the said secured creditors is Rs. 83,97,62,561 (Rupees Eighty three crores ninety seven lakhs sixty two thousand five hundred and sixty one only).
32. As on 30 June 2019, the Transferor Company has 69 unsecured creditors and the total amount due and payable by the Transferor Company to the said unsecured creditors is 18,48,82,734 (Rupees Eighteen crores forty eight lakhs eighty two thousand seven hundred and thirty four only). As on 30 June 2019, the Transferor Company has one secured creditor and the total amount due and payable by the Transferor Company to the said secured creditor is Rs.8,76,02,035 (Rupees Eight crores seventy six lakhs two thousand and thirty five only).
33. The interests of the non-promoter shareholders are in no way affected due to amalgamation as there will be no change in the Non-Promoter shareholding, pursuant to the amalgamation. However, the percentage of public shareholding will get reduced from the present level owing to the enhancement of paid-up capital.
34. An unsecured creditor entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him/her. Such proxy need not be a member of the Transferee Company. The instrument appointing the proxy should however be deposited at the registered office of the Transferee Company not later than 48 (Forty Eight) hours prior to the commencement of the meeting.
35. Corporate unsecured creditors intending to send their authorised representatives to attend the meeting are requested to lodge a certified true copy of the resolution of the Board of Directors or other governing body of the body corporate not later than 48 (Forty Eight) hours before commencement of the meeting, authorizing such person to attend and vote on its behalf at the meeting.
36. The following documents will be available for inspection by the unsecured creditors of the Transferee Company at its Registered Office during normal business hours on all working days (except Saturdays, Sundays and public holidays):
 - a) Certified copy of the Order of the Hon'ble National Company Law Tribunal, Special Bench, Chennai dated 9 August 2019 passed in Company Application No. 800-801/CAA/2019 directing and convening of the meeting of unsecured creditors of the Transferee Company/POCL which will be available for inspection after receipt from the NCLT.
 - b) Scheme of Amalgamation.
 - c) Memorandum and Articles of Association of POCL and MMPL.
 - d) Copies of the Audited Financial Statements along with the Auditor's Report of POCL and MMPL for the year ended 31 March, 2019.
 - e) Copy of the Provisional Unaudited Financial Statements of MMPL for the period ending 30 June, 2019.

- f) Copy of Unaudited financial statements of POCL along with the Limited Review Report as on 30th June 2019.
- g) Copy of the Observation Letter dated 23 July, 2019 received from BSE.
- h) Share Entitlement Ratio Report dated 25 May, 2019 from Mr. R Vaidyanathan, an Independent Chartered Accountant and its addendum thereto.
- i) Copy of the Fairness opinion by Merchant Banker, M/s. Vivro Financial Services Private Limited dated 27 May, 2019.
- j) Copy of the Audit Committee Report dated 27 May, 2019.
- k) Copies of the resolutions passed by the respective Board of Directors of POCL and MMPL on 27 May, 2019.
- l) Report adopted by the Board of Directors of the Transferee company as required under Section 232(2)(c) of the Companies Act, 2013.
- m) Report adopted by the Board of Directors of the Transferor company as required under Section 232(2)(c) of the Companies Act, 2013.
- n) Copy of the applicable information of MMPL in the format specified for abridged prospectus as provided in Part E of Schedule VI of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), Regulations, 2018.
- o) Complaints Report dated 25 June, 2019 submitted by the Company to BSE and also uploaded on its website.
- p) Copy of the Statutory Auditors' Certificate dated 27 May 2019 issued by M/s. L. Mukundan & Associates, Chartered Accountants, Chennai, of the Transferee Company/POCL confirming that the accounting treatment provided in the Scheme is in compliance with Section 133 of the Companies Act, 2013.

37. This statement may be treated as an Explanatory Statement under Section 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromise, Arrangements and Amalgamations) Rules, 2016. A copy of the Scheme, Explanatory statement and Form of Proxy may be obtained free of charge on any working day (except Saturdays, Sundays and public holidays) prior to the date of the Meeting, from the registered office of the Transferee Company.

Dated at Chennai on this the 26th day of August 2019

**Sd/-
Anil Kumar Bansal
Chairman Appointed for the Meeting**

Registered Office
Pondy Oxides and Chemicals Limited
4th Floor, KRM Centre, No.2, Harrington Road,
Chetpet, Chennai – 600 031.

PONDY OXIDES AND CHEMICALS LIMITED

(CIN: L24294TN1995PLC030586)

Regd. Office: 4th Floor, KRM Centre, No. 2, Harrington Road, Chetpet,
Chennai – 600031, Tamil Nadu

Tel No.: +91-044-42965454 **Fax:** +91-044-42965455

Email: info@pocl.co.in **Website:** <http://www.pocl.co.in>

**BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL
SPECIAL BENCH, CHENNAI
CA / 800-801 / CAA / 2019**

**In the matter of Sections 230 to 232 of the Companies Act, 2013 read with Companies
(Compromises, Arrangements and Amalgamations) Rules, 2016**

And

**In the matter of the Scheme of Amalgamation of Meloy Metals Private Limited with
Pondy Oxides and Chemicals Limited and their respective Shareholders and Creditors**

Pondy Oxides and Chemicals Limited

Having its registered office at
4th Floor, KRM Centre, No. 2, Harrington Road,
Chetpet, Chennai 600 031

...Transferee Company

**FORM NO. MGT-11
PROXY FORM**

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

MEETING OF THE UNSECURED CREDITORS OF PONDY OXIDES AND CHEMICALS LIMITED

CIN:

Name of the company:

Registered Office:

Name of the Unsecured Creditor(s):

Registered address:

E-mail ID:

I/We, the undersigned, as an Unsecured Creditor of Pondy Oxides and Chemicals Limited
(‘**Company**’), do hereby appoint:

1. Name:
Address:.....
E-mail Id:.....
Signature:, or failing him

2. Name:
Address:.....
E-mail Id:.....
Signature:

as my / our proxy, to act for me/us at the meeting of the unsecured creditors of the Company, to be held
at 4th Floor, KRM Centre, No: 2, Harrington Rd, Chetpet, Chennai, Tamil Nadu 600031 on Friday,
11 October, 2019 at 2.30 p.m. and at any adjournment thereof in respect of the resolution as indicated
below:-

Resolution

Sr.No.	Resolution(s)	Vote	
		For	Against
1	Approval for the Scheme of Amalgamation, with or without modification(s), of Meloy Metals Private Limited with Pondy Oxides and Chemicals Limited and their respective Shareholders and Creditors, under Section 230 to 232 of the Companies Act, 2013 (the 'Act') and other applicable provisions of the Act read with Rules 3 and 5 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and the National Company Law Tribunal Rules, 2016.		

Signed this _____ day of _____ 2019.

Signature of Unsecured Creditor:

Signature of Proxy:

Affix Rs. 1/-
revenue stamp

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
2. The authorized representative of a body corporate which is a unsecured creditor of the Company may attend and vote at the meeting of the unsecured creditors of the Company provided a certified true copy of the resolution of the board of directors or other governing body of the body corporate authorizing such representative to attend and vote at the meeting of the unsecured creditors of the Company is deposited at the registered office of the Transferee Company not later than 48 (forty eight) hours before the scheduled time of the commencement of the meeting of the unsecured creditors of the Company.
3. All alterations made in the form of proxy should be initialed
4. Please affix appropriate revenue stamp before putting signature.
5. In case of multiple proxies, the proxy later in time shall be accepted.
6. Proxy need not be an unsecured creditor of Pondy Oxides and Chemicals Limited.
7. No person who is a minor shall be appointed as proxy.

PONDY OXIDES AND CHEMICALS LIMITED
(CIN: L24294TN1995PLC030586)
Regd. Office: 4th Floor, KRM Centre, No. 2, Harrington Road, Chetpet,
Chennai – 600031, Tamil Nadu

Tel No.: +91-044-42965454 **Fax:** +91-044-42965455
Email: info@pocl.co.in **Website:** <http://www.pocl.co.in>

**BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL
SPECIAL BENCH, CHENNAI
CA / 800-801 / CAA / 2019**

**In the matter of Sections 230 to 232 of the Companies Act, 2013 read with Companies
(Compromises, Arrangements and Amalgamations) Rules, 2016**

And

**in the matter of the Scheme of Amalgamation of Meloy Metals Private Limited with Pondy
Oxides and Chemicals Limited and their respective Shareholders and Creditors**

Pondy Oxides and Chemicals Limited

Having its registered office at
4th Floor, KRM Centre, No. 2, Harrington Road,
Chetpet, Chennai 600 031

...Transferee Company

**ATTENDANCE SLIP
MEETING OF THE UNSECURED CREDITORS OF PONDY OXIDES AND CHEMICALS LIMITED
CONVENED ON THE DIRECTIONS OF NATIONAL COMPANY LAW TRIBUNAL, SPECIAL
BENCH, CHENNAI
TO BE HELD ON FRIDAY THE 11TH OCTOBER 2019 AT 02.30 P.M. AT 4TH FLOOR, KRM
CENTRE, NO.2, HARRINGTON ROAD. CHETPET. CHENNAI- 600031**

I/We certify that I/We am/are unsecured creditor/proxy for the unsecured creditor of the Company.

I/We, _____ hereby record my/our presence at the meeting of the unsecured creditors of Pondy Oxides and Chemicals Limited, convened on Friday the 11th day of October 2019 at the registered office of the Company at 4th floor, KRM Centre, No.2, Harrington Road. Chetpet. Chennai-600031 at 2.30 P.M, pursuant to the Order dated 9th August 2019 of the Hon'ble National Company Law Tribunal, Special Bench at Chennai.

**Amount of
outstanding debt** : _____

**Name & Address of the
Unsecured Creditor** : _____

**Name & Address of the
Authorised Representative /
Proxy Holder** : _____

**Signature of the Unsecured
Creditor/Signature of the
Proxy Holder/ Authorized
Representative** : _____

Notes:

Unsecured creditors attending the meeting in person or by proxy or through authorised representative are requested to complete and bring the attendance slip with them and hand it over at the entrance of the meeting hall.

PONDY OXIDES AND CHEMICALS LIMITED

CIN: L24294TN1995PLC030586

Registered Office: 4th Floor, KRM Centre, No. 2, Harrington Road, Chetpet,
Chennai – 600031, Tamil Nadu

Ph: +91 -044-42965454 , Fax: +91-044-42965455

Email: info@pocl.co.in Website: <http://www.pocl.co.in>

**POSTAL BALLOT FORM
Unsecured Creditors**

Postal Ballot No.

S.No.	Particulars	Details of Unsecured Creditors
1.	Name(s) of Unsecured Creditor [In BLOCK letters]	
2.	Address of Unsecured Creditor [In BLOCK letters]	
3.	Principal Amount due as on 30.06.2019 (in INR) as per the books of accounts of the Company	

I / We hereby exercise my / our vote in respect of the Resolution to be passed through postal ballot for the business stated in Notice conveying the meeting of the unsecured creditors of the Company pursuant to Order dated 09 August, 2019 passed by the Hon'ble National Company Law Tribunal, Special Bench, Chennai by sending my / our assent or dissent to the said Resolution by placing tick [✓] mark at the appropriate box below:

Item No.	Description	I / We assent [agree] to the Resolution [FOR]	I / We dissent [disagree] to the Resolution [AGAINST]
1.	Resolution for approval of the Scheme of Amalgamation of Meloy Metals Private Limited with Pandy Oxides and Chemicals Limited and their respective shareholders and creditors under sections 230-232 and other applicable provisions of the Companies Act, 2013.		

Place:

Date:

Signature of Unsecured Creditor

NOTE: Please read the instructions printed overleaf carefully before exercising your vote through this Postal Ballot Form.

INSTRUCTIONS:

1. Pursuant to sections 230 to 232 and section 110 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, assent or dissent of the unsecured creditors in respect of the resolution detailed in the Notice dated 26th August 2019 is being additionally sought through Postal Ballot process.
2. The voting period for postal ballot shall commence on and from Wednesday, 11th day of September 2019 at 09.00 A.M and end on Thursday the 10th day of October 2019 at 05.00 P.M.
3. Duly completed Postal Ballot Form should reach the Scrutinizer not later than Thursday, 10 October, 2019 at 5:00 p.m. (IST). Postal Ballot Forms received thereafter will be strictly treated as if reply from such unsecured creditor has not been received. The unsecured creditors are requested to send the duly completed postal ballot forms well before the last date, providing sufficient time for postal transit. Unsecured creditors from whom no postal ballot form is received or received after the aforesaid stipulated date shall not be counted for voting on the resolution.
4. An unsecured creditor desiring to exercise vote by postal ballot form is requested to carefully read the instructions and return the duly completed form in the attached self-addressed postage pre-paid business reply envelope.
5. Please convey your assent in column "FOR" or dissent in the column "AGAINST" by placing a tick (✓) mark in the appropriate column in the Postal Ballot Form only. The assent or dissent received in any other form or manner shall be considered as invalid.
6. The voting rights will be in proportion to the principal amount due in the name of the respective unsecured creditor.
7. Voting by postal ballot can be exercised only by the unsecured creditor or his / her duly constituted attorney or, in case of bodies corporate, the duly authorized person. Voting rights in a postal ballot cannot be exercised by a proxy. Unsecured creditors can opt only one mode for voting i.e. Postal Ballot Form or Ballot Paper at the meeting.
8. Unsecured creditors who have cast their votes by postal ballot can also attend the meeting.
9. An unsecured creditor desirous of exercising vote by postal ballot should complete the Postal Ballot Form in all respects and send it after signature to the Scrutinizer in the attached self-addressed postage pre-paid business reply envelope which shall be properly sealed with adhesive or adhesive tape. Envelopes containing Postal Ballot Form, if sent by courier at the expense of the unsecured creditor but using the self-addressed postage pre-paid envelope will also be accepted. Unsecured creditors are requested to convey their assent or dissent in this postal ballot form only.
10. The self-addressed envelope bears the name and address of the Scrutinizer appointed by the Chairperson as per the directions of the Hon'ble NCLT.
11. In case the unsecured creditor is an entity, the duly completed postal ballot form should be accompanied by a certified copy of the Board resolution / Authority and preferably with attested signature(s) of the duly authorized signatory(ies) giving requisite authority to the person voting on the postal ballot form.
12. Unsecured creditors are requested not to send any paper (other than resolution / authority / Power of Attorney) along with the postal ballot form in the enclosed self-addressed postage pre-paid business reply envelope as all such envelopes will be sent to the Scrutinizer and if any extraneous paper is found in such envelope the same would not be considered and would be destroyed by the Scrutinizer.
13. An incomplete, unsigned, incorrectly completed, incorrectly ticked, defaced, torn, mutilated, overwritten, wrongly signed Postal Ballot Form will be rejected.

14. An unsecured creditor may download the Postal Ballot Form from the website of the Company i.e. www.pocl.co.in.
15. The proposed Scheme of Amalgamation, if assented by majority of unsecured creditors representing three-fourth in value of those unsecured creditors who have voted either by postal ballot or voting by ballot paper at the meeting, shall be considered as passed on the date of the meeting i.e. Friday, October 11, 2019. The result of the voting on the resolution will be declared on or before 13th day of October 2019.
16. The scrutinizer's decision on the validity of the postal ballot form shall be final.
17. Any query in relation to the resolution may be sent to: info@pocl.co.in.

SCHEME OF AMALGAMATION
OF
MELOY METALS PRIVATE LIMITED
WITH
PONDY OXIDES AND CHEMICALS LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

(UNDER SECTIONS 230 to 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER)

PREAMBLE**A. Description of the Companies**

- (a) **Meloy Metals Private Limited** ('Transferor Company' or 'Amalgamating Company') with Corporate Identification Number U27310TN2011PTC115709, was incorporated on the 25th day of May 2011 in the State of Andhra Pradesh under the name and style of "Vedam Drugs Private Limited" as per the provisions of the Companies Act, 1956. The name of the Transferor Company was changed to "Meloy Metals Private Limited" on 29th June 2016. The registered office of the Transferor Company was located at Plot No: A-28/1/14-D, Road No: 15, IDA, Nacharam, Hyderabad, Telangana – 500 076. The registered office of the Transferor Company after obtaining due approvals has been shifted to 4th Floor, KRM Centre, No. 2, Harrington Road, Chetpet, Chennai – 600031, Tamil Nadu, India vide the order passed by the Regional Director dated 06th February 2017.
- (b) The Transferor Company is engaged in the business of manufacturing of Lead Metal and Lead Alloys.
- (c) **Pondy Oxides and Chemicals Limited** ('Transferee Company' or 'Amalgamated Company') with Corporate Identification Number L24294TN1995PLC030586, was incorporated on the 21st day of March 1995 in the State of Tamil Nadu under the Companies Act, 1956. The registered office of the Transferee Company is located at 4th Floor, KRM Centre, No. 2, Harrington Road, Chetpet, Chennai – 600031, Tamil Nadu, India.
- (d) The Transferee Company is engaged in the production of Lead, Lead Alloys, Zinc Metal and Zinc Oxide.
- (e) The Transferee Company and the Transferor Company are hereinafter collectively known as '**Parties**' or '**Parties to the Scheme**' or '**the Companies**'.

B. Purpose of the Scheme

It is proposed to amalgamate the Transferor Company with the Transferee Company. The Board of Directors of the Transferor Company and the Transferee Company

through resolutions passed in their respective meetings, have considered and decided to amalgamate the Transferor Company with the Transferee Company with an objective to ensure better management of the resources and businesses as a single unit.

C. Rationale of the Scheme

The Board of Directors of the Transferor Company and the Transferee Company are of the opinion that the proposed amalgamation of the Transferor Company with the Transferee Company shall be advantageous and beneficial to both the Transferor Company and the Transferee Company in the following manner:

- (i) **Consolidation of business:**
The amalgamation will enable consolidation of the businesses into one amalgamated entity which, will facilitate in focused growth, operational efficiency, integration synergies and better supervision of the business of the group. The Amalgamated Company would also have a better credit rating in the market enabling it to have better access to market funds.
- (ii) **Pooling of resources:**
The amalgamation will enable pooling of resources of the Companies to their advantage, resulting in more productive utilization of the resources, and achieving cost and operational efficiency which will be beneficial to all stakeholders.
- (iii) **Scaling of operations:**
The amalgamation would facilitate scaling of operations i.e. achieving economies of scale, reduce administrative, managerial, compliance costs and other expenditure and bring operational rationalization resulting in greater visibility for the resultant amalgamated entity in the market.
- (iv) **Financial consolidation and flexibility:**
The amalgamation will lead to combination of funds of the companies. This will lead to consolidation of the financial strengths of the companies and will also result in fungibility of funds amongst various projects.
- (v) **Implementation of policy changes:**
From a management perspective, the amalgamation will also enable smoother implementation of policy changes at a higher level

and help enhance the efficiency of the entities.
(vi) Operational efficiencies:

The amalgamation will result in reduction of multiplicity of compliances.

Recognizing the strengths of each other and with the ultimate intent of aligning the business operations undertaken by the Transferor Company and the Transferee Company, the Transferor Company and the Transferee Company propose to amalgamate by way of and in accordance with the terms of this Scheme of Amalgamation (as detailed below) which will cause benefits to both the Companies, the employees, the shareholders, the creditors and the public at large.

There is no likelihood that the interests of any shareholder or creditor of either the Transferor Company or the Transferee Company would be prejudiced as a result of the proposed Scheme. The amalgamation will not impose any additional burden on the shareholders of the Transferor Company or the Transferee Company.

D. Parts of the Scheme

The Scheme is divided into the following parts:

1. PART A which deals with definition, date of taking effect and share capital.
2. PART B which deals with amalgamation of the Transferor Company with Transferee Company.
3. PART C which deals with general terms and conditions.

PART A – DEFINITION, DATE OF TAKING EFFECT & SHARE CAPITAL

1. DEFINITIONS

In this Scheme, unless inconsistent with the subject or context, the following expression shall have the meanings respectively assigned against them:

- 1.1. **"Act"** means the Companies Act, 2013 and rules, regulations, guidelines, notifications made thereunder, if any, and shall include any statutory modification, re-enactment or amendments thereof for the time being in force.
- 1.2. **"Amalgamation"** shall have the same meaning as provided under Section 2(1B) of the Income-tax Act, 1961.
- 1.3. **"Appointed Date"** means opening hours of business on 1 April 2019 or any other date as the Tribunal may direct or approve under the relevant provisions of the Act.
- 1.4. **"Board"** means the Board of Directors of any of the Parties to the Scheme, as the context may require, and shall include any committee thereof or any person authorised by the respective Board of Directors.
- 1.5. **"Charter Documents"** means Memorandum of Association and Articles of Association.
- 1.6. **"Effective Date"** means the last of the dates on which the conditions specified in Clause 18 (Part C) of this Scheme are fulfilled with respect to the Scheme. Any references in this Scheme to "upon the Scheme becoming effective", "coming into effect of this Scheme", "upon this Scheme coming into effect", shall mean the "Effective Date".
- 1.7. **"Government Entity"** or **"Governmental Authority"** means any applicable central or state government or local body, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau or instrumentality thereof or arbitration or arbitral body having jurisdiction.
- 1.8. **"Income-tax Act, 1961"** or **"IT Act"** means (Indian) Income-tax Act, 1961, including any amendments or restatements or statutory re-enactments thereof.
- 1.9. **"Intellectual Property"** means and includes all intellectual properties including trademarks, service marks, logos, trade names, domain names, database rights, design rights, rights in know-how, trade secrets, copyrights, moral rights, confidential processes, patents, inventions research, and any other intellectual property or proprietary rights (including rights in computer software) or any other business or commercial right of similar nature pertaining to the Transferor Company, in each case whether registered or unregistered and including applications for the registration or grant of any such rights and any and all forms of protection having equivalent or similar effect anywhere in the world.
- 1.10. **"NCLT"** or **"Tribunal"** means the National Company Law Tribunal as constituted as per the relevant provisions of the Companies Act, 2013 at Chennai for approving any Scheme of arrangement, compromise or reconstruction of companies.
- 1.11. **"Record Date"** means the date to be fixed by the Board of the Transferee Company, after the effective date for the purpose of determining the Shareholders of the Transferor Company to whom shares shall be allotted under the Scheme of Amalgamation.
- 1.12. **"Registrar of Companies"** or **"RoC"** means the relevant Registrar of Companies, having jurisdiction over the Transferor Company and the Transferee Company, as the case may be.
- 1.13. **"Scheme of Amalgamation"** or **"Scheme"** or **"the Scheme"** or **"this Scheme"** means this Scheme of Amalgamation in its present form or with any modification(s) as approved, imposed, or directed by the NCLT.
- 1.14. **"Shareholders"** means respectively the persons registered as holders of equity shares of the Transferor Company or the Transferee Company, as the case may be.
- 1.15. **"Stock Exchange"** means BSE Limited [CIN: L67120MH2005PLC155188], having its registered office at P.J. Towers (25th Floor), Dalal Street, Mumbai 400 001.
- 1.16. **"Transferee Company"** means Pondy Oxides and Chemicals Limited, a company incorporated under the Companies Act, 1956, and having its registered office at 4th Floor, KRM Centre, No. 2, Harrington Road, Chetpet, Chennai – 600031, Tamil Nadu, India.
- 1.17. **"Transferor Company"** means Meloy Metals Private Limited, a company incorporated under the Companies Act, 1956 and having its registered office at 4th Floor, KRM Centre, No. 2, Harrington Road, Chetpet, Chennai – 600031, Tamil Nadu, India.
- 1.18. **"Tribunal Order"** shall mean the order of the Tribunal approving and sanctioning the Scheme.
- 1.19. **"Undertaking"** shall mean and include the whole of the Transferor Company's business undertaking and associated goodwill, as a going-concern as on the Appointed date and also taking into account the business undertaking and associated goodwill from the Appointed Date to the Effective Date, including but not limited to:
 - (i) all cash in hand, cash at bank, deposits, savings, reserves, investments, funds, receipts, trade receivables, provisions and cash equivalent of any kind whatsoever;

- (ii) all secured and unsecured debts, liabilities, duties and obligations together with all present and future liabilities (including contingent liabilities) relating to the Transferor Company;
 - (iii) all the assets, properties, rights, titles and benefits, whether movable or immovable (as detailed in Schedule A), real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent and including but without being limited to land and building (whether owned, leased, licensed), all fixed assets, plant and machinery, movable assets, vehicles, work-in-progress, current assets, goods, computers, office equipment, telephones, telexes, facsimile connections, communication facilities, equipments, installations, furniture, fixtures, utilities, electricity, water and other service connections;
 - (iv) all licenses, permits, quotas, approvals, registrations, allotments, approvals, privileges, advantages, exemptions, accreditations to trade and industrial bodies, no-objections, clearances, incentives, municipal permissions, regulatory permissions, consents or power of every kind, nature and description whatsoever, obtained from governmental bodies, appropriate authorities or third parties, in connection with the operations of or relating to the Transferor Company;
 - (v) all copyrights, patents, trade names, trademarks, software licences, domain / websites, and other rights (including rights under any contracts, government contracts, memoranda of understanding etc.) and licenses in respect thereof, applications for copyrights, patents, trade names, trademarks, domain names, industrial designs, trade secrets, technical know-how or intellectual property rights of any nature and any other intangibles;
 - (vi) all leases, tenancy rights, premises, ownership flats, hire-purchase, benefits of security arrangements, benefits of agreements, contracts and arrangements, powers, easements and all the rights thereof;
 - (vii) all title, interest benefit, advantage, deposits, reserves, provisions, advances, receivables, subsidies, grants, benefits of agreements, and all other rights relating to taxes (including tax refunds, credits, etc.) including but not limited to credits in respect of income tax, minimum alternate tax, fringe benefit tax, taxes withheld at source by or on behalf of the Transferor Company, Goods and Services Tax ("GST"), wealth tax, sales tax, value added tax, turnover tax, MODVAT credit, CENVAT credit, service tax etc.;
 - (viii) any other title, interest, goodwill, benefit, advantage, liability, obligation, right, in connection with or relating to the Transferor Company and other claims and powers, of whatsoever nature and wheresoever situated belonging to, or in the possession of, or granted in favour of, or enjoyed by the Transferor Company;
 - (ix) All books, records, files, papers, governance templates and process in formation, records of standard operating procedures, computer programs along with their licenses, manuals and backup copies, advertising materials, and other data and records whether in physical or electronic form, directly or indirectly in connection with or relating to the Transferor Company;
 - (x) Employees of the Transferor Company that are determined by its Board of Directors to be engaged in or in relation to the business and contributions, if any, made towards any insurance, provident fund, employees state insurance, gratuity fund, labour welfare fund, staff welfare Scheme or any other special Schemes, funds or benefits, existing for the benefit of such Employees, together with such of the investments made by these funds, which relate to such employees;
 - (xi) All legal, tax, regulatory, quasi-judicial, administrative or other proceedings (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Company; and
 - (xii) Liabilities of every kind, nature and description, whether present or future, whether or not required to be reflected on a balance sheet in accordance with the Accounting Standards and includes corporate loans, refundable deposits, advances, contingent liabilities, term loans including secured loans and unsecured loans, borrowings, statutory liabilities (including those under taxation laws, stamp duty laws etc.), contractual liabilities, duties, obligations, guarantees and those arising out of proceedings of any nature, relating to or appertaining to, or attributable to the Transferor Company, comprising of as on the Appointed Date.
- All the terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning as ascribed to them under the Act, the Securities Contract Regulations Act, 1956, the Securities and Exchange Board of India Act, 1992, the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, as the case may be, including any statutory modification(s) or re-enactment(s) thereof, from time to time.
- 2. Interpretation**
In this Scheme, unless the context otherwise requires:
- a. **References to any law or legislation or regulation shall include amendment(s), circulars, notifications, clarifications or supplement(s) to, or replacement or amendment of, that law or legislation or regulation;**
 - b. **words denoting singular shall include plural and vice versa;**
 - c. **Words of either gender shall be deemed to include all the other genders.**
 - d. **Headings, subheadings, titles, subtitles to clauses, sub-clauses and paragraphs are for information only and shall not form part of the operative provisions of this Scheme or the schedules hereto and shall be ignored in construing the same.**
 - e. **references to the word "include" or "including" shall be construed without limitation;**
 - f. **a reference to an article, clause, section, paragraph or schedule is, unless indicated to the contrary, a reference to an article, clause, section, paragraph or schedule of this Scheme;**
 - g. **reference to dates and times shall be construed to be references to Indian dates and times; and**

h. reference to a document includes an amendment or supplement to, or replacement or novation of, that document.

3. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) and amendment(s), approved or imposed or directed by the Tribunal, shall be effective from the Appointed Date but shall be made operative from the Effective Date.

4. SHARE CAPITAL

4.1. The authorized, issued, subscribed and paid-up share capital of Transferee Company as on 31 March 2019 as per the unaudited financial statements is as under:

Share Capital	Amount in Rs.
Authorised Share Capital	
1,24,00,000 Equity Shares of face value of Rs.10/- each	12,40,00,000
Issued, subscribed and paid-up Share Capital	
Equity Shares of face value of Rs.10/- each	5,57,59,930

There has been no change in the capital structure of Transferee Company subsequently. The shares of the Transferee Company are listed on the Stock Exchange.

4.2. The authorized, issued, subscribed and paid-up share capital of Transferor Company as on 31 March 2019 as per the unaudited financial statements is as under:

Share Capital	Amount in Rs.
Authorised Share Capital	
7,75,000 Equity Shares of face value of Rs.100/- each	7,75,00,000
Issued, subscribed and paid-up Share Capital	
Equity Shares of face value of Rs.100/- each	2,31,76,400

There has been no change in the capital structure of Transferor Company subsequently.

PART B – AMALGAMATION OF TRANSFEROR COMPANY WITH TRANSFEEE COMPANY

5. TRANSFER AND VESTING OF UNDERTAKING OF TRANSFEROR COMPANY

This part of the Scheme has been drawn up to comply with the conditions relating to "Amalgamation" as specified under Section 2(1B) of the IT Act. If any terms or provisions of the Scheme is/are inconsistent with the provisions of Section 2(1B) of the IT Act, at a later date including resulting from an amendment of law or for any other reasons whatsoever, the provisions of Section 2(1B) of the IT Act, shall prevail and the Scheme shall stand modified to the extent necessary to comply with Section 2(1B) of the IT Act, such that the modification does not affect other parts of the Scheme. With effect from the Appointed Date and upon coming into effect of this Scheme, the entire business and Undertaking of the Transferor Company shall, in accordance with Section 2(1B) of the IT Act, stand transferred to and be vested in or deemed to be transferred to and vested in Transferee Company, as a going concern.

Without prejudice to the generality of the above said clause:

- 5.1. With effect from the Appointed date and upon the Scheme becoming effective, all assets that are immovable in nature and rights (whether contingent or not) in the immovable properties which form a part of the Transferor Company, whether freehold or leasehold or licensed or otherwise and all documents of title, rights and easements in relation thereto, shall pursuant to the provisions of Sections 230 to 232 of the Act and pursuant to the orders of the NCLT or any other appropriate authority sanctioning this Scheme and without any further act, instrument or deed shall stand transferred to and vested in and/or deemed to be transferred to and vested in the Transferee Company, subject to all the encumbrances, fixed and/or floating charges (if any). The Transferee Company shall be entitled to and exercise all rights and privileges attached thereto including right to use, enjoy, occupy, develop, possess the immovable property with all rights of ownership and right to deal with and dispose of such immovable properties and appropriate all consideration arising there from as the Transferee Company deems fit and shall be liable to pay ground rent and taxes and to fulfill all obligations in relation to or applicable to such immovable properties. The Transferee Company shall under the provisions of Scheme be deemed to be authorized to execute, if required, such instruments, deeds and writing on behalf of the Transferor Company and to implement or carry out all such formalities or compliances to give effect to the provisions of this Scheme. The relevant authorities shall grant all clearances / permissions / approvals, if any, required for enabling the Transferee Company to absolutely own and enjoy the immovable properties in accordance with applicable law. The mutation of the title to the immovable properties shall be made and duly recorded by the appropriate authorities pursuant to the sanction of this Scheme, and upon this Scheme becoming effective, in accordance with the terms hereof, in favour of the Transferee Company without any further act or deed on the part of Transferee Company. Any inchoate title or possessory title of the Transferor Company shall be deemed to be the title of the Transferee Company.
- 5.2. With effect from the Appointed Date and upon this Scheme becoming effective, all assets that are movable in nature or are intangible in nature, as identified and applicable or are otherwise capable of transfer by manual or constructive delivery or by endorsement and delivery, shall stand transferred to and vested in the Transferee Company and shall become the property and an integral part of the Transferee Company (to the extent permissible under Applicable Law) without any further act, instrument or deed. The vesting pursuant to this clause shall be deemed to have occurred by manual or constructive delivery or by endorsement and delivery, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly to the Transferee Company.
- 5.3. With effect from the Appointed Date and upon this Scheme becoming effective, all movable Assets of the Transferor Company, other than those specified in clause 5.2 above, including cash and cash equivalents, sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with government, semi-government, local and other

- authorities and bodies, customers and other persons shall without any requirement of any further act, instrument or deed become the property of the Transferee Company.
- 5.4. With effect from the Appointed Date and upon this Scheme becoming effective, all lease or license or rent agreements entered into by the Transferor Company with various landlords, owners and lessors in connection with the use of the Assets of the Transferor Company, together with security deposits, shall stand automatically transferred in favour of the Transferee Company on the same terms and conditions, subject to Applicable Law, without any further act, instrument or deed. The Transferee Company shall continue to pay rent amounts as provided for in such agreements and shall comply with the other terms, conditions and covenants thereunder and shall also be entitled to refund of security deposits paid under such agreements by the Transferor Company.
 - 5.5. With effect from the Appointed Date and upon this Scheme becoming effective, all Intellectual Property of the Transferor Company, as identified and applicable, shall without any requirement of any further act, instrument or deed, stand transferred to and vested in the Transferee Company. This Scheme shall serve as a requisite consent for use and transfer of such Intellectual Property without requiring the execution of any further deed or document, so as to transfer the said Intellectual Property in favour of the Transferee Company.
 - 5.6. With effect from the Appointed Date and upon this Scheme becoming effective, in relation to Assets, if any, which require separate documents for vesting in the Transferee Company, or which the Transferor Company and/or the Transferee Company otherwise desire to be vested separately, the Transferor Company and the Transferee Company will execute such deeds, documents or such other instruments, if any, as may be mutually agreed.
 - 5.7. On and from the Effective Date and till such time that the name of the bank accounts of the Transferor Company have been replaced with that of the Transferee Company, the Transferee Company shall be entitled to maintain and operate the bank accounts of the Transferor Company in its name for such time as may be determined to be necessary by the Transferee Company. All cheques and negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company, after the Effective Date shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company. It is hereby expressly clarified that any legal proceedings by or against the Transferor Company in relation to cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company shall be instituted, or as the case may be, continued, by or against, the Transferee Company after the coming into effect of the Scheme.
 - 5.8. With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licenses (including software licenses) or permissions or approvals or consents or certificates or permits or quotas or rights or entitlements or accreditations to trade and industrial bodies, privileges, powers, facilities, authorities (including for operation of bank accounts), powers of attorneys given by, issued to or executed in favour of or held by the Transferor Company shall stand vested in or transferred to Transferee Company without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of Transferee Company and the benefit of all statutory and regulatory permissions, environmental approvals and consents, registration or other licenses, quality certifications and approvals, trademarks, patents, industrial designs and trade secrets, other intangibles, any benefits and consents of every kind and description of whatsoever nature in relation to the Transferor Company shall vest in and become available to Transferee Company as if they were originally obtained by Transferee Company. In so far as the various incentives, subsidies, rehabilitation schemes, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by the Transferor Company, are concerned, the same shall vest with and be available to Transferee Company on the same terms and conditions as applicable to the Transferor Company, as if the same had been allotted and/or granted and/or sanctioned and/or allowed to Transferee Company.
 - 5.9. With effect from the Appointed Date and upon this Scheme becoming effective, each of the permissions, approvals, consents, sanctions, remissions (including remittance under income-tax, minimum alternate tax, fringe benefit tax, sales tax, value added tax, turnover tax, excise duty, service tax, customs, GST), special reservations, sales tax remissions, tax holidays, incentives, grants, subsidies, concessions and other authorizations relating to the Transferor company, shall stand transferred to the Transferee Company and shall be carried forward by the Transferee Company under the provisions of the applicable laws. Further, the Transferee Company shall file the relevant notifications, if any, for the record of the statutory authorities who shall take them on file, pursuant to the Order of the NCLT and coming into effect of this Scheme.
 - 5.10. With effect from the Appointed Date and upon this Scheme becoming effective, all liabilities (including but not limited to contingent liabilities, debts, duties, obligations etc. of every kind, nature and description whether or not provided for in the books of accounts and whether disclosed or undisclosed in the balance sheet of the Transferor Company) shall, under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, and without any further act or deed, be transferred to or be deemed to be transferred to Transferee Company, so as to become from the Appointed Date the liabilities of Transferee Company and the Transferee Company undertakes to meet, discharge and satisfy the same. It is hereby clarified that, unless expressly provided for, it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such liabilities have arisen, in order to give effect to the provisions of this clause.
 - 5.11. The transfer and vesting of the entire business and Undertaking of the Transferor Company as aforesaid shall be subject to the existing securities, charges, mortgages, if any, in respect of any assets of the Transferor Company.
 - 5.12. Provided always that the Scheme shall not operate to enlarge the security for any loan, deposit or facility availed of by the Transferor Company and Transferee

- Company shall not be obliged to create any further or additional security thereof after the Effective Date or otherwise.
- 5.13. Loans or other obligations, if any, due between or amongst the Transferor Company and the Transferee Company shall stand discharged and there shall be no liability in that behalf. In so far as any shares, securities, debentures or notes issued by the Transferor Company, and held by the Transferee Company and vice versa, the same shall, unless sold or transferred by the said Transferor Company or the Transferee Company, as the case may be, at any time prior to the Effective Date, stand cancelled as on the Effective Date, and shall have no effect and the Transferor Company or the Transferee Company, as the case may be, shall have no further obligation outstanding in that behalf.
 - 5.14. Upon this Scheme becoming effective, the borrowing limits of the Transferee Company shall, without any requirement of any further act or deed, stand enhanced by an amount being the aggregate of the Liabilities pertaining to the Transferor Company which are being transferred to the Transferee Company pursuant to this Scheme and the Transferee Company shall not be required to pass any separate resolution in this regard.
 - 5.15. In respect of such of the assets / liabilities belonging to the Transferor Company other than those referred to in aforementioned clauses, the same shall be transferred to and vested in and/or be deemed to be transferred to and vested in Transferee Company on the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Act.
 - 5.16. For avoidance of doubt and without prejudice to the generality of any applicable provisions of this Scheme, it is clarified that in order to ensure (i) implementation of the provisions of the Scheme; and (ii) continued vesting of the benefits, exemptions available to the Transferor Company in favour of the Transferee Company, the Board of the Transferor Company and the Transferee Company shall be deemed to be authorized to execute or enter into necessary documentations with any regulatory authorities or third parties, if applicable and the same shall be considered as giving effect to the order passed by NCLT and shall be considered as an integral part of this Scheme.
- 6. PERMITS, CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS**
- 6.1. With effect from the Appointed Date and upon this Scheme becoming effective and subject to the provisions of this Scheme, all permits, no objection certificates, contracts, deeds, bonds, agreements and other instruments, permissions, approvals, consents, licenses, of every kind entered into with various persons including independent consultants, statutory authorities, government departments/agencies, subsidiaries/associate/joint venture companies and other shareholders of such subsidiaries/associate/joint venture companies, arrangements and other instruments of whatsoever nature, to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect on or against or in favour of, as the case may be, of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been an original party or beneficiary or obligee thereto or thereunder.
 - 6.2. Without prejudice to the other provisions of this Scheme and notwithstanding that amalgamation of Transferor Company with the Transferee Company occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any Applicable Law or otherwise, execute deeds, confirmations or other writings or arrangements with any party (including secured and unsecured creditors) to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary to, be executed merely in order to give formal effect to the above provisions. The Transferor Company will, if necessary, also be a party to the above. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company to be carried out or performed.
 - 6.3. Without any further act or deed, all governmental approvals and other consents, permissions, quotas, rights, authorisations, entitlements, no-objection certificates and licenses including but not limited to the approvals obtained from Andhra Pradesh Industrial Infrastructure Corporation Limited for allotment of land in favour of the Transferor Company irrespective of change in shareholding as a consequence of the Amalgamation of the Transferor Company and the Transferee Company, including those relating to tenancies, privileges, powers and facilities of every kind and description of whatsoever nature, to which the Transferor Company is a party or to the benefit of which the Transferor Company may be entitled to use and which may be required to carry on the operations of the Undertaking, and which are subsisting or in effect immediately prior to the Effective Date, shall be, and remain, in full force and effect in favour of the Transferee Company and may be enforced as fully and effectually as if, the Transferee Company had been a party, a beneficiary or an obligee thereto. The Transferee Company shall be entitled to undertake and carry out the business pertaining to the Undertaking pursuant to the effectiveness of this Scheme on its own account, pending the relevant authority taking on record the effectiveness of this Scheme. The Transferee Company is authorized to take such steps or actions as may be necessary in this regard.
 - 6.4. As a consequence of the Amalgamation of the Transferor Company and the Transferee Company, the recording of change in name from the Transferor Company to the Transferee Company, whether for the purposes of any licence, permit, approval or any other reason, or whether for the purposes of any transfer, registration, mutation or any other reason, shall be carried out by the concerned statutory or regulatory or any other authority without the requirement of payment of any transfer or registration fee or any other charge or imposition whatsoever.
 - 6.5. For the removal of doubts, it is expressly made clear that the dissolution of the Transferor Company without the process of winding-up as contemplated hereinafter, shall not, except to the extent set out in the Scheme, affect the previous operation of any contract, agreement, deed, or any instrument, or beneficial interest to which the Transferor Company is a party thereto. Such winding-up shall not affect any right,

privilege, and obligations, acquired, or deemed to be acquired prior to Appointed Date, and all such references in such agreements, contracts and instruments to the Transferor Company shall be construed as reference only to the Transferee Company with effect from the Appointed Date.

- 6.6. Upon this Scheme becoming effective, the past track record of the Transferor Company, including without limitation, the profitability, experience, credentials and market share, shall be deemed to be the track record of the Transferee Company for all commercial and regulatory purposes including for the purposes of eligibility, standing, evaluation and participation of the Transferee Company in all existing and future bids, tenders and contracts of all authorities, agencies and clients.
- 7. STAFF, WORKMEN AND EMPLOYEES**
- 7.1. Upon this Scheme becoming effective, all staff, executives workmen and other employees of the Transferor Company (hereinafter referred to as "Employees") as on the Effective Date, shall be deemed to have become Employees of the Transferee Company, without any interruption of service and on the basis of continuity of service with reference to the Transferor Company from the Appointed Date or their respective joining date, whichever is later and, subject to the provisions, hereof, on the terms and conditions not less favorable than those on which they are engaged by the Transferor Company. The services of such Employees, if any, with the Transferor Company up to the Effective Date shall be taken into account for the purposes of all benefits to which the Employees, may be eligible under Applicable Law.
- 7.2. In the event of retrenchment or termination of Employees, the Transferee Company shall be liable to pay compensation in accordance with contract or law, as the case may be, on the basis that the services of the Employees shall have been continuous and shall not have been interrupted by reason of such transfer.
- 7.3. Upon this Scheme becoming effective, all contributions to funds and schemes in respect of provident fund, Employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme or any other special schemes or benefits created or existing for the benefit of the Employees, if any, shall be deemed to be made by the Transferee Company in accordance with the provisions of such schemes or funds and Applicable Law.
- 7.4. The existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, pension fund, the staff welfare scheme and any other schemes or benefits created by the Transferor Company for the Employees, shall be continued on the same terms and conditions and be transferred to the existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, pension fund, staff welfare scheme and any other schemes or benefits or any other similar funds being maintained by the Transferee Company without any requirement of any separate act or deed/approval. The said benefits shall be extended to the Employees of the Transferor Company even if such benefits were not available to the Employees during their tenure in the Transferor Company, by virtue of non-applicability of the relevant provisions to the Transferor Company. In relation to the Employees, for whom the Transferor Company is making contributions to the government provident fund, the Transferee Company shall stand

substituted for the Transferor Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said fund in accordance with the provisions of such fund, bye-laws, etc. in respect of such Employees. In the event that the Transferee Company does not have its own funds in respect of any of the above, Transferee Company may, subject to necessary approvals and permissions, continue to contribute to relevant funds of the Transferor Company, until such time that the Transferee Company creates its own fund, at which time the Funds and the investments and contributions pertaining to the Employees of the Transferor Company shall be transferred to the funds created by the Transferee Company. Subject to the relevant law, rules and regulations applicable to the Funds, the respective Board of Directors or any committee thereof of the Company may decide to continue to make the said contributions to the Funds of the Transferor Company and take such other actions as may be deemed fit. It is clarified that the services of the Employees of the Transferor Company will be treated as having been continuous and not interrupted for the purpose of the said fund or funds. It is the aim and the intent of the Scheme that all the rights, duties, powers and obligations, in whatsoever nature, that are available to the employees of the Transferee Company shall also be available to all the employees of the Transferor Company in relation to Provident Fund, Gratuity and Pension and / or Superannuation Fund or any other special fund, however subject to the provisions of the relevant and applicable statutes.

8. CONTINUATION OF LEGAL PROCEEDINGS

- 8.1. From the Effective Date, all legal or other proceedings (including before any statutory or quasi-judicial authority or tribunal or administrative or any adjudicating authorities) by or against the Transferor Company, whether pending on the Appointed Date, or which may be instituted any time in the future (irrespective of whether they relate to periods on or prior to the Appointed Date) shall be continued and enforced by or against the Transferee Company after the Effective Date, to the extent legally permissible.
- 8.2. If any Legal Proceedings are initiated or carried on against the Transferor Company in respect of the matters referred in the above clause, it shall defend the same in accordance with the advice of the Transferee Company.
- 8.3. If any Legal Proceeding(s) is/ are pending, the same shall not abate, be discontinued or in any way be prejudicially affected by reason of this Scheme and the proceedings may be continued, prosecuted and enforced, by or against the Transferee Company in the same manner and to the same extent, as they would or might have been continued, prosecuted and enforced by or against the Transferor Company, as if this Scheme had not been made.

9. TAXES

- 9.1. Upon this Scheme becoming effective and with effect from the Appointed Date, all taxes (direct or indirect), surcharge, duties and cess payable by the Transferor Company including but not limited to the Income-tax Act, 1961, Customs Act, 1962, Central Excise Act, 1944, Central Sales Tax Act, 1956, Goods and Services Tax laws, any other state Sales Tax / Value Added Tax laws, stamp laws or any other tax or duties (whether central or state) on goods and services, on inputs / capital goods / input services, and impositions imposed by any Governmental Authority, including taxes based

- upon or measured by gross receipts, income, profits, sales and value added services, payroll taxes, property taxes, registration fees, together with all interest and penalties with respect to any such amounts and all other applicable laws accruing and relating to the Transferor Company whether or not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to the Transferee Company. Similarly all credits for taxes available under the aforementioned laws including Minimum Alternate Tax, Tax Deducted at Source, Advance Tax, Self-Assessment Tax, Fringe Benefit Tax, Sales Tax / Value Added Tax, Service Tax and GST to the Transferor Company or obligation for deduction/ collection of tax at source on any payment made by or to be made by the Transferor Company shall be transferred, made or deemed to have been made and duly complied with by the Transferee Company, as the case may be, and the relevant authorities shall be bound to transfer to the account of and give credit for the same to Transferee Company upon passing of the orders on this Scheme by the NCLT and upon relevant proof and documents being provided to the authorities.
- 9.2. All taxes including but not limited to income tax, wealth tax, GST, sales tax, excise duty, customs duty, service tax, luxury tax, VAT, etc. paid or payable by the Transferor Company in respect of its operations and/ or the profits of the Undertaking on and from the Appointed Date, shall be on account of the Transferee Company and, insofar as it relates to the payment of such taxes, whether by way of deduction/ collection at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of the Undertaking on and from the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company, and shall, in all proceedings, be dealt with accordingly. The relevant authorities shall be bound to transfer to the account of and give credit for the same to Transferee Company upon the passing of the orders on this Scheme by the NCLT and upon relevant proof and documents being provided to the said authorities.
- 9.3. Upon this Scheme becoming effective, the Companies are expressly permitted to revise and file their respective tax returns including income tax, tax deducted at source, GST, service tax, sales tax, value added tax and other tax returns (including revised returns), certificates, returns to claim refunds, advance tax credits, Tax Deducted at Source, Minimum Alternate Tax credit, CENVAT, GST, excise and service tax credits or any other tax credit, carry forward and set off of accumulated losses and unabsorbed depreciation, set off, etc., on the basis of the accounts of the Transferor Company as vested with the Transferee Company upon coming into effect of this Scheme, as may be necessary and expressly reserves the right to claim refunds, adjustments, credits, set-offs, advance tax credits (including the liability in the indirect tax laws or GST law) notwithstanding that the statutory period for such revision and filing may have lapsed.
- 9.4. The Transferee Company shall be entitled to claim and be allowed credit or benefits of all tax deduction certificates, advance tax, self-assessment tax or other tax payments, credits or drawbacks or any other credit or benefit of any tax, duty, CENVAT, incentive, etc. relating to the Transferor Company, notwithstanding that such certificates or challans or any other documents for tax payments or credits/benefits, etc. may have been issued or made in the name of the Transferor Company. Such credit/ benefit shall be allowed without any further act or deed by the Transferee Company or the need for any endorsements on such certificates, challans, documents, etc. to be done by the issuers or any authority. Further any taxes paid and taxes deducted at source and deposited by the Transferee Company on inter se transactions during the period between the Appointed Date and the Effective Date shall be treated as tax paid by the Transferee Company and shall be available to the Transferee Company for set-off against its liability under the IT Act and excess tax so paid shall be eligible for refund together with interest. Subject to the provisions of the Income-tax Act, 1961 the Transferee Company shall be eligible to carry forward and set off the accumulated losses and unabsorbed depreciation of the Transferor Company.
- 9.5. Upon the Scheme coming into effect, the Transferee Company shall make and file all necessary applications, documents and adhere to all statutory compliances as may be applicable and necessary laid down under the relevant Central or State laws, regulations, rules in order to facilitate the implementation of the Scheme.
- 9.6. All expenses incurred by the Transferor Company under Section 43B of the IT Act, shall be claimed as a deduction by the Transferee Company and the transfer of the Undertaking shall be considered as succession of business by the Transferee Company.
- 9.7. Upon this Scheme becoming effective, any tax deposited, certificates issued or returns filed by the Transferor Company shall continue to hold good as if such amounts were deposited, certificates were issued and returns were filed by the Transferee Company.
- 9.8. All the expenses incurred by the Transferor Company and the Transferee Company in relation to the amalgamation of the Undertaking, including stamp duty expenses, if any, shall be allowed as deduction to the Transferee Company in accordance with Section 35DD of the IT Act over a period of 5 years beginning with the previous year in which this Scheme becomes effective. Further, the Transferee Company may adopt a position to amortise / depreciate intangible assets including goodwill generated pursuant to amalgamation for tax purposes.
- 9.9. All intangible assets including but not limited to goodwill belonging to but not recorded in the books of account of the Transferor Company and all intangible assets including but not limited to goodwill arising from or recorded in the process of amalgamation, if any, in the books of account of the Transferee Company, shall, for all purposes, be regarded as an intangible asset in terms of Explanation 3(b) below section 32(1) of the IT Act, and the Transferee Company shall be eligible to claim depreciation thereunder at the prescribed rates.
- 9.10. Any refund under the tax laws due to the Transferor Company consequent to the assessments made and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall belong to and be received by the Transferee Company. The relevant authorities shall be bound to transfer to the account of and give credit for the same to the Transferee Company upon the passing of the orders on this Scheme by the NCLT upon relevant proof and documents being provided to the said authorities.
- 9.11. The Transferor Company may be entitled to various incentive schemes and pursuant to this Scheme, it is

- declared that the benefits under all such schemes and policies shall stand transferred to and vested in the Transferee Company and all benefits, entitlements, exemptions, tax holidays and incentives of any nature whatsoever including benefits under the income tax, goods and services tax, exemptions, concessions, remissions, subsidies and other incentives in relation to the Transferor Company, to the extent statutorily available, shall be claimed by the Transferee Company.
- 9.12. In accordance with the relevant rules and regulations, the unutilized credits relating to excise duties / customs duties / GST / service tax / VAT or any other tax / duties (whether central or state) on goods and services, paid on inputs/capital goods/ input services lying in the accounts of Transferor Company, shall be permitted to be transferred to the credit of the Transferee Company, as if all such unutilized credits were lying to the account of the Transferee Company. The Transferee Company shall accordingly be entitled to set off all such unutilized credits against the applicable taxes / duties payable (including GST) by it.
- 9.13. Upon the Scheme coming into effect, any taxes paid under the indirect tax laws such as Service tax Law, Excise Law, Customs Law, Value Added Tax Act (prevalent in respective state), GST or any other tax duties (whether central or state), arising out of the transactions entered into between the Transferor Company and the Transferee Company post the Appointed date shall on and from the effective date be refunded to the Transferee Company, or in cases where in respect of the inter-company transactions, the Transferor Company / Transferee Company has availed credit of the taxes charged, the Transferee Company at its option may not seek for refund and can choose to retain the same as a CENVAT Credit or VAT credit or GST credit subject to the rules and regulations under the respective indirect tax law.
- 10. SAVING OF CONCLUDED TRANSACTIONS**
The transfer of Undertaking, the continuance of the effectiveness of contracts and deeds and legal proceedings by or against the Transferee Company above shall not affect any transaction, or proceedings, or contracts, or deeds already concluded by the Transferor Company on or before the Appointed Date and after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto as done and executed on behalf of itself.
- 11. CONDUCT OF BUSINESS OF THE TRANSFEROR COMPANY TILL EFFECTIVE DATE**
With effect from the Appointed Date and up to and including the Effective Date:
- 11.1. The Transferor Company shall carry on, and be deemed to have been carrying on, all business activities and shall be deemed to have been held for and stood possessed of all assets on account of, and in trust for, the Transferee Company.
- 11.2. All profits, or income, or losses, or expenses, or payments, or receipts, or taxes, including but not limited to income tax, minimum alternate tax (including unexpired credit for minimum alternate tax), fringe benefit tax, advance taxes, tax deducted at source by or on behalf of the Transferor Company, wealth tax, sales tax, value added tax, excise duty, GST, service tax, customs duty, refund, reliefs, etc., accruing or arising to the Transferor Company, or losses arising, or expenditure incurred by them, on and from Appointed Date upto the Effective Date, shall for all purposes be treated as, and be deemed to be treated as, the profits, or income, or losses, or expenses, or payments, or receipts, or the said taxes of the Transferee Company.
- 11.3. The Transferor Company shall carry on their business activities with proper prudence and diligence and in the same manner as it had been doing hitherto, and shall not, without prior written consent of the Transferee Company, alienate, charge, encumber, borrow, incur liabilities, or otherwise deal with or dispose off any of their business undertaking(s) or any part thereof; except in the ordinary course of business as carried on by it as on date of filing this Scheme with the NCLT, or pursuant to any pre-existing obligations undertaken by the Transferor Company prior to the Appointed Date.
- 11.4. The Transferee Company shall also be entitled, pending the sanction of the Scheme, to apply to the Central Government, State Government, and all other agencies, departments and statutory authorities concerned, wherever necessary, for such consents, approvals and sanctions which the Transferee Company may require including the registration, approvals, exemptions, reliefs, etc., as may be required / granted under any law for time being in force for carrying on business by the Transferee Company.
- 11.5. For the avoidance of doubt it is hereby clarified that nothing in this Scheme shall prevent the Transferee Company from declaring and paying dividends, whether interim or final, to its equity shareholders as on the record date for the purpose of any such dividend.
- 11.6. The Transferor Company shall not utilize the profits or income, if any, for the purpose of declaring or paying any dividend to its shareholders or for any other purpose in respect of the period falling on and after the Appointed Date, without the prior written consent of the Board of the Transferee Company.
- 11.7. The Transferor Company, after filing the Scheme with the NCLT shall not make any modification to their capital structure, either by an increase (by issue of rights shares, bonus shares, convertible debentures or otherwise), decrease, reclassification, sub-division or reorganisation or in any other manner, whatsoever, except by mutual consent of the Boards of Directors of the Transferor Company and of the Transferee Company.
- 11.8. The Transferor Company shall not vary, except in the ordinary course of business, or pursuant to any pre-existing obligations undertaken prior to the Appointed Date, the terms and conditions of the employment of their Employees without the consent of the Board of Directors of the Transferee Company.
- 11.9. Upon the Scheme coming into effect, any taxes paid under the indirect tax laws such as central excise, customs, service tax, GST, value added tax laws, arising out of the transactions entered into between the Transferor Company and / or with the Transferee Company post the Appointed date shall on and from the Effective Date be refunded to the Transferee Company, or in cases where in respect of the inter-company transactions, the Transferor Company or the Transferee Company has availed GST credit or CENVAT Credit or value added tax credit of the taxes charged, the Transferee Company at its option may not seek for refund and can choose to retain the same as a CENVAT Credit or GST credit or value added tax credit, subject to the rules and regulations under the respective indirect tax law.

- 11.10. The Transferor Company shall not amend its Charter Documents, except with the written consent of the Transferee Company.
- 11.11. Where any of the liabilities and obligations or assets attributed to the Transferor Company on the Appointed Date has been discharged or sold by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge or sale shall be deemed to have been for and on behalf of the Transferee Company.
- 11.12. With effect from the Appointed Date and upon this Scheme becoming effective, all Assets acquired by the Transferor Company after on or after the Appointed Date and prior to the Effective Date for operation shall be deemed to have been acquired for and on behalf of the Transferee Company and shall also stand transferred to and vested in the Transferee Company.
- 11.13. All loans raised and utilized, and all liabilities and obligations incurred by the Transferor Company after the Appointed Date and prior to the Effective Date, shall be deemed to have been raised, used or incurred for and on behalf of the Transferee Company, and to that extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to the Transferee Company and shall become the liabilities and obligations of the Transferee Company, which shall be liable to meet, discharge and satisfy the same.
- 12. CHANGES IN MEMORANDUM OF ASSOCIATION**
- 12.1. CLUBBING OF AUTHORISED SHARE CAPITAL**
- (i) Upon the Scheme becoming fully effective, the authorised share capital of the Transferor Company shall stand combined with the authorised share capital of the Transferee Company. Filing fees and stamp duty, if any, paid by the Transferor Company on their respective authorised share capital, shall be deemed to have been so paid by the Transferee Company on the combined authorised share capital and accordingly, the Transferee Company shall not be required to pay any fee / stamp duty for its increased authorised share capital.
- (ii) Clause V of the Memorandum of Association of the Transferee Company shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to the applicable provisions of the Act by deleting the existing clause and replacing it by the following:
"V. The Authorized Share Capital of the Company shall be Rs 20,15,00,000/- (Rupees Twenty Crores and Fifteen Lakhs only) divided into 2, 01, 50,000 (Two Crores and One Lakh and Fifty Thousand) equity shares of Rs. 10/- (Rupees Ten) each, with the rights, privileges and conditions in attaching thereto as are provided by the regulations of the Company for the time being with powers to increase or reduce the Capital for the time being into several classes, and to attach thereto respectively such preferential, qualified or special rights, privileges or conditions as may be determined by or in accordance with the regulations of the company to vary, modify or abrogate, any such rights, privileges or conditions in such manner as may for the time being be provided for by the regulations of the Company."
- (iii) The approval of the shareholders of Transferee Company to the Scheme shall be considered as the approval required under the provisions of the Act for the above change of authorized capital clause of Memorandum of Association. The alteration of the authorized capital clause as aforesaid, shall be effected as an integral part of the Scheme and approval/consent to the Scheme by shareholders of Transferee Company and NCLT shall be deemed to be due compliance of the relevant provisions of the Act for alteration of the share capital clause in the Memorandum of Association of the Transferee Company.
- 13. ISSUE OF CONSIDERATION BY THE TRANSFEE COMPANY TO SHAREHOLDERS OF TRANSFEROR COMPANY**
- 13.1. The equity shares to be issued by the Transferee Company to the shareholders of the Transferor Company shall be issued only in dematerialised form to such shareholders.
- 13.2. Upon this Scheme becoming effective and upon the entire business and the whole of the undertaking of the Transferor Company being transferred to and vested in the Transferee Company, the Transferee Company shall without any further application or deed, issue, allot and credit as fully paid up, to every shareholder of the Transferor Company whose names appear in the Register of Members of the Transferor Company (*or his / her heirs, executors, administrators or successors - in title, as the case may be, and as may be recognized by the Board of the Transferee Company*) as on the Record Date, Equity Shares in the following proportion:
102 equity shares of Rs. 10/- (Rupees Ten Only) each of the Transferee Company, credited as fully paid up in respect of 100 equity shares of Rs. 100/- each" fully paid-up held by them in the Transferor Company.
- 13.3. The Transferee Company may issue the equity shares as per Clause 13.2 in a manner determined by the Board of Directors of the Transferee Company. If necessary, the Transferee Company shall before allotment of the equity shares in terms of the Scheme, increase its authorised share capital by such amount as it stands to the credit of the Transferor Company by creation of such number of equity shares as may be necessary to satisfy its obligations under the provisions of the Scheme in compliance with the applicable provisions of the Act and the Rules thereunder.
- 13.4. The New Equity Shares shall be issued to the equity shareholders of the Transferor Company only after they provide details of their respective accounts with the depository participant and such other confirmations as may be required.
- 13.5. The New Equity Shares issued by the Transferee Company in terms of Clause 13.2 of this Scheme, will be listed on the Stock Exchange where the shares of the Transferee Company are currently traded, subject to necessary approvals from the regulatory authorities and all necessary applications and compliance being made in this respect by the Transferee Company.
- 13.6. The New Equity Shares allotted pursuant to this Scheme shall be listed on the Stock Exchange. However, they shall remain frozen in the Depositories System till listing / trading permission is given by the Stock Exchange.
- 13.7. No fractional certificate shall be issued by the Transferee Company to the Shareholders of the Transferor Company on Record Date in respect of the residual fractional entitlements (if any) to which the shareholders of the Transferor Company may be entitled to pursuant to Clause 13.2. Fractions, if any,

- arising out of such allotment shall be rounded off to the nearest whole number.
- 13.8. Upon the equity shares being issued and allotted, as aforesaid by the Transferee Company, the equity shares issued by the Transferor Company and held by its Shareholders, whether in dematerialized or physical form, shall be deemed to have been automatically cancelled.
 - 13.9. The equity shares to be issued and allotted by the Transferee Company as aforesaid in terms of this Scheme shall be subject to Charter Documents of the Transferee Company and shall rank *pari passu* in all respects with the existing equity shares of the Transferee Company, but shall not rank for dividend for the period prior to the Appointed Date.
 - 13.10. It is clarified that the Transferee Company and the Transferor Company shall not be required to pass separate resolutions under the Act for the purpose of issuing equity shares to the Shareholders of the Transferor Company under Clause 13.2, and it shall be deemed that the Shareholders of the Transferor Company and that of the Transferee Company while according their consent to the Scheme, have consented to the issuance and allotment of equity shares on Record Date.
 - 13.11. The issue and allotment of the Shares by the Transferee Company to the shareholders of the Transferor Company as provided in this Scheme is an integral part thereof and shall be deemed to have been carried out as if the procedure laid down under the applicable provisions of the Act were duly complied with except for making necessary filings under the Act to effectuate such issuance.
 - 13.12. Upon the issue of shares pursuant to the Scheme, the promoter shareholder of the Transferor Company would be deemed to be the promoter shareholder of the Transferee Company and the non-promoter shareholder of the Transferor Company would be deemed to be the non-promoter shareholder of the Transferee Company for all regulatory, statutory and other legal purposes including for the purposes of the Act, or any other laws, rules, regulations, guidelines laid down by the Securities and Exchange Board of India ('SEBI').
- 14. ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEEE COMPANY**
- Upon the Scheme becoming effective and with effect from the Appointed Date, the Transferee Company shall account for amalgamation of the Transferor Company into and with Transferee Company in its books of accounts in compliance with the Indian Accounting Standard 103 on Business Combinations and other Indian Accounting Standards, as applicable, and notified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and other generally accepted accounting principles, as may be amended from time to time, as under:
- 14.1. All the assets (including intangible assets, whether recorded in the books of accounts of the Transferor Company or not) and liabilities in the books of the Transferor Company shall be recorded by the Transferee Company in its books of accounts at fair values as determined by the independent valuer as on the Appointed Date.
 - 14.2. The investments made by the Transferee Company in the Transferor Company, if any, will stand cancelled. Further, all inter-party transactions and balances including advances, amount receivable or payable inter-

se between the Transferor Company and the Transferee Company as appearing in their books of accounts, if any, shall stand cancelled without any further act, instrument or deed.

- 14.3. The Transferee Company shall credit to its share capital and securities premium account, respectively, in its books of account, the aggregate face value and securities premium, respectively, of the Shares issued by it to the shareholders of the Transferor Company pursuant to this Scheme.
- 14.4. Any excess of the amount of consideration as per Clause 13.2 over the value of net assets of the Transferor Company as per Clause 14.1 acquired by the Transferee Company after giving effect to Clause 14.2 shall be treated as goodwill as valued by the independent valuer and in accordance with applicable Indian Accounting Standards. If the amount of the consideration as per Clause 13.2 is lower than the value of net assets of the Transferor Company as per Clause 14.1 acquired by the Transferee Company after giving effect to Clause 14.2, the difference shall be treated as Capital Reserve.
- 14.5. If considered appropriate for the purpose of application of uniform accounting policies and method or for compliance with the applicable accounting standards, the Transferee Company may make suitable adjustments to the accounting treatment and adjust the effect thereof in the manner determined by the Board of the Transferee Company.

PART C – GENERAL TERMS AND CONDITIONS

15. APPLICATION TO NCLT

The Transferor Company and the Transferee Company shall, with all reasonable despatch, make and pursue applications to the Tribunal, under whose jurisdiction the registered office of the Transferor Company and the Transferee Company are situated, for sanctioning this Scheme of Amalgamation under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013.

16. Dissolution of Transferor Company

- 16.1. On and from the Effective Date, the Transferor Company shall stand dissolved without being wound up.
- 16.2. On and with effect from the Effective Date, the name of the Transferor Company shall be struck off from the records of the RoC, Chennai.

17. MODIFICATION OR AMENDMENTS TO THE SCHEME

- 17.1. The Transferor Company and the Transferee Company through their respective Boards of Directors including committees, or other persons, duly authorized by the respective Board of Directors in this regard, may make, or assent to, any alteration or modification to this Scheme, or to any conditions or limitations, which the NCLT or any other competent authority may deem fit to direct, approve or impose and may give such directions including an order of dissolution of the Transferor Company without process of winding-up as they may consider necessary, to settle any doubt, question or difficulty, arising under the Scheme, or in regard to its implementation or in any manner connected therewith and to do and to execute all such acts, deeds, matters and things necessary for putting this Scheme into effect, or to review the portion relating to the satisfaction of the conditions to this Scheme and if necessary, to waive any of those (to the extent

- permitted under law) for bringing this Scheme into effect.
- 17.2. If any part or provision of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Transferor Company and the Transferee Company, affect the validity of implementation of the other parts and/or provisions of the Scheme. If any part or provision of this Scheme hereof is invalid, ruled illegal by any Court of competent jurisdiction, or unenforceable under present or future laws, then it shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such part or provision, as the case may be, shall cause this Scheme to become materially adverse to the Transferor Company or the Transferee Company or their respective Shareholders, in which case the abovementioned parties shall attempt to bring about a modification in the Scheme, as will best preserve their benefits and obligations under the Scheme, including but not limited to such part or provision.
- 17.3. Transferor Company and the Transferee Company shall be at liberty to withdraw from this Scheme, in case any condition or alteration imposed by the Tribunal or any other authority or any bank or financial institution is unacceptable to them or otherwise if so mutually agreed.
18. **CONDITIONALITY OF THE SCHEME**
This Scheme is and shall be conditional upon and subject to:
- 18.1. The Scheme being approved by the requisite majority in number and value of such classes of persons including the respective shareholders and/or creditors of the Transferor Company and the Transferee Company as may be directed by the Tribunal.
- 18.2. The sanction of the Tribunal under Sections 230 to 232 and other applicable provisions of the Act in favour of the Transferor and the Transferee Company under the said provisions and necessary Order being obtained.
- 18.3. The Scheme being approved by the public shareholders through e-voting in terms of Para 9 (a) of Part I of Annexure I of SEBI circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 and subsequent modifications thereof ("SEBI Circular") and the scheme shall be acted upon only if vote cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it.
- 18.4. Receipt of approval from the Stock Exchange and the Securities and Exchange Board of India.
- 18.5. Filing with the Registrar of Companies, Chennai, certified copies of all necessary orders, sanctions and approvals mentioned above by the Transferor and the Transferee Company.
19. **EFFECT OF NON-RECEIPT OF APPROVALS/ SANCTIONS**
In the event of the Scheme not being sanctioned by the Tribunal and/or the order or orders not being passed as aforesaid before 30 April 2020 or within such further period or periods as may be agreed upon between the Transferor Company and the Transferee Company who are hereby empowered and authorized, to agree to and extend the aforesaid period from time to time without any limitations in exercise of their powers through, and by, their respective Board of Directors, the Scheme shall become null and void and in that event no rights and liabilities shall, inter se,

accrue between the Parties in terms of the Scheme. Any act or deed done prior to such period as is contemplated hereunder or any right, liability or obligation which has arisen or accrued pursuant thereto shall not be subject to nullification and shall be governed and be preserved or worked out as may otherwise arise in law and in such event each party shall bear and pay its respective costs, charges and expenses in connection with the Scheme.

20. **COSTS, CHARGES AND EXPENSES CONNECTED WITH THE SCHEME**

All costs, charges and expenses of the Companies in relation to or in connection with negotiations leading up to the Scheme and of carrying out and completing the terms and provisions of this Scheme and in relation to or in connection with the Scheme and incidental to the completion of this scheme shall be borne and paid by the Transferee Company. In the event of the Scheme not being implemented, each party shall bear its respective costs, charges and expenses.

Schedule A

Details of the immovable property being transferred from the Transferor Company to Transferee Company:

District: Chittoor	Mandal: Renigunta
Village: Gajulamandyam	Panchayat: APIIC-IALA, Gajulamandyam

Survey Nos. 1206 (Part)

Plot No. 78-C measuring Acs 5.14 (or) 20801.58 Sq. Mtrs., situated at Industrial Park, Gajulamandyam, Renigunta Mandal, Chittoor District. Andhra Pradesh, bounded by

North : Private Land
South : 18.28 M Wide Road
East : Buffer Zone
West : Plot No. 78-B

Detailed Background of POCL, Main objects and Authorized, Issued, Subscribed and Paid Up Share Capital

1. Pondy Oxides and Chemicals Limited ("Transferee Company' or 'POCL') was incorporated on the 21st day of March 1995 in the State of Tamil Nadu under the Companies Act, 1956. The Corporate Identification Number of POCL is L24294TN1995PLC030586 and the PAN is AAACP5102D. The e-mail address of the Company is info@pocl.co.in. The Company is a publicly listed company whose shares are listed on the BSE Ltd. ('BSE'). The registered office of POCL is located at 4th Floor, KRM Centre, No. 2, Harrington Road, Chetpet, Chennai – 600031, Tamil Nadu, India.
2. The main objects of POCL are as follows:
 - a. To take over the existing business of "PONDY OXIDES AND CHEMICALS" a partnership firm as a running concern with all assets and liabilities including tenancy rights, patent rights, brand rights, and bank liabilities.
 - b. To carry on the business of manufacturing, distributing, buying, selling, supplying, converting, importing, exporting, storing, stocking, treating, refining, repairing, maintaining, charging, re-charging, re-storing, re-conditioning, Zinc Metal, Lead Metal, Zinc Ingots, Zinc Dross, Zinc Oxide, Lead Sub Oxide, Lead Oxide, Litharge, Red Lead, Zinc Lead Salt and Oxide, Salts and Oxides of other metals including PVC Stabilizers and all types of batteries, including storage batteries, dry batteries, button batteries, solar power batteries or other batteries, their components, parts, ingredients, substances, systems, consumables, accessories or fittings and to do all acts and things necessary for the attainment of foregoing objects.
 - c. To carry on the business of manufacturing, importing, exporters, dealers in heavy chemicals, acids alkalies, petrochemicals, petrochemical derivatives, refrigerants, carbon black, cresols, chemical compounds and chemical of all kinds (solid, flakes, liquid and gaseous), analytical chemists, antibiotics, tonics, chemicals auxiliaries, disinfectants, insecticides, fungicides, deodorants and dealers in chemical products of any kind whatsoever and as wholesale and retail chemicals and druggists and as chemical engineers and analytical chemists.
 - d. To manufacture, prepare, import, export, buy, sell, supply, distribute, store, stock maintain and or otherwise handle, deal in and carry on business in therapeutic, chemotherapeutic, pharmaceutical, bacteriological, parasitological, virological, immunological, endocrinological, biological, microbiological, chemical and biochemical, electrolytic, homeopathic, ayurvedic, and other tropical and or Indian therapeutic, nutritional, herbal, vegetable, veterinary, botanical, chemicals, drugs, ingredients, products, compounds, mixtures, tablets, pills, capsules, powders, preparations and materials, injections, vaccines, sera and such other substances as may be put to medical and or biomedical use.
3. The authorized, issued, subscribed and paid up share capital of the Transferee Company as on 31 March, 2019 is as follows:

Particulars	Amount in Rs.
Authorised Share Capital:	
1,24,00,000 Equity Shares of Rs. 10/- each	12,40,00,000
Total	12,40,00,000
Issued, Subscribed and Paid Up:	
55,75,993 Equity Shares of Rs. 10/- each	5,57,59,930
Total	5,57,59,930

As on date, there has been no change in the authorized, issued, subscribed and paid up share capital of the Transferee Company.

Detailed Background of MMPL, Main objects and Authorized, Issued, Subscribed and Paid Up Share Capital

1. Meloy Metals Private Limited ("Transferor Company' or 'MMPL') was incorporated on the 25 May 2011 in the State of Andhra Pradesh under the name and style of "Vedam Drugs Private Limited" as per the provisions of the Companies Act, 1956. The name of the Transferor Company was changed to "Meloy Metals Private Limited" on 29th June 2016. The Corporate Identity Number of MMPL is U27310TN2011PTC115709 and the PAN is AADCV6747K. The Company is a private limited company. The e-mail address of MMPL is info@meloymetals.com. The registered office of the Transferor Company was located at Plot No: A-28/1/14-D, Road No: 15, IDA, Nacharam, Hyderabad, Telangana – 500 076. The registered office of the Transferor Company after obtaining due approvals has been shifted to 4th Floor, KRM Centre, No. 2, Harrington Road, Chetpet, Chennai – 600031, Tamil Nadu, India vide the order passed by the Regional Director dated 06th February 2017.
2. The main objects of the Transferor Company are as follows:
 - a. To carry on the business of manufacturing distributing, buying, selling, supplying, converting, importing, exporting, storing, stocking, treating, refining, repairing, maintain, charging, re-charging, re-storing, re-conditioning, Zinc Metal, Lead Metal, zinc Ingots, Zinc Dross, Zinc Oxide, Lead Sub Oxide, Lead Oxide, Litharge, Red Lead, Zinc Lead Salt and Oxide, Salts and Oxides of other metals including PVC Stabilizers and all types of batteries, including storage batteries, dry batteries, button batteries, solar power batteries or other batteries, their components, parts, ingredients, substances, systems, consumables, accessories or fittings and to do an acts and things necessary for the attainment of foregoing objects.

- b. To carry on the business of manufacturing, importing exporters, dealers in heavy and fine chemicals, acids, alkalis, petrochemicals, petrochemical derivatives, refrigerants, carbon black, cresols, chemical compounds, convert to metals, to alloys and other forms such as tin metal, tin drops, lubricants, oils and waxes, chemical of all kinds (solid, flakes liquid and gaseous), analytical chemists, antibiotics, Tanis, chemicals auxiliaries, disinfectants, insecticides, fungicides, deodorants and dealers in chemical products of any kind whatsoever and as wholesale and retail chemicals and druggists and as chemical engineers and analytical chemists.
- c. To manufacture, prepare import export, buy, sell, supply, distribute, store, stock maintain and or otherwise handle, deal in and carry on business in therapeutic, chemotherapeutic, pharmaceutical, bacteriological, parasitological, virological, immunological, endocrinological, biological, microbiological chemical and biochemical electrolytic homeopathic, ayurvedic, and other tropical and or Indian theropathic, nutritional, herbal, vegetable, veterinary, botanical, chemicals, drugs, ingredients, products, compounds, mixtures, tablets, pills, capsules, powers, preparations and materials, injections, vaccines, sera and such other substances as maybe put to medical and or biomedical use.
3. The authorised, issued, subscribed and paid up capital of the Transferor Company as on 30 June, 2019 is as follows:

Particulars	Amount in Rs.
Authorised Share Capital:	
7,75,000 Equity Shares of Rs.100/- each	7,75,00,000
Total	7,75,00,000
Issued, Subscribed and Paid Up:	
2,31,764 Equity Shares of Rs.100/- each	2,31,76,400
Total	2,31,76,400

As on date, there has been no change in the authorized, issued, subscribed and paid up share capital of the Transferor Company.

Details of promoters and directors of POCL

ANNEXURE D

1. Name(s) of Directors and their Address

S.No.	Name	Designation	Address
1.	Mr. Anil Kumar Bansal	Chairman	No.136, L Block, Anna Nagar East, Chennai- 600102
2.	Mr. Ashish Bansal	Managing Director	No.136, L Block, Anna Nagar East, Chennai- 600102
3.	Mr. R P Bansal	Whole Time Director	C1/2, Tirupati Villa, Tirupati Towers, Thakur Complex, Kandivali East, Mumbai- 400101
4.	Mr. Anilkumar Sachdev	Independent Director	16, 4 th Lane, Nungambakkam High Road, Chennai- 600034.
5.	Mr. G P Venkateswaran	Independent Director	Plot No.391, Door No.17/8, 8 th East Kamaraj Nagar, Thiruvanmiyur, Chennai- 600041.
6.	Dr. Shoba Ramakrishnan	Independent Director	Flat B, Saraswathi Apartments, No.2, Luz Avenue, Mylapore, Chennai- 600004.
7.	Mr. A Vijay Anand	Independent Director	303, Salarpuria Paradise, 31, Aga Abbas Ali Road, Ulsoor, Bangalore-560042.

2. Name(s) of Promoters and their Address

S.No.	Name	Address
1.	Mr. Anil Kumar Bansal	No.136, L Block, Anna Nagar East, Chennai- 600102
2.	Mr. Ashish Bansal	No.136, L Block, Anna Nagar East, Chennai- 600102
3.	Mr. R P Bansal	C1/2, Tirupati Villa, Tirupati Towers, Thakur Complex, Kandivali East, Mumbai- 400101
4.	Ms. Manju Bansal	No.136, L Block, Anna Nagar East, Chennai- 600102
5.	Ms. Saroj Bansal	C1/2, Tirupati Villa, Tirupati Towers, Thakur Complex, Kandivali East, Mumbai- 400101
6.	Mr. Pawankumar Bansal	C1/2, Tirupati Villa, Tirupati Towers, Thakur Complex, Kandivali East, Mumbai- 400101
7.	Ms. Charu Bansal	No.136, L Block, Anna Nagar East, Chennai- 600102
8.	Ms. Megha Choudhari	Flat No.6, 11, Sir Ramasamy Street, Vepery, Chennai- 600007.

Details of promoters and directors of MMPL

1. Name(s) of Directors and their Address

S.No.	Name	Designation	Address
1.	Mr. Ashish Bansal	Managing Director	No.136, L Block, Anna Nagar East, Chennai- 600102
2.	Ms. Usha Sankar	Director	F 11, I Floor, RKC Subrabath. No.17/20, 7 th Street, Kumaran Colony, Vadapalani, Chennai- 600026
3.	Mr. K Kumaravel	Director	Jana Villa, Anjugam Nagar 3 rd Street, Jafferkanpet. Ashok Nagar. Chennai- 600083
4.	Mr. Anush Cherukuri	Director	2-1487, Officers Lane, Chittoor, Andra Pradesh- 517 001

2. Name(s) of Promoters and their Address

S.No.	Name	Address
1.	Mr. Ashish Bansal	No.136, L Block, Anna Nagar East, Chennai- 600102
2.	Mr. R P Bansal	C1/2, Tirupati Villa, Tirupati Towers, Thakur Complex, Kandivali East, Mumbai- 400101
3.	Ms. Megha Choudhari	Flat No.6, 11, Ramasamy Street, Vepery. Chennai-600007
4.	Mr. Charu Bansal	No.136, L Block, Anna Nagar East, Chennai- 600102
5.	Mr. K Kumaravel	Jana Villa, Anjugam Nagar 3 rd Street, Jafferkanpet. Ashok Nagar. Chennai- 600083
6.	Ms. Usha Sankar	F 11, I Floor, RKC Subrabath. No.17/20, 7 th Street, Kumaran Colony, Vadapalani, Chennai- 600026
7.	Ms. K Mahalakshmi	Jana Villa, Anjugam Nagar 3 rd Street, Jafferkanpet. Ashok Nagar. Chennai- 600083
8.	Mr. Anush Cherukuri	2-1487, Officers Lane, Chittoor, Andra Pradesh- 517 001

Expected Pre and Post Amalgamation pattern of POCL

Pre and post amalgamation shareholding pattern of POCL is as follows:

Sl.No.	Category	Pre Scheme of Arrangement (as on 31.03.2019)		Post Scheme of Arrangement	
		No. of shares	%	No. of shares	%
(A)	Promoter & Promoter Group				
(1)	Indian				
(a)	Individuals / Hindu Undivided Family	25,86,312	46.38	28,03,694	48.24
(b)	Body Corporate				
	Sub-total (A)(1)	25,86,312	46.38	28,03,694	48.24
(2)	Foreign				
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)				
	Sub-total (A)(2)				
	Total A=A(1)+A(2)				
(B)	Public Shareholding				
(1)	Institutions				
(a)	Mutual Funds / UTI				
(b)	Alternate Investment Funds				
(c)	Foreign Portfolio Investors				
(d)	Financial Institutions / Banks				
(e)	Insurance Companies				
(f)	Any Others	19,307	0.37	19,307	0.33
	Sub-total (B)(1)	19,307	0.37	19,307	0.33
(2)	Non-Institutions				
(a)	Individuals				
I	Individual shareholders holding nominal share capital upto Rs. 2 lakhs	21,54,516	38.64	21,54,526	37.07
II	Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs	2,91,629	5.23	3,10,634	5.34
(b)	NBFCs registered with RBI				
(c)	Any other	5,24,229	9.40	5,24,229	9.02
	Sub-total (B)(2)	29,70,374	53.27	29,89,389	51.43
	Total Public Shareholding (B)=(B)(1)+(B)(2)	29,89,681	53.62	30,08,696	51.76
	Total Shareholding (A+B)	55,75,993	100	58,12,390	100

Expected Pre and Post Amalgamation shareholding pattern of MMPL

Pre and post amalgamation shareholding pattern of MMPL is as follows:

Sl.No.	Category	Pre Scheme of Arrangement (as on 31.03.2019)		Post Scheme of Arrangement	
		No. of shares	%	No. of shares	%
(A)	Promoter & Promoter Group				
(1)	Indian				
(a)	Individuals / Hindu Undivided Family	2,13,120	92	-	-
(b)	Body Corporate				
	Sub-total (A)(1)	2,13,120	92	-	-
(2)	Foreign				
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)				
	Sub-total (A)(2)				
	Total A=A(1)+A(2)	2,13,120	92	-	-
(B)	Public Shareholding				
(1)	Institutions				
	Sub-Total (B)(1)				
(2)	Non-Institutions				
(a)	Individuals				
I	Individual shareholders holding nominal share capital upto Rs. 2 lakhs	10	0.004	-	-
II	Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs	18,634	8.03	-	-
(b)	Any Other				
	Sub-Total (B)(2)	18,644	8	-	-
	Grand Total (A)+(B)	2,31,764	100	-	-

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CONFIDENTIAL

To:

To:

The Chairman,
Audit Committee,
Pondy Oxides and Chemicals Limited.The Board of Directors,
Meloy Metals Private Limited.

Sub: Recommendation of Fair Share Exchange Ratio for the proposed Amalgamation of Meloy Metals Private Limited with Pondy Oxides and Chemicals Limited

Dear Sirs / Madam,

I take this opportunity to place on record my deepest appreciation for providing me the opportunity to recommend the Fair Share Exchange Ratio for the proposed amalgamation of Meloy Metals Private Limited ('MMPL' or 'Transferor Company') with Pondy Oxides and Chemicals Limited ('POCL' or 'Transferee Company'), both jointly referred as 'Companies', under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder.

1. Conduct of Valuation:

As required by Rule 8 of THE COMPANIES (REGISTERED VALUERS AND VALIATION) RULES, 2017, as amended till date, I have conducted the valuation of the Companies (POCL and MMPL) in determining Fair Share Exchange Ratio as per the International Valuation Standards 2017 (IVS, 2017). I have also ensured relevant SEBI Regulations and its Circulars, where ever applicable, including SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 and SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011, as amended till the date of valuation report are referred to, as far as in determining the price of the equity shares of POCL.

2. About the Companies:**• Pondy Oxides and Chemicals Limited**

Pondy Oxides and Chemicals Limited is India's leading Lead and Lead alloys producer having its presence in the States of Tamil Nadu and Andhra Pradesh. POCL has established its brand image in the domestic and international markets and about sixty percent (60%) of the production is being exported to numerous Countries including South Korea, Japan, USA, Thailand, Indonesia and Middle - East. Over the years POCL has built an unmatched brand image within the Lead sector for its quality, high level of efficiency, reliability, technical support and service.



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The Company is manufacturing a range of products under the category of Lead Metal and Lead Alloys which find application in various industrial sectors. Some of the main products manufactured by the Company are:

- a. Pure Lead Ingots
- b. Lead alloys
- c. Zinc Metal and Zinc Oxide

Meloy Metals Private Limited

MMPL was incorporated on 25th May 2011 under the name of Volant Drugs Private Limited, registered with the Registrar of Companies, Hyderabad. Subsequently on 29th Jun 2016, the name of the Company was changed to Meloy Metals Private Limited by the order of the RoC, Hyderabad. It has manufacturing unit at Chittoor, Andhra Pradesh with a capacity to manufacture 48,000 mt per annum of Lead Metals and Alloys. The unit has an advanced smelting and refining plant with automatic battery breaking capacity. Pure Lead Ingots and Lead Alloys are some of the main products manufactured by the company.

In summary, both the Companies, are manufacturing companies, primarily engaged in manufacturing, distributing, buying, selling, supplying, converting, importing, exporting, storing, stocking, treating, rolling, repairing, maintaining, charging, re-charging, re-storing, reconditioning of lead into Pure Lead Ingots and Lead Alloys (as per customer requirements). In addition, POCL does also deal with Zinc Metals and Zinc Oxide.

J. About the Industry

Lead is majorly used in Automotive Industry (batteries), Cable Industry and Healthcare Industry.

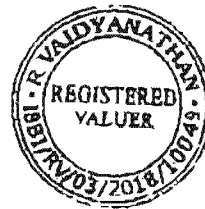
Lead is the only metal in the world which can be recycled number of times without diminishing its quality and recycled Lead & Primary Lead are traded on the same price (say, at London Metal Exchange (LME)). One of the most recyclable and sustainable commodities, lead is a highly corrosion resistant, ductile and malleable blue grey metal.

Global Lead demand is ~11.2 Mn Tons and approx. 65% Lead comes from recycling activities. The global Lead reserves are approx. 89 Mn Tons which are majorly located in Australia (39%), China (19%), Russia (7%), Peru (7%), India (2.5%). Indian Lead demand is approx. 0.8-1.0 Mn Tons which is met through primary production (0.15 Mn Tons), recycled Lead (0.65 Mn Ton) and rest through imports. The Indian market for lead acid batteries is currently USD 5 billion.

Indian Energy Storage Alliance (IESA) estimates 12% CAGR by 2020 for Indian Lead Battery Industry with renewable energy and electric vehicles taking a share of about (15% - 20%). Indian Lead Battery Market is poised to grow from INR 388 Billion in FY2018 -19 to INR 486 Billion in FY 2020-21 (Source: ILZDA- India Lead Zinc Development Association).

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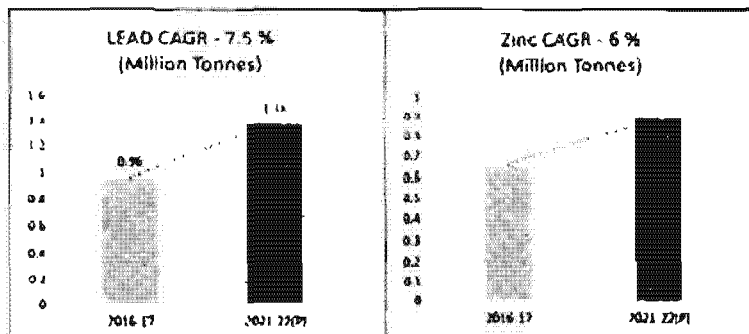
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Lead acid batteries remain the dominant technology for decades to come where the global lead battery market is expected to touch \$60 billion by 2020. The projected Asia/Pacific Demand for the next 10 years is 4.6% CAGR (Source: IESA/ILZDA).

Hybrid and Electric Vehicles (HEVs)

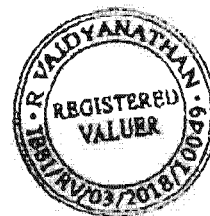
The government launched the National Electric Mobility Mission Plan (NEMMP) 2020 in 2013 to promote hybrid and electric vehicles and work towards achieving fuel security in India. There is an ambitious target to achieve sales of 6-7 million units of hybrid and electric vehicles by the year 2020. To achieve this target, the government has launched Faster Adoption & Manufacturing of Hybrid and Electric Vehicle under NEMMP 2020, which focusses on the development of indigenous technology and enhance the Research and Development (R&D) capability to develop and manufacture components, demand creation, pilot projects and enhancement of charging infrastructure. Aluminium and Lead are the two metals that are expected to potentially benefit due to the increasing usage of hybrid and electric vehicles.

Battery scrap from automobile sector accounts for 80% of old scrap recycled as secondary lead raw material. Recycled Lead accounts for 75% of total Lead production in India. India's overall automotive lead acid battery market has grown with more than 10% CAGR.



While the demand for Lead is expected to grow at a CAGR of 7.5 per cent, the demand for Zinc is expected to be at 6 % CAGR. The growth in Lead is expected to be driven by high growth in the automotive segment, while the government's thrust through electrical sector reforms augurs well for non-ferrous metals (Source: National Electric Mobility Mission Plan 2020 & Non-Ferrous Metals Industry, Building the Future - KPMS & Mitrex, the source thankfully acknowledged).

M. Arden



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4. Appointing Authorities and Key Dates:

I was appointed by a Resolution passed by The Audit Committee of Pondy Oxides and Chemicals Limited on 16th Mar 2019.

I was appointed by a Resolution passed by The Board of Directors of Meloy Metals Private Limited on 27th Mar 2019.

Valuation Date (for the purpose of determining Fair Share Exchange Ratio pursuant to the Scheme of Amalgamation) is 31st Mar 2019. However, the relevant date for determining the market price of the listed equity shares of POCL shall be as per SEBI Circulars CF/DIL/3/CIR/2017/21 and CF/DIL/3/CIR/2017/26.

This valuation report is dated 25th May 2019.

5. Scope and Purpose of the Report

The Scope of my valuation engagement is to recommend a fair share exchange ratio for the proposed amalgamation of MMPL with POCL by relatively considering the value attributable in Equity Share Holders of both the companies.

6. Identity of Valuer and Other Experts Involved in Valuation:

- This valuation is done by the undersigned, R. Vaidyanathan, B.Com., ACA, ACMA, Registered Valuer, registered with Insolvency and Bankruptcy Board of India (IBBI) Reg # IBBI/RV/03/2018/10049) holding a valid Certificate of Practice issued by ICSI RVO.
- No other experts were consulted/involved in this valuation engagement.

R. Vaidyanathan

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7. Sources of Information

In connection with this valuation exercise, I have received the following information from the companies:

- **POCL (Transferee Company):**
 - o Standalone unaudited Financial Statements for the Year Ending 31st Mar 2019
 - o Annual Reports for the years ended 31st Mar 2014 till 31st Mar 2018
 - o Shareholding Pattern as on 31st Mar 2019
 - o Details of Contingent Liabilities as of 31st Mar 2019 and confirmation that there is no material change in contingent liabilities from 31st Mar 2019 till Valuation Report Date
 - o Other relevant information
- **MMPL (Transferor Company):**
 - o 6 Year Projected Financial Statements (for the Year Ending 31st Mar 2020 till Year Ending 31st March 2025)
 - o Standalone unaudited Financial Statements for the Year Ending 31st Mar 2019
 - o Audited Report for the year ended 31st Mar 2018, 31st Mar 2017 and 31st Mar 2016.
 - o Shareholding Pattern as on 31st Mar 2019
 - o Details of Contingent Liabilities as of 31st Mar 2019 and confirmation that there is no material change in contingent liabilities from 31st Mar 2019 till Valuation Report Date
 - o Other relevant information

Apart from above, I have relied on the following information received from the Management of both the Companies:

- o Draft Scheme of Amalgamation of MMPL with POCL, and their respective shareholders
- o Brief History, Present Activities and Business Profiles of both the Companies
- o Other relevant information and explanations as required and which has been provided by the Management (of both the Companies), which were considered relevant for the purpose of carrying out this valuation engagement.

Apart from the above, I have also relied information available in public domain, research reports and so on and including the usage of data sets published by Mr. Arunath Damodaran, the source thank fully acknowledged by me.

The Companies have been provided with an opportunity to review the draft report (excluding the estimated fair share exchange ratio and critical financial calculations (like Net Present Value, etc) and assumptions (like Cost of Equity, Beta, etc)) as part of my standard practice to make sure that factual inaccuracies and omissions are avoided in my final report.

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R. Capital Structure and Shareholding Pattern as on 31.03.2019:

Capital Structure of POCL:

Authorized Share Capital
 1,24,00,000 Equity shares of INR 10 each

Issued, Subscribed & Fully Paid Up Share Capital
 55,75,993 Equity shares of INR 10 each

Capital Structure of MMPL:

Authorized Share Capital
 7,75,000 Equity shares of INR 100 each

Issued, Subscribed & Fully Paid Up Share Capital
 2,31,764 Equity shares of INR 100 each

Shareholding Pattern:

The Shareholding Pattern as provided to me by the Management of both the Companies are as below:

Share Holding Pattern of POCL:

Shareholding Pattern	Number of Shares	% Shareholding
Promoters & Promoters Group	25,86,312	46.38%
Public	29,89,681	53.62%
Total	55,75,993	100.00%

Share Holding Pattern of MMPL:

Shareholding Pattern	Number of Shares	% Shareholding
Promoters	2,13,120	91.96%
Others	18,644	8.04%
Total	2,31,764	100.00%

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9. Valuation – Approach and Methodologies:

9.1 Valuation - Overview

It should be understood that the valuation of any company's business or its assets is inherently imprecise and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond my control. In performing my analysis, I made numerous assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the Companies. Further, this Valuation will fluctuate with lapse of time, changes in prevailing market conditions and prospects, financial and otherwise of the Companies, and other factors which generally influence the valuation of companies and their assets.

In particular, I would like to draw the attention of the readers of the report to the fact every company/company's operation(s) under different economic legislations of the country like Companies Act 2013, Income Tax Act 1961 and various other acts/regulations/guidelines/rules, as applicable in the industry or to the company/ies, in which they operate including those regulations or rules pertaining to Investments, Finance (scheme), Banking and so on. Such rules or regulations or economic or legal framework under which the company/ies operate may change in future, and all such changes (legislative or otherwise) occurring in all countries where the Companies does business or have interests, either as a supplier or purchaser or otherwise, may affect the financial and operational performance of the Company/ies and consequently the valuation thereof.

9.2 Premise of Value and Basis of Value

• Premise of Value/Assumed Use

A Premise of Value or Assumed Use describes the circumstances of how an asset or liability is used. Different basis of value may require a particular Premise of Value or allow the consideration of multiple Premises of Value.

Among various Premises of Value available in IVS 2017, it defines "Highest and Best Use", as below:

Highest and best use is the use, from a particular perspective, that would produce the highest value for an asset.

The draft scheme of amalgamation provides for "with effect from the Appointed Date and upon coming into effect of this Scheme, the entire business and Undertaking of the Transferee Company shall, in accordance with Section 2(1)(b) of the IT Act Income-Tax Act, 1961 stand transferred to and be deemed to be transferred to and vested in Transferee Company, as if 2018/03/01

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As per Paragraph 30.4 of IVS 2017, "The highest and best use is the use of an asset that maximises its potential and that is possible, legally permissible and financially feasible. The highest and best use may be for continuation of an asset's existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid". In light of the assertion that the activities/businesses of MMPL would be continued as going concern in the draft scheme of amalgamation (i.e., continuation of the asset's existing use), I have conducted this valuation exercise based on 'Highest and Best Use' as a Premises of Value/Assumed Use i.e., from the participant perspective (POCL), the asset would produce highest value.

• **Basis of Value / Standards of Value**

A Basis of Value describe the fundamental premises on which the reported values will be based.

IVS 2017 provides for both IVS-Defined Basis of Value as well as Non-Exhaustive Other Bases of Value. I have conducted this valuation exercise based on IVS-Defined Basis of Value, namely, Market Value, which IVS defines as below:

Market Value is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

Note: The term 'Value', 'Market Value', 'Fair Value', as used interchangeably (in the report) refers to the same meaning as per above definition (i.e., the Basis of Value as per this valuation engagement) for arriving at the Equity Value associated with its equity shareholders, in the context may provide for

9.3 Valuation Approach and Methodologies:

The following are commonly used and accepted methods for determining the valuation of a company.

- 1) Cost Approach - Replacement Cost Method & Reproduction Cost method.
- 2) Income Approach - Discounted Cash Flows method.
- 3) Market Approach
 - a) Market Price method
 - b) Comparable Transaction Method
 - c) Guideline Publicly-Traded Comparable method

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9.4 Cost Approach

The cost approach provides an indication of value using the economic principle that a buyer will pay no more for an asset than the cost to obtain an asset of equal utility, whether by purchase or by construction, unless undue time, inconvenience, risk, or other factors are involved. The approach provides an indication of value by calculating the current replacement or reproduction cost of an asset and making deductions for physical deterioration and all other relevant forms of obsolescence.

• Replacement Cost Method

This method also known as "Depreciated Replacement Cost method" involves valuing an asset/business based on the cost that a market participant shall have to incur to recreate the asset/business with substantially the same utility ("comparable utility") and not the exact physical property of the asset as that of the underlying asset/business sought to be valued, adjusted for physical deterioration/obsolescence. The replacement cost is generally that of a modern equivalent asset, which is one that provides similar function and equivalent utility to the asset being valued, but which is of a current design and constructed or made using current cost-effective materials and techniques.

It is difficult to estimate utility of the companies as the companies operate in a re-cycling business and has only insignificant intangible assets and substantial physical assets. Further the premise of value for the valuation engagement, being 'Highest and Best Use' necessarily means the intent is to get the Highest Value while a replacement cost method does not consider the value derived by effectively utilizing its assets. Hence this method is not used for the valuation of the Companies.

• Reproduction Cost Method

This method involves valuing an asset based on the cost that a market participant shall have to incur to recreate a replica of the asset to be valued, adjusted for obsolescence.

It is difficult to ascertain the cost to recreate the business model of the companies (manufacturing units, supplier/customer ecosystem, human resources, processes (both front-office and back-office) and other relationships (banking and so on). Further the premise of value, being 'Highest and Best Use' necessarily means the intent is to get the Highest Value while a reproduction cost method does not consider the value derived by effectively utilizing its assets. Hence this method is not used for the valuation of the Companies.



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9.5 Income Approach - Discounted Cash Flow (DCF) Method

In ICF method, the projected Free Cash Flow available to the Equity Shareholders (Free Cash Flow to Equity) (FCFE) of the forecasting period for a number of future years is discounted at the Cost of Equity. For determining the Free Cash Flow in Equity, expected to be generated by the companies at the end of each year, the costs "Profit Before Tax" is adjusted for Taxes, Depreciation and Amortization, Changes in Working Capital and Capital expenditure needed to sustain the projected level of operations and to generate the expected revenue-operational growth/performance in the future, as per the company's business projections/plans. The Terminal Value of Free Cash Flow to the Equity Holders at the end of the forecasting horizon is estimated assuming a constant perpetual growth rate per year. The Free Cash Flow to Equity for the future years and the Terminal Value are discounted at the Cost of Equity to determine their present values and the sum of these present values is an estimate of the current market value of the operating assets attributable to the Equity Owners. To arrive at the market value attributable to equity shareholders, the fair value of non-operating assets will be required to be added further. Non-Operating Assets includes marketable securities, investments in non-operating assets, surplus assets, cash and holdings in other companies.

POCT, is a listed entity in BSE and information related to projected operations of the company, its balance sheet and cash flows are public sensitive. In light of the above, Management of POCT, has not furnished the financial projections to me and therefore I have not used Income Approach (ICF method) for the valuation exercise, as the is writing at the value attributable to the Equity Owners of POCT is concerned

The management of MMPL has provided me with 5-year financial projections (from Year Ending 31st Mar 2020 till 31st Mar 2025) and outlook of their operating margins/cost/cash flows/projection capacities. The valuation of MMPL using DCF Method is done on a stand-alone basis (i.e., that the synergy that may accrue to MMPL due to merger is not considered in valuing it). In lieu of the information provided to me, I have used the Discounted Cash Flow method to estimate the indicative value attributable to equity shareholders of MMPL under the Income Approach.

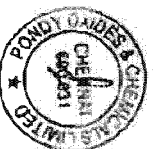
9.6 Market Approach

3) Market Price Method

The market price of equity shares as quoted on a stock exchange is normally considered as the fair indicator of the value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the absence of speculative support that may be accorded in the value of such shares. But there could be situations where the value of the share as quoted on the stock market would not be regarded as a proper index of the fair value of the share, especially where the market values are fluctuating in a volatile capital market and/or not frequently traded.

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POCL shares are traded in Bombay Stock Exchange and falls under the definition of 'Frequently Traded Shares' as per SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 and so the Market Price of POCL is determined as per SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2013, as amended till the date of valuation. Hence, the price arrived as per the above stated regulations based on market data of BSE is considered in arriving at the price of POCL as per Market Price Method.

MMPL being a private limited company, does not have its equity shares listed on any recognized stock exchange in India Accordingly, the Market Price Method has not been adopted for the Valuation of MMPL.

b) Comparable Transactions Method ('CTM') Model

The comparable transactions method, also known as the guideline transactions method, utilizes information on transactions involving assets that are the same or similar to the subject asset to arrive at an indication of value.

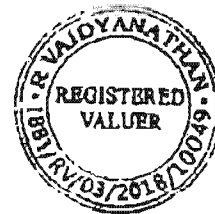
Under this method, value of the equity shares of a company's business is arrived at by using multiples derived from valuations in comparable companies, as manifest through transaction valuations. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances. There are number of CTMs like Price to Sales Ratio, P/BV Ratio (Price to Book Value), EV / EBITDA Multiples, EV / EBIT Multiples and Price Earnings Multiples. Appropriate weights are also given to arrive at a normalized value.

In case of POCL, taking into consideration several factors like Current Asset Size, Capital Employed, Operating Revenue, Human Resource deployed and so on, I am unable to find information/data of a comparable company in the public domain wherein the deal of this nature has been carried out for me to apply the Comparable Transaction Method. Hence, I have not conducted the valuation of POCL on Comparable Transactions Method.

MMPL is a private limited company having significant support in terms of management spread and commercial transactions from its group company (namely, POCL) in the same/similar line of business. Taking into consideration several factors like Current Asset Size, Net Worth, EBITA, Capital Employed and Operational Income and for considerations including support from a related party (POCL) and further to the fact that transaction multiples may include acquirer-specific considerations such as synergy benefits, control premium and so on, on which sufficient information are not available in the public domain, I haven't conducted the valuation based on Comparable Transactions Method for MMPL.

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c) **Guideline Publicly-Traded Comparable Method**

The guideline publicly-traded method utilizes information on publicly-traded comparables that are the same or similar to the subject asset to arrive at an indication of value.

This method is similar to the comparable transactions' method. However, there are several differences due to the comparables being publicly traded, as follows:

- (a) the valuation metrics/comparable evidence are available as of the valuation date;
- (b) detailed information on the comparables are readily available in public filings; and
- (c) the information contained in public filings is prepared under well understood accounting standards.

Under this method, value of the equity shares of a company is arrived at by using multiples derived from valuations of comparable companies, as manifest through stock market or other public filing documents/information/data (of listed companies). This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

In case of POCL, taking into consideration several factors like current Asset Size, Capital Employed, Operating Revenue, Human Resource deployed and so on, I am unable to find information/data of a comparable company in the public domain wherein the deal of this nature has been carried out for me to apply Guideline Publicly-Traded Comparable Method. Hence, I have not conducted the valuation of POCL, on Guideline Publicly-Traded Comparable Method.

MMPL being a private limited company having significant support in terms of management spread and commercial traction from its group company (namely POCL) in the same/similar line of business. Further to the fact that acquirer-specific considerations such as synergy benefits, control premium and minority adjustments may exist, but on which sufficient information may not be available in the public domain. I am not be able to obtain reliable data which is available as part of publicly-traded comparable (manifest either through stock market transaction or other public filing documents/information/data) to the subject asset (in terms of company's size, Net worth, EBITA and Operational Income, Management spread and associated related party support and so on) in the context of proposed amalgamation (of MMPL with POCL) as an indication of value. Hence, I haven't conducted the valuation based on Guideline Publicly-Traded Comparable Method for MMPL.

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10. Investigations and/or Inspections Undertaken:

The following are the inspections undertaken by me as part of the valuation exercise:

- Verification of Company's Master Data in MCA 21
- Verification of Secretarial Records in connection with Capital Structure and Shareholding Pattern
- Review of Business Plans

11. Major Factors that were taken into account during Valuation

The following are the major factors taken into account by me during the Valuation exercise:

- The price of equity shares of POCL is arrived on the basis of relevant SEBI regulations including SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011, as amended till the date of the valuation report and all applicable guidelines/instructions of SEBI.
- Net Present Value of Future Cash Flow attributable to the equity owners based on the 6 Year Financial Projections of MMP1.
- Decades Long Experience of the Management in the industry.
- Expected burgeoning of market size thanks to expected better economic factors of the country and further in global markets served by the companies and expected positive changing customer preferences, especially in automobile sector.

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12. Calculation and Recommendation of Fair Share Exchange Ratio:

Management of both the Companies have confirmed as per the following:

- That there would not be any capital variation in the Companies till the Proposed Merger becomes effective.
- That till the proposed merger becomes effective, neither companies would declare any substantial dividends having materially different yields as compared to past few years.
- That there are no unusual/abnormal events in the Companies since the last audited accounts till the report date materially impacting their operating/financial performance.
- That there are no major compliance or regulatory issues, both under a court of law or otherwise, which would significantly undermine the premise of value (i.e., Highest and Best Use of the Assets being valued and if such issues exist/ arise, the companies are capable of defending themselves successfully.

Particulars	Transforce Company (MMPL)	Transforce Company (POCL)
	<i>Value Per Equity Share</i>	
Asset Approach	N/A	N/A
Income Approach	INR 102.28**	N/A
Market Approach	N/A	INR 134.61
Fair Share Ratio		1.02

** Please refer to Annexure - I for assumptions

In light of the above, and on consideration of all relevant factors and circumstances as discussed and outlined in the report, I recommend the following fair share exchange ratio for the proposed amalgamation of MMPL with POCL.

102 (One hundred & two) equity shares of POCL of INR 10/- each fully paid up for every 100 (One Hundred) Equity shares of MMPL of INR 100/- each fully paid.

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13. Limitations and Disclaimers

My report is subject to below mentioned limitations and disclaimers:

- My valuation is based on the information furnished to me and assumed to be complete and accurate in all material respects. I have relied on this dataset provided by the management of both the companies without independent verification of the accuracy and completeness of information.
- My work does not constitute validation of the financial statements (including the provisional and projections) of the companies and accordingly I do not express any opinion on the same.
- I have relied on the representations from the Management (of both the Companies) stating that the information contained/referenced (including financial projections/provisional statements, etc) in this report is materially accurate and reflects a true picture of both the company's state of affairs on the valuation date and therefore forms a reliable basis to estimate the value attributable to its equity owners.
- The information presented in my report does not reflect the outcome of any due diligence procedures. The reader is cautioned that the outcome of such a process may change the information contained in this report and may have an impact on the fair exchange ratio in the proposed scheme of merger.
- My scope of work does not enable me to accept responsibility for the accuracy and completeness of the information provided to me. I have, not performed audit, review or examination of the historical information provided to me and therefore, I do not express any opinion in relation to its accuracy and reliability.
- I have relied on the judgment of the Management as regards contingent and other liabilities. Accordingly, my valuation does not consider the assumption of contingent liabilities other than those given to me as likely to materialize in the near future. If there were any omissions, inaccuracies or misrepresentations of the information provided to me, it may have an effect on the valuation estimates.
- No investigation of the Company's claim to title of assets (including any of the intangibles like licenses) has been made for the purpose of this valuation. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature. My report is not, nor should it be construed, as my opinion or certifying the compliance with the provisions of any law including company and taxation laws or as regards to any legal, accounting or taxation implications or issues.

Srvaldyan

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- My Report is meant for the specific purpose mentioned herein and should not be used for any purpose other than the purpose mentioned herein. The Report should not be copied or reproduced without obtaining my prior written approval for any purpose other than the purpose for which it is prepared.
- In addition, this report does not in any manner address the price at which equity shares of the POCL will trade following announcement of the proposed merger and I express no opinion or recommendation as how the shareholders of either company should vote at any shareholders' meeting(s) to be held in connection with the proposed amalgamation.
- The report does not address the relative merits of the proposed amalgamation as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.
- My analysis does not factor the impact of any event which is unusual or not in the normal course of business, for any date/period future to the Valuation Report Date.
- My valuation is based on the market conditions and the economic/legal/regulatory/local/environmental framework that currently exists in India and also in those countries (where the Companies does business) including in any other country the companies may do business in the future. The reader's attention is invited to the fact that there may be changes to the same in the future that could impact the business and the industry in which the companies operate and have a direct impact on valuation of the asset being valued.

14. Disclosure of Valuer Interest/Conflict, if any:

- I am associated neither with POCL nor MMP), in any other professional capacity and there are neither source of conflict nor direct/indirect interests involved.
- Neither the valuer nor the members of the team working on this independent valuation have directly or indirectly, through the client or otherwise, shared any advisory perspective or have been influenced or undertaken advocating a management position in determining the value.
- The fees for the engagement are not contingent upon the results reported.

Date: 25th May 2019
Place: Chennai



Respectfully Submitted,

R. Vaidyanathan

R Vaidyanathan
Registered Valuer
IBBI/RV:03/2018/10049

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Annexure - 1

Calculation of NPV of MMPL based on Discounted Cash Flow

ASSUMPTIONS:

Cost of Equity is estimated on the basis of equity return expectations of investors. The Cost of Equity for any investor investing can be estimated using the Capital Asset Pricing Model (CAPM). The CAPM estimate is obtained by using the factors of Equity Risk Premium, Country Risk Premium and Company Size Risk Premium and Company Specific Risk Premium in the risk-free rate prevailing in the investor's home country. In other words, Cost of Equity should reflect the opportunity cost to the equity capital providers (namely equity shareholders). The opportunity cost to the equity capital provider equals the rate of return the equity capital provider expects to earn on other investments of equivalent risks.

Risk Free Return (R_f): In India, the yield on long-term Government of India Securities can be used as a surrogate for the risk-free rate. I have taken appropriate Risk-free return to determine the discounted rate, being a component of Cost of Equity.

Equity Risk Premium (R_{ec}): The Equity Risk Premium is the additional return an asset generates above and beyond the risk-free return. The Equity Risk Premium for listed Indian companies is added to the Country Risk Premium to arrive at the Equity Risk Premium to be used in determining the Cost of Equity (The factors published by Mr. Aravind Dasudaram is considered for determining the Equity Risk Premium, which is thankfully acknowledged).

Company Size Risk Premium: Size Premium refers to the valuation adjustment typically applied in the valuation exercise giving effect to the challenges/risks faced by companies of smaller/medium size companies especially in the context of their performance in a competitive environment dominated by large players. I have considered appropriate size premium in determining the discounted rate.

Company Specific Risk Premium: Company specific risk premium refers to all those uncorrelated risks (other than what has been described as above) including Economic/Industry Risk, (Performance in terms of) Projection Risk and other General Operational Risks.

Beta Factor (β): A company's beta is a measure of the volatility, or systematic risk, of a security compared to the broader market. The beta of a company measures how the company's equity market value changes with changes in the overall market.

Perpetual Growth Rate (g): A constant long-term growth rate is considered in arriving at the Terminal Value.

Thus, the Value attributable to Equity Owners of MMPL, based on the described methodology and above stated assumptions, have been estimated.

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R VAIDYANATHAN B.Com. ACA. ACMA.
REGISTERED VALUER

CONFIDENTIAL

To
The Audit Committee,
Pondy Oxide and Chemicals Limited

To
The Board of Directors
Meloy Metals Private Limited.

Dear Sir / Madam,

Re: My Valuation Report dated 25th May 2019

In continuation of my Valuation Report dated 25th May 2019 recommending of Fair Share Exchange Ratio for the proposed Amalgamation of Meloy Metals Private Limited ("MMPL") with Pondy Oxide and Chemicals Limited ("POCL") and with reference to my telephonic discussion with Mr. Kumaravel (General Manager Finance & Company Secretary of POCL) requesting me to provide for the following clarifications.

a) Arrival of Fair Value attributable to Equity Shareholders of MMPL:

The Fair Value attributable to Equity Shareholders of MMPL has been arrived based on the methodology explained in "Paragraph 9 Valuation - Approach & Methodologies" of my valuation report dt 25th May 2019.

The valuation of MMPL has been conducted based on 'Discounted Cash Flow Method' under Income Approach as per the explanation provided under paragraph 9.5 Income Approach - Discounted Cash Flow Method (DCF) Method. The details are as below

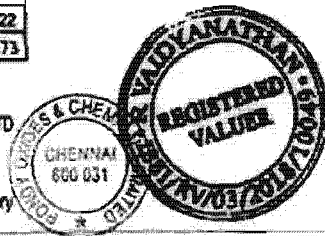
FREE CASH FLOW TO EQUITY (Value attributable to Equity Shareholders)							In Lakhs
Financial Year	Projection Years						
	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	
Production Cost	1	2	3	4	5	6	
Free Cash Flow to Equity (FCFE)	253.43	173.66	128.75	100.25	77.74	162.23	
Net Present Value of FCFE	484.32	102.37	111.75	64.24	15.12	17.27	
Total Net Present Value of FCFE							797.04

Determination of Terminal Value (in Rs. Lakhs)	
Terminal Value	215.22
Discounted Terminal Value	97.73

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For PONDY OXIDES AND CHEMICALS LTD

Kumaravel
GM Finance & Company Secretary



Kumaravel

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Enterprise Value (in Lakhs Rs.)	
Discounted Present Value of Projected Cash Flows	747.75
Discounted Terminal Value	77.73
Value to Equity Share Holders (Operating Assets)	825.48
Add Non-Operative Assets	14.40
Value to Equity Share Holders	839.88
Number of Equity Shares	231764
Value Per Share - in Rs.	362.88

Note: Considering the sensitive of above financial numbers, the workings were not provided in the valuation report, which is standard practice

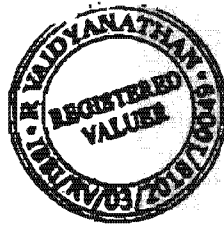
b) Usage of Net Asset Value (Cost Approach) in the Conduct of Valuation

The Net Asset Value based valuation technique is based on the value of the underlying net assets of the business either on Book Value on Reproduction Cost or Replacement cost basis. Since, the company had a negative net worth as on 31.3.2019, Book Value wasn't considered in valuation. I have considered Reproduction Cost or Replacement cost basis in conducting the valuation. Hence, it should be logically construed that Cost Approach and Net Asset Value Method are one and the same

Sub-Rule (1) of Rule 8 of the THE COMPANIES (REGISTERED VALUERS AND VALUATION) RULES, 2017 requires a Registered Valuer to conduct the valuation as per Internationally Accepted Valuation Standards.

I have conducted the Valuation as per International Valuation Standards 2017 (IVS, 2017), which is explained in Paragraph 1 'Conduct of Valuation' in my report. Since, IVS 2017 uses the term 'Cost Approach' and I have also used the same term in my valuation report.

Also, I invite your attention to paragraph 9.2 'Premises of Value / Basis of Value' of my report where I have conducted the Valuation as per the Premises of 'Highest and Best Use' and justification for choosing the same.



Date: 31st May 2019
Place: Chennai

Respectfully Submitted,

R. Vaidyanathan
R Vaidyanathan
Registered Valuer
IBBI/RV/03/2018/10049



R VAIDYANATHAN B.Com. ACA. ACMA.
REGISTERED VALUER

No. R.V. 03/A, K. 104

To
The Audit Committee,
Pondy Oxide and Chemicals Limited

To
The Board of Directors
Meloy Metals Private Limited

Dear Sir/Madam,

In continuation of my Valuation Report dated 25th May 2019 recommending Fair Share Exchange Ratio for the proposed amalgamation of Meloy Metals Private Limited ("MMPL") with Pondy Oxides and Chemicals Limited ("POCL") and also referring to my clarification letter dated 31st May 2019, please find below relevant extracts of the subject report as per the format prescribed by SEBI pursuant to the clarification requested by SEBI in connection with the valuation report:

Computation of Fair Share Exchange Ratio

Valuation Approach	Pondy Oxides and Chemicals Limited (Transferor Company)		Meloy Metals Private Limited (Transferee Company)	
	Value per share	Weight	Value per share	Weight
Asset Approach*	N/A ¹¹	N/A	N/A ¹¹	N/A
Income Approach	N/A ¹²	N/A	INR 362.38	1
Market Approach	INR 354.61	1	N/A ¹³	N/A
Relative value per share	INR 354.61		INR 362.38	
Exchange Ratio (rounded off)	102 (One Hundred and Two) equity shares of Pondy Oxides and Chemicals Limited of INR 10/- each fully paid up for every 100 (One Hundred) equity shares of Meloy Metals Private Limited of INR 100/- each fully paid up.			

Recommendation of Fair Share Exchange Ratio:

102 (One Hundred and Two) equity shares of Pondy Oxides and Chemicals Limited of INR 10/- each fully paid up for every 100 (One Hundred) equity shares of Meloy Metals Private Limited of INR 100/- each fully paid up.

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* Please note that asset approach and cost approach are one and the same.



M. Srinivas

For PONDY OXIDES AND CHEMICALS LTD
CONFIDENTIAL
M. Srinivas
GM Finance & Company Secretary



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Reasons for not using the following approaches / methods for arriving at fair share exchange ratio:

- 1.1 Cost Approach** (articulated under Paragraph 9.4 of my valuation report dated 25th May 2019 & reproduced below):

• **Replacement Cost Method**

It is difficult to estimate utility of the companies as the companies operate in a re-cycling business and has only insignificant intangible assets and substantial physical assets. Further the premise of value for the valuation engagement, being "Highest and Best Use" necessarily means the intent is to get the Highest Value while a replacement cost method does not consider the value derived by effectively utilizing its assets. Hence this method is not used for the valuation of the Companies.

• **Reproduction Cost Method**

It is difficult to ascertain the cost to recreate the business model of the companies (manufacturing units, supplier/customer ecosystem, human resources, processes (both front-office and back-office) and other relationships (banking and so on). Further the premise of value, being "Highest and Best Use" necessarily means the intent is to get the Highest Value while a reproduction cost method does not consider the value derived by effectively utilizing its assets. Hence this method is not used for the valuation of the Companies.

- 1.2 Income Approach – Discounted Cash Flow (DCF) Method** (articulated under Paragraph 9.5 of my valuation report dated 25th May 2019 & reproduced below):

POCL is a listed entity in BSE and information related to projected operations of the company, its balance sheet and cash flows are price sensitive. In light of the above, Management of POCL has not furnished the financial projections to me and therefore I have not used Income Approach (DCF method) for this valuation exercise, as far as arriving at the value attributable to the Equity Owners of POCL is concerned.

- 1.3 Market Approach** (articulated under Paragraph 9.6 of my valuation report dated 25th May 2019 & reproduced below):

• **Market Price Method**

MMPL being a private limited company, does not have its equity shares listed on any recognized stock exchange in India. Accordingly, the Market Price Method has not been adopted for the Valuation of MMPL.



For PONDY OXIDES AND CHEMICALS LTD

GM Finance & Company Services

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Page 2 of 3

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MBV/TV/03/2018/10049

• **Comparable Transactions Method (CTM) Model**

In case of POCL, taking into consideration several factors like Current Asset Size, Capital Employed, Operating Revenue, Human Resource deployed and so on, I am unable to find information/data of a comparable company in the public domain wherein the deal of this nature has been carried out for me to apply the Comparable Transaction Method. Hence, I have not conducted the valuation of POCL on Comparable Transactions Method.

MMPL is a private limited company having significant support in terms of management spread and commercial transactions from its group company (namely, POCL) in the same/similar line of business. Taking into consideration several factors like Current Asset Size, Net Worth, EBITA, Capital Employed and Operational Income and for considerations including support from a related party (POCL) and further to the fact that transaction multiples may include acquirer-specific considerations such as synergy benefits, control premium and so on, on which sufficient information are not available in the public domain, I haven't conducted the valuation based on Comparable Transactions Method for MMPL.

• **Guideline Publicly-Traded Comparable Method**

In case of POCL, taking into consideration several factors like current Asset Size, Capital Employed, Operating Revenue, Human Resource deployed and so on, I am unable to find information/data of a comparable company in the public domain wherein the deal of this nature has been carried out for me to apply Guideline Publicly-Traded Comparable Method. Hence, I have not conducted the valuation of POCL on Guideline Publicly-Traded Comparable Method.

MMPL being a private limited company having significant support in terms of management spread and commercial transactions from its group company (namely POCL) in the same/similar line of business. Further to the fact that acquirer-specific considerations such as synergy benefits, control premium and minority adjustments may exist, but on which sufficient information may not be available in the public domain, I am not able to obtain reliable data which is available as part of publicly-traded comparable (manifest either through stock market transaction or other public filing documents/information/data) to the subject asset (in terms of company's size, Net worth, EBITA and Operational Income, Management spread and associated related party support and so on) in the context of proposed acquisition (of MMPL with POCL) as an indication of value. Hence, I haven't conducted the valuation based on Guideline Publicly-Traded Comparable Method for MMPL.

Respectfully Submitted,



R. Vaidyanathan

R Vaidyanathan
Registered Valuer
MBV/TV/03/2018/10049

Date: 21st Jun 2019
Place: Chennai

CONFIDENTIAL
PRONGY OXIDES AND CHEMICALS LTD

S. Sankar
GM Finance & Company Secretary



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 Paldi, Ahmedabad, Gujarat, India - 380007
 Tel : +91 (79) 4040 4222
 www.vivro.net

May 27, 2019

To,
 The Board of Directors
 Pondy Oxides and Chemicals Limited
 4th Floor, KRM Centre,
 No. 2 Harrington Road,
 Chetpat,
 Chennai - 600031,
 Tamilnadu, India

To,
 The Board of Directors
 Meloy Metals Private Limited
 4th Floor, KRM Centre,
 No. 2 Harrington Road,
 Chetpat,
 Chennai - 600031,
 Tamilnadu, India.

Subject: Fairness Opinion on the Recommendation of Fair Share Exchange Ratio issued by K. Vaidyanathan, for the proposed amalgamation of Meloy Metals Private Limited with Pondy Oxide Chemicals Limited in terms of SEBI Circular CED/DIL/CIR/2017/21 under regulations 11, 37 and 94 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 amended from time to time.

Pondy Oxides and Chemicals Limited (hereinafter referred to as 'the Transferee Company', 'POCL', 'the Company'), has appointed Vivro Financial Services Private Limited, Category I Merchant Banker registered with SEBI having its Registration No. INM000010122 (hereinafter referred to as 'Vivro', 'we', 'us', 'our'), vide an Engagement Letter dated May 2, 2019 to issue a Fairness Opinion Report on the Fair Share Exchange Ratio recommended by R. Vaidyanathan, Registered Valuer, registered with Insolvency and Bankruptcy Board of India; BBI Registration: BBRV/03/2015/10048) holding a valid Certificate of Practice issued by ICSI/RVO ('Valuer'), vide its Valuation Report dated May 25, 2019.

The Valuation has been carried out in respect of the proposed amalgamation of Meloy Metals Private Limited (hereinafter referred to as 'MMPPL', 'Transferor Company') with Pondy Oxides and Chemicals Limited (hereinafter collectively referred to as 'the Companies') on a going concern basis.

This Fairness Opinion Report is issued in terms of CED/DILS/CIR/2017/21 under regulations 11, 37 and 94 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

1. SCOPE AND PURPOSE OF THIS REPORT

- 1.1 Pondy Oxides and Chemicals Limited is a Company engaged in business of manufacturing of lead and lead alloys and PVC additives which are supplied to the customers who are mainly battery manufacturers, chemical manufacturers and PVC extruded and moulded products.



- 1.2 Meloy Metals Private Limited is a Company engaged in the business of casting of metals. It has an advanced smelting and refining plant with automatic energy breaking capacity. Pure lead ingots and lead alloys are some of the main products manufactured by the company.
- 1.3 The managements of POCL and MMPL (together referred to as the Management) propose to amalgamate MMPL with POCL on a going concern basis pursuant to a Scheme of Amalgamation under sections 230 to 232 of the Companies Act, 2013 (the Scheme). Pursuant to the Scheme, the shareholders of MMPL shall receive equity shares of POCL as consideration.
- 1.4 We understand that the appointed date of the Scheme is April 1, 2019.
- 1.5 For the aforesaid purpose, the Companies have appointed R. Vaidyanathan, Registered Valuer, to submit a Report recommending a Fair Share Exchange Ratio for the proposed amalgamation of MMPL with POCL to be placed before the Board of Directors of the Companies.
- 1.6 The scope of our services is to issue a Fairness Opinion on the report issued by the Valuer recommending a Fair Share Exchange Ratio for the proposed amalgamation of MMPL with POCL (Transaction), in accordance with generally acceptable professional standards.
- 1.7 This report is our deliverable on this engagement. This report may be used for the purpose of complying with the requirements of the regulations 11, 37 and 94 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and SEBI Circular CFD/DIL3/CIF/2017/21 and for submission to such other regulatory and statutory authorities in connection with the Scheme.
- 1.8 Our scope of work only includes forming an opinion on the fairness of the recommendation of the Valuer on the share exchange ratio arrived at for the purpose of the proposed Composite Scheme of Arrangement and not on the fairness or economic rationale of the Scheme per se.
- 1.9 Our report is prepared solely for the purpose outlined hereinabove. The distribution of this report shall hence be restricted to the Companies, its Shareholders, SEBI, Stock Exchange and such other regulatory bodies required to give effect to amalgamation, including but not limited to Registrar of Companies and National Company Law Tribunal. This report shall not be relied upon by any other person for any other purpose whatsoever and the Companies agree to this fact.



1.6. This report is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such, the Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein.

2. SOURCES OF INFORMATION

We have relied on the following information made available to us by the management of the Companies for the purpose of this report:

- 2.1 Brief History, Present Activities, Business Profile, Shareholding Pattern of the Companies.
- 2.2 Management certified Scheme of Amalgamation of MMPL with PQCL and their respective shareholders & creditors, under Sections 230 to 232 and other applicable provisions of the Companies Act 2013 as may be submitted with Stock Exchange;
- 2.3 Valuation Report of P. Vaikyanathan, Registered Valuer, dated May 25, 2019;
- 2.4 Audited financial statements of PQCL for the year ended March 31, 2018, March 31, 2017 and March 31, 2016;
- 2.5 Audited financial statements of MMPL for the year ended March 31, 2018, March 31, 2017 and March 31, 2016;
- 2.6 Management Certified Provisional Financial Statements for the year ended on March 31, 2019 of MMPL;
- 2.7 Projections of the future profitability, Cash Flow and Balance Sheet of MMPL as certified by management of the Companies from Financial Year 2019-20 to 2024-25;
- 2.8 Details of Market Price and trading volume of Equity Shares of PQCL on BSE;
- 2.9 Written Representations received from the management of the Companies dated May 27, 2019;
- 2.10 Such other information and explanations as required and which have been provided by the management of the Companies, which were considered relevant for the purpose the Fairness Opinion.



The Companies have been provided with the opportunity to review the draft fairness opinion report (including our opinion on the Share Exchange Ratio) as part of our standard practice to make sure that factual accuracy / omissions are avoided.

3. LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

- 3.1 This Fairness Opinion Report ("Report") is prepared by Vivro Financial Services Private Limited on the basis of information, documents, papers and explanations given by the Management officers and staff of the Companies.
- 3.2 In preparing the Report, Vivro has relied upon and assumed without independent verification, the truthfulness, accuracy and completeness of the information and the financial data provided by the Companies. Vivro has therefore relied upon all specific information as received and declines any responsibility should the results presented be affected by the lack of completeness or truthfulness of such information.
- 3.3 Our work does not constitute an audit or certification or due diligence of the past financials of the Companies and we have relied upon the information provided to us by the Companies as regards such working results.
- 3.4 Forward looking statements and financial projections certified and provided by the management of the Companies have been considered in this valuation process. We have not carried out any independent due diligence or verification of the projected financial performance provided by the Companies nor corroborated the information provided by the company from any third party source or any industry information for the purpose of arriving at valuation of equity shares of the Company. No assurance regarding the accuracy, reasonableness, or completeness of any such statements and projections is made by us herein. Actual performance and results may invariably differ from expectations and these differences may be material.
- 3.5 As informed by the management of the Companies, there are no contingent liabilities other than those disclosed in the management certified financial statements for the year ended March 31, 2019, which are expected to devolve or contingent assets with the Companies and there are no surplus/non operating assets in the Companies as of the date of this Report beyond those captured in this Report.
- 3.6 We have not conducted any independent valuation or appraisal of any of the assets or liabilities of the companies. As implied by the financial statements, the Company is assumed to have those legal rights in the assets and be subject to those claims represented by the



liabilities presented in its financial statements. No investigation was undertaken to confirm these legal rights or claims.

- 3.7 Publicly available information deemed relevant for the purpose of the analysis contained in this Report has also been used. Accordingly, this report is based on our interpretation of the information provided by the Companies as well as its representatives and advisors, to date.
- 3.8 Vivo shall not be liable for any losses whether financial or otherwise or expenses arising directly or indirectly out of the use of or reliance on the information set out herein in this report.
- 3.9 This report should not be construed as any accounting, tax or legal advice to the Companies or any of its affiliates by Vivo.
- 3.10 This Report does not constitute solvency opinion or an investment recommendation and should not be construed as such either for making or divesting investment.
- 3.11 This Report is furnished strictly on confidential basis. Neither this report nor the information contained herein may be reproduced or passed to any person or used for any purpose other than stated above.
- 3.12 The fee for this engagement is not contingent upon the results reported and fairness opinion provided by Vivo.
- 3.13 This Report, its contents and the results herein (i) are specific to the purpose of report agreed as per the terms of our engagement; (ii) are specific to the date of this report and (iii) are the prevailing financial, economic and other conditions in general and industry trends in particular as in effect on and the writer and oral information made available to us till the date of this report. Events occurring after this date may affect this report and we do not assume any obligation to update, revise or reaffirm this report.

4. BACKGROUND OF THE COMPANIES

4.1 PONDY OXIDES AND CHEMICALS LIMITED

- 4.1.1 Pondy Oxides and Chemicals limited is a listed public company incorporated under the provisions of the Companies Act, 1956 on March 21, 1995 bearing Corporate Identification No. 124294TN1995PLC030586.



4.1.2 The Registered Office of SOGL is located at KPM Centre, 4th floor #2, Harrington Road, Chetpet, Chennai, Tamilnadu, 600031 India.

4.1.3 The equity shares of POGL are listed on the Bombay Stock Exchange (BSE) and its market capitalization is Rs. 175.81 Crores (As on May 23, 2019).

4.1.4 Pordy Oxides and Chemicals Limited is a Company engaged in producing high quality of lead and lead alloys and PVC additives which are supplied to the customers who are mainly battery manufacturers, chemical manufacturers and PVC, extruded and moulded products.

4.1.5 The shareholding pattern of POGL as on March 31, 2019 is as under:

Particulars	No of shares	Shareholding (%)
Promoters	25,86,312	46.33%
Public	29,89,681	53.67%
Total	55,75,993	100.00%

4.2 MEOLY METALS PRIVATE LIMITED

4.2.1 Meoly Metals Private Limited was incorporated on May 25, 2011 under the name of Vedam Drugs Private Limited under the provisions of the Companies Act, 1956 having its Corporate Identification No. U27310TN2011PTC115700. Subsequently on June 29, 2011 the name was change to Meoly Metals Private Limited. The registered office of the company is situated at KPM Centre, 4th floor #2, Harrington Road, Chetpet Chennai, Tamilnadu - 600031 India.

4.2.2 Meoly Metals Private Limited is a Company engaged in the business of casting of metals. It has an advanced melting and refining plant with automatic battery braiding capacity. Pure lead ingots and lead alloys are some of the main products manufactured by the company.

4.2.3 The shareholding pattern of MMLPL as on the date of this Report is as under:

Particulars	No of shares	Shareholding (%)
Promoters		
Ashish Bansal	181,058	78.12%
R.P Bansal	27,503	11.87%
Megha Choudhary	3,851	1.68%
Charu Bansal	758	0.33%
Total Promoters Shareholding	212,120	91.99%
Others	19,644	8.04%
Total	231,764	100.00%



5. VALUER'S RECOMMENDATION

5.1 The fair basis of Scheme of Amalgamation has been determined after taking into consideration all the factors and methodologies as mentioned by the Valuer in its valuation report dated May 25, 2019. Their scope of work was, inter alia, to carry out the fair valuation of equity shares of POCL and MKMPI, to determine the fair Share Exchange Ratio for the proposed Scheme of Amalgamation.

5.2 The fair share exchange ratio has been arrived at on the basis of relative valuation of the equity shares of the Companies based on methodology as explained in the valuation report of Valuer, dated May 25, 2019 and various qualitative factors relevant to each Company and the business dynamics as well as growth potential of the businesses of the companies, and also having regard to information base, management representations and perceptions, key underlying assumptions and limitations.

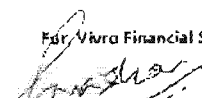
5.3 In the light of the above and on a consideration of all the relevant factors and circumstances as discussed and outlined in the valuation report dated May 25, 2019 issued by R. Vaidyanathan, Registered Valuer, it has been recommended by the Valuer that the fair share exchange ratio for the proposed amalgamation of MKMPI with POCL shall be as follows:

"102 (One Hundred & Two) Equity Shares of Rs.10/- each fully paid up of Pandey Oxides and Chemicals Limited for every 100 (One Hundred) equity shares of Rs.100/- each fully paid up of Meloy Metals Private Limited."

6. CONCLUSION

Pursuant to and subject to the foregoing, we believe that the proposed Share Exchange Ratio as is recommended by R. Vaidyanathan, Registered Valuer, for the proposed Scheme of Amalgamation is fair.

For, Vivra Financial Services Private Limited


Roshan Vaishnav
Director



Date: May 27, 2019
Place: Ahmedabad

BSE - INTERNAL



DC/SIGNAL/BA/R37/1338/2019-20

July 23, 2019

The Company Secretary,
Pondy Oxides & Chemicals Limited
 KIM Centre, 4th Floor, No 2,
 Harrington Road, Chetpet,
 Chennai, Tamil Nadu, 600037

Sr,

Sub: Observation letter regarding the Draft Scheme of Amalgamation of Meloy Mezin Private Limited with Pondy Oxides & Chemicals Limited and their respective stakeholders and creditors.

We are in receipt of Draft Scheme of Amalgamation of Meloy Mezin Private Limited with Pondy Oxides & Chemicals Limited and their respective stakeholders and creditors filed as required under SEBI Circular No. CPD04/ACRD/11791 dated March 16, 2017. SEBI vide its letter dated July 23, 2019 has now also given the following comment(s) on the draft scheme of arrangement.

- "Company shall duly comply with various provisions of the Circulars."
- "Company shall ensure that additional information and undertaking, if any, submitted by the Company, after filing the Scheme with the Stock Exchange, and from the date of receipt of this letter is displayed on the website of the listed company and the stock exchange."
- "Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT."
- "It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations."

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated above) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circular.

In light of the above, we hereby advise that we have no adverse observations with limited reference to these matters having a bearing on listing/going-public/continuous listing requirements with the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT.

S&P **BSE**
SENSEX

BSE Limited (Formerly Bombay Stock Exchange Ltd)
 Regd. Office: Floor 25, P J Towers, Dalal Street, Mumbai 400001
 T: +91 22 2371 2241/3/4 E: corporate@bseindia.com www.bseindia.com
 Corporate Identity Number: U67120MH2001PLC100000

BSE - INTERNAL

(2)

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unfixed companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

- Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be six months from the date of this Letter, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Further, it may be noted that with reference to Section 230 (5) of the Companies Act, 2013 (Act), read with Rule 8 of Companies (Compromises, Arrangements and Amalgamations) Rules 2018 (Company Rules) and Section 65 of the Act read with Rule 3 of the Company Rules wherein pursuant to an Order passed by the Hon'ble National Company Law Tribunal, a Notice of the proposed scheme of compromise or arrangement filed under sections 230-232 or Section 65 of the Companies Act 2013 as the case may be is required to be served upon the Exchange seeking representations or objections if any.

In this regard, with a view to have a better transparency in processing the aforesaid notices served upon the Exchange, the Exchange has already introduced an online system of serving such Notice along with the relevant documents of the proposed schemes through the BSE Listing Centre.

Any service of notice under Section 230 (3) or Section 65 of the Companies Act 2013 seeking Exchange's representations or objections if any, would be accepted and processed through the Listing Centre only and no physical filing would be accepted. You may please refer to circular dated February 26, 2019 issued to the company.

Yours faithfully,


Anand Kumar Pulari
Senior Manager

Twenty Fourth Annual Report 2018-19

INDEPENDENT AUDITOR'S REPORT

To the Members of PONDY OXIDES & CHEMICALS LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Pondy Oxides & Chemicals Limited ("the Company"), which comprise the balance sheet as at 31st March 2019, and the statement of Profit and Loss (including Other Comprehensive Income), the statement of cash flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2019, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Based on the examination of books of account and explanations provided to us, we are of the opinion that there are no materially significant key audit matters that requires disclosure in this report.

Responsibility of Management for Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act.

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going

concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards of Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for explaining our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters if they are materially significant in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- (a) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (b) The standalone financial statements dealt with by this report are in agreement with the books of account;
- (c) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act;
- (d) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- (e) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any materially significant pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Place : Chennai
Date : 27.05.2019

L Mukundan
Partner
Membership No. 204372

Annexure – A to the Independent Auditor's Report

Statement of matters specified in Para 3 & 4 of the order referred to in sub-section (11) of 143.

The annexure referred to in Para 2 under the heading of "Report on other Legal and Regulatory Requirements" of our report to the members of **PONDY OXIDES & CHEMICALS LIMITED** of even date:

1. In respect of company's fixed assets:
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) As per the information and explanation given to us, all the fixed assets have been physically verified by the Company at reasonable intervals and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
 - c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land, are held in the name of the Company as at the balance sheet date. Immovable properties of freehold land disclosed as fixed assets in the financial statement whose title deeds have been pledged as security for loans, are held in the name of the Company. In respect of immovable properties of land that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
2. The inventories have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and adequate in relation to the size of the company and nature of its business. No material discrepancies were noticed on physical verification of inventories as compared to the book records.
3. During the year, the company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013. Accordingly, Clause 3 (iii) of the Order is not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
5. The Company has not accepted any deposits during the year and does not have any unclaimed deposits as at March 31, 2019 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
6. We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under sub Section (1) of section 148 of the Companies Act, 2013 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have however not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
7. According to the information and explanations given to us, in respect of statutory dues:
 - a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Value Added Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Value Added Tax, Customs Duty, Excise Duty, Cess and other material statutory dues were in arrears as at 31st March, 2019 for a period of more than six months from the date they became payable.

8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks and financial institutions. The Company has not taken any loan or borrowing from government and has not issued any debentures during the year under audit.
9. The company has not raised any money by way of initial public offer or further public offer (including debt instruments) or term loans and hence, reporting under Clause 3 (ix) of the Order is not applicable to the Company.
10. To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid or provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
12. The Company is not a Nidhi Company and hence, reporting under Clause 3 paragraph 3(xii) of the Order is not applicable to the company.
13. According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
14. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence, reporting under Clause 3 (xiv) of the Order is not applicable to the Company.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with its directors or persons connected to its directors. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. According to the information and explanation given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable.

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

Place : Chennai
Date : 27.05.2019

L Mukundan
Partner
Membership No. 204372

Annexure - B to the Independent Auditors' Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of PONDY OXIDES & CHEMICALS LIMITED of even date).

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act").

We have audited the Internal Financial Controls over financial reporting of PONDY OXIDES & CHEMICALS LIMITED ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

Place : Chennai
Date : 27.05.2019

L. Mukundan
Partner
Membership No. 204372

Balance Sheet as at March 31, 2019
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	Notes	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	4	3,231.67	3,013.94
Intangible assets	4	30.79	1.75
Capital work in progress	5	88.48	247.40
Investment property	6	185.99	191.86
Financial assets			
Investments	7	14.40	15.90
Other financial assets	8	93.36	303.61
Deferred Tax Asset	9	58.66	53.38
Other non-current assets	10	240.34	155.75
Total non-current assets		3,943.69	3,983.59
Current assets			
Inventories	11	11,017.58	9,706.64
Financial assets			
Trade receivables	12	8,853.77	9,119.47
Cash and cash equivalents	13	105.85	121.34
Bank balances other than above	14	298.51	73.71
Other financial assets	15	17.83	77.60
Other current assets	16	3,909.39	2,054.41
Total current assets		24,202.93	21,153.17
Total Assets		28,146.62	25,136.76
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	557.60	557.60
Other equity	18	12,482.43	9,309.47
Total equity		13,040.03	9,867.07
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	19	351.94	763.09
Provisions	20	62.41	65.04
Other liabilities	21	15.94	21.50
Total non-current liabilities		430.29	849.63
Current liabilities			
Financial liabilities			
Borrowings	22	13,629.54	13,466.22
Trade payables	23	406.93	339.06
Provisions	24	8.14	18.68
Other current liabilities	25	631.69	596.10
Total current liabilities		14,676.30	14,420.06
Total liabilities		15,106.59	15,269.69
Total Equity and Liabilities		28,146.62	25,136.76

The accompanying notes form an integral part of the financial statements

For and on behalf of the board

As per our report of even date attached
For M/s. L. Mukundan and Associates
Chartered Accountants
(FRN No.0102835)

Anil Kumar Bansal
Chairman
DIN: 00232223

Ashish Bansal
Managing Director
DIN: 01543967

L. Mukundan
Partner
M.No.204372

Usha Sankar
Chief Financial Officer

K. Kumaravel
GM Finance & Company Secretary

Place : Chennai
Date : May 27, 2019

Place : Chennai
Date : May 27, 2019

Statement of profit and loss for the year ended March 31, 2019
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	Notes	For the year ended March 31, 2019	For the year ended March 31, 2018
Continuing Operations			
A Income			
Revenue from operations	26	104,868.55	95,563.34
Other income	27	398.93	190.95
Total income		105,267.48	95,754.29
B Expenses			
Cost of materials consumed	28	89,768.21	82,963.09
Purchases of Stock in Trade	29	4,460.03	4,505.25
Changes in inventories of finished goods and WIP	30	(1,049.54)	(2,936.40)
Excise Duty	31	-	1,588.15
Employee Benefits Expense	32	1,504.83	1,179.89
Finance costs	33	1,122.34	1,124.40
Depreciation and amortisation expense	34	519.26	430.15
Other expenses	35	3,774.54	2,502.45
Total expenses		100,099.67	91,356.98
C Profit before exceptional items and tax		5,187.81	4,397.31
Exceptional items		-	-
D Profit before tax from continuing operations		5,187.81	4,397.31
Income tax expense	36		
Current tax		1,822.47	1,503.88
Deferred tax charge/ (credit)		(7.49)	(24.50)
Profit for the year		3,372.83	2,917.93
E Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of post employment benefit obligations		6.34	18.27
Income tax (charge)/ credit relating to these items		(2.21)	(6.36)
Other comprehensive income for the year, net of tax		4.13	11.91
Total comprehensive income for the year		3,376.96	2,929.84
Earnings per share	37		
Basic earnings per share		60.49	52.33
Diluted earnings per share		60.49	52.33

The accompanying notes form an integral part of the financial statements

For and on behalf of the board

As per our report of even date attached
For M/s. L. Mukundan and Associates
Chartered Accountants
(FRN No.010283S)

Anil Kumar Bansal
Chairman
DIN: 00232223

Ashish Bansal
Managing Director
DIN: 01543967

L. Mukundan
Partner
M.No.204372

Usha Sankar
Chief Financial Officer

K. Kumaravel
GM Finance & Company Secretary

Place : Chennai
Date : May 27, 2019

Place : Chennai
Date : May 27, 2019

Statement of cash flows for the year ended March 31, 2019

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

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Cash Flow From Operating Activities		
Profit before income tax	5,187.81	4,397.31
Adjustments for		
Depreciation and amortisation expense	519.26	430.15
(Profit)/ loss on sale of fixed asset	(6.55)	6.36
(Increase)/ decrease in fair value of investments	1.50	(0.12)
Interest income	(65.04)	(30.58)
Dividend income	(0.05)	(0.08)
Finance costs	<u>1,122.34</u>	<u>1,124.40</u>
	6,759.27	5,927.44
Change in operating assets and liabilities		
(Increase)/ decrease in Other financial assets	270.02	(247.72)
(Increase)/ decrease in inventories	(1,310.94)	(2,622.32)
(Increase)/ decrease in trade receivables	265.70	(2,840.01)
(Increase)/ decrease in Other assets	(1,850.21)	(92.79)
Increase/ (decrease) in provisions and other liabilities	45.98	(24.26)
Increase/ (decrease) in trade payables	<u>67.87</u>	<u>(89.23)</u>
Cash generated from operations	4,247.69	11.11
Less : Income taxes paid (net of refunds)	<u>(1,915.11)</u>	<u>(1,959.46)</u>
Net cash from operating activities (A)	<u>2,332.58</u>	<u>(1,948.35)</u>
Cash Flows From Investing Activities		
Purchase of PPE (including changes in CWIP)	(664.45)	(788.02)
Sale proceeds of PPE	52.63	1.26
(Purchase)/ disposal proceeds of investments	-	(0.81)
(Investments in)/ Maturity of fixed deposits with banks	(224.80)	425.98
Dividend received	0.05	0.08
Interest received	<u>60.27</u>	<u>83.44</u>
Net cash used in investing activities (B)	<u>(776.30)</u>	<u>(278.07)</u>
Cash Flows From Financing Activities		
Proceeds from/ (repayment of) long term borrowings	(411.15)	(741.86)
Proceeds from/ (repayment of) short term borrowings	163.32	4,341.12
Finance costs	(1,122.28)	(1,124.40)
Dividend paid	<u>(201.66)</u>	<u>(201.33)</u>
Net cash from/ (used in) financing activities (C)	<u>(1,571.77)</u>	<u>2,273.53</u>
Net increase/decrease in cash and cash equivalents (A+B+C)	(15.49)	47.11
Cash and cash equivalents at the beginning of the financial year	121.34	74.23
Cash and cash equivalents at end of the year	105.85	121.34
Notes:		
1. The above cash flow statement has been prepared under indirect method prescribed in Ind AS 7 "Cash Flow Statements".		
2. Components of cash and cash equivalents		
Balances with banks		
- in current accounts	103.58	108.46
- in EEFC Account	0.44	8.95
Cash on hand	<u>1.83</u>	<u>3.93</u>
	105.85	121.34

The accompanying notes form an integral part of the financial statements

For and on behalf of the board

As per our report of even date attached
For M/s. L. Mukundan and Associates
Chartered Accountants
(FRN No.010283S)

Anil Kumar Bansal
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DIN: 00232223

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Chief Financial Officer

K.Kumaravel
GM Finance & Company Secretary

Place : Chennai
Date : May 27, 2019

Place : Chennai
Date : May 27, 2019

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Statement of Changes in Equity for the year ended March 31, 2019
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

(A) Equity Share Capital

Balance at the beginning of April 1, 2017	557.60
Changes in equity share capital during the year	-
Balance at the end of March 31, 2018	557.60
Changes in equity share capital during the year	-
Balance at the end of March 31, 2019	557.60

(B) Other Equity

Particulars	General Reserve	Securities Premium Reserve	Other comprehensive Income	Retained Earnings	Total
Balance as at April 1, 2017	435.92	277.87	-	5,873.58	6,587.37
Additions/ (deductions) during the year	270.00	-	(11.91)	(465.83)	(207.74)
Total Comprehensive Income for the year	-	-	11.91	2,917.93	2,929.84
Balance as at March 31, 2018	705.92	277.87	-	8,325.68	9,309.47
Additions/ (deductions) during the year	330.00	-	4.12	(529.87)	(195.75)
Total Comprehensive Income for the year	-	-	(4.12)	3,372.83	3,368.71
Balance as at March 31, 2019	1,035.92	277.87	-	11,168.64	12,482.43

The accompanying notes form an integral part of the financial statements

For and on behalf of the board

Anil Kumar Bansal
Chairman
DIN: 00232223

Ashish Bansal
Managing Director
DIN: 01543967

Usha Sankar
Chief Financial Officer

K. Kumaravel
GM Finance & Company Secretary

Place : Chennai
Date : May 27, 2019

As per our report of even date attached
For M/s. L. Mukundan and Associates
Chartered Accountants
(FRN No.010283S)

L. Mukundan
Partner
M.No.204372

Place : Chennai
Date : May 27, 2019

Notes to Financial Statements for the year ended March 31, 2019**1 Corporate Information**

POCL the leading Secondary Lead Smelter in India and it produces the highest quality Lead and Lead Alloys, Zinc Metal and Zinc Oxides which are supplied to mainly battery manufacturers, tyre and rubber and chemical manufacturers. The Company's products are exported to numerous international customers mainly but not limited to the Asian region like Japan, South Korea, Thailand and Middle – East. Over the years POCL has built a unmatched brand image within the lead sector for its quality, high level of efficiency, reliability, technical support and service.

2 Basis of preparation of financial statements**Statement of compliance**

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

Use of estimates

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

Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded to the nearest Lakhs (up to two decimals). The financial statements are approved for issue by the Company's Board of Directors on 27th May, 2019.

2A Critical accounting estimates and management judgments

In application of the accounting policies, which are described in note 2, the management of the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant.

Information about significant areas of estimation, uncertainty and critical judgements used in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

Property, Plant and Equipment (PPE), Intangible Assets and Investment Properties

The residual values and estimated useful life of PPEs, Intangible Assets and Investment Properties are assessed by the technical team at each reporting date by taking into account the nature of asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement and maintenance support. Upon review, the management accepts the assigned useful life and residual value for computation of depreciation/amortisation. Also, management judgement is exercised for classifying the asset as investment properties or vice versa.

Current tax

Calculations of income taxes for the current period are done based on applicable tax laws and management's judgement by evaluating positions taken in tax returns and interpretations of relevant provisions of law.

Deferred Tax Assets

Significant management judgement is exercised by reviewing the deferred tax assets at each reporting date to determine the amount of deferred tax assets that can be retained/ recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Fair value

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Impairment of Trade Receivables

The impairment for trade receivables are done based on assumptions about risk of default and expected loss rates. The assumptions, selection of inputs for calculation of impairment are based on management judgement considering the past history, market conditions and forward looking estimates at the end of each reporting date.

Impairment of Non-financial assets (PPE/ Intangible Assets/ Investment Properties)

The impairment of non-financial assets is determined based on estimation of recoverable amount of such assets. The assumptions used in computing the recoverable amount are based on management judgement considering the timing of future cash flows, discount rates and the risks specific to the asset.

Defined Benefit Plans and Other long term employee benefits

The cost of the defined benefit plan and other long term employee benefits, and the present value of such obligation are determined by the independent actuarial valuer. An actuarial valuation involves making various assumptions that may differ from actual developments in future. Management believes that the assumptions used by the actuary in determination of the discount rate, future salary increases, mortality rates and attrition rates are reasonable. Due to the complexities involved in the valuation and its long term nature, this obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities could not be measured based on quoted prices in active markets, management uses valuation techniques including the Discounted Cash Flow (DCF) model, to determine its fair value. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is exercised in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

Provisions and contingencies

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore vary from the figure estimated at end of each reporting period.

2B Recent accounting pronouncements

Standard issued but not yet effective

The following standard have been notified by Ministry of Corporate Affairs. Ind AS 116 – Leases (effective from April 1, 2019).

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

3 Significant Accounting Policies

a) Current versus non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified 2 months as its operating cycle.

b) Fair value measurement

The Company has applied the fair value measurement wherever necessitated at each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- i) In the principal market for the asset or liability;
- ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non - financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and the best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 : Quoted (unadjusted) market prices in active market for identical assets or liabilities;
- Level 2 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company has designated the respective team leads to determine the policies and procedures for both recurring and non - recurring fair value measurement. External valuers are involved, wherever necessary with the approval of Company's Board of Directors. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

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

c) **Revenue Recognition**

Sale of goods

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

Effective 01 April 2018, the Company has adopted Indian Accounting Standard 115 (Ind AS 115) - 'Revenue from contracts with customers' using the cumulative catch-up transition method, applied to contracts that were not completed as on the transition date i.e. 01 April 2018. Accordingly, the comparative amounts of revenue and the corresponding contract assets / liabilities have not been retrospectively adjusted. The effect on adoption of Ind-AS 115 was insignificant.

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

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

Sale of services

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

Export entitlements

In respect of the exports made by the Company, the related export entitlements from Government authorities are recognised in the statement of profit and loss when the right to receive the incentives/ entitlements as per the terms of the scheme is established and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Interest Income

Interest income is recorded using the effective interest rate (EIR) method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividend income

Dividend income is recognized when the company's right to receive dividend is established by the reporting date, which is generally when shareholders approve the dividend.

Rental Income

Rental income from operating lease is recognised on a straight line basis over the term of the relevant lease, if the escalation is not a compensation for increase in cost inflation index.

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

Deemed cost option for first time adopter of Ind AS

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

Presentation

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

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

Component Cost

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

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

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

Derecognition

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

e) Depreciation on property, plant and equipment

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

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

Depreciation for PPE on additions is calculated on pro-rata basis from the date of such additions. For deletion/ disposals, the depreciation is calculated on pro-rata basis up to the date on which such assets have been discarded/ sold. Additions to fixed assets, costing 5000 each or less are fully depreciated retaining its residual value.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

f) Intangible assets

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

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

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

Useful life and amortisation of Intangible assets

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

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

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually.

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The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Subsequent cost and measurement

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

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

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

g) Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes).

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16 - Property, plant and equipments requirements for cost model. The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

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

Though the Company measures investment property using the cost-based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation applying a valuation model. External valuers are involved, wherever necessary with the approval of Company's board of directors. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss in the period in which the property is derecognised.

h) Inventories

Inventories are carried at the lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Costs are determined on weighted average method as follows:

(i) Raw materials, stock acquired for trading, packing materials and consumables: At purchase cost including other cost incurred in bringing materials/consumables to their present location and condition.

(ii) Work-in-process and intermediates: At material cost, conversion costs and appropriate share of production overheads.

(iii) Finished goods: At material cost, conversion costs and an appropriate share of production overheads.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

i) Financial Instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value. However, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset are also added to the cost of the financial asset. Purchases or sales of financial assets

that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified on the basis of their contractual cash flow characteristics and the entity's business model of managing them.

Financial assets are classified into the following categories:

- Debt instruments at amortised cost.
- Debt instruments at fair value through other comprehensive income (FVTOCI).
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL).
- Equity instruments measured at fair value through other comprehensive income (FVTOCI).

Debt instruments at amortised cost

The Company classifies a debt instrument as at amortised cost, if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Debt instrument at FVTOCI

The Company classifies a debt instrument at FVTOCI, if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognizes finance income, impairment losses and reversals and foreign exchange gain or loss in the profit and loss statement. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt Instrument at FVTPL

The Company classifies all debt instruments, which do not meet the criteria for categorization as at amortized cost or as FVTOCI, as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Equity Investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. Where the Company makes an irrevocable election of classifying the equity instruments at FVTOCI, it recognises all subsequent changes in the fair value in OCI, without any recycling of the amounts from OCI to profit and loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Financial assets are measured at FVTPL except for those financial assets whose contractual terms give rise to cash flows on specified dates that represents SPPI, are measured as detailed below depending on the business model:

Classification	Name of the financial asset
Amortised cost	Trade receivables, Loans given to employees and others, deposits, interest receivable, unbilled revenue and other advances recoverable in cash.
FVTOCI	Equity investments in companies other than subsidiaries and associates if an option exercised at the time of initial recognition.
FVTPL	Other investments in equity instruments, mutual funds, forward exchange contracts (to the extent not designated as a hedging instrument).

Derecognition

A financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement- and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, receivables and bank balance.
- Financial assets that are debt instruments and are measured at FVTOCI.
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18.

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 17.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime Expected Credit Loss (ECL) at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 months ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, the Company considers all contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument and Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the profit and loss. The balance sheet presentation of ECL for various financial instruments is described below:

- **Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables:** ECL is presented as an allowance, which reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- **Debt instruments measured at FVTOCI:** Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

For impairment purposes, significant financial assets are tested on individual basis at each reporting date. Other financial assets are assessed collectively in groups that share similar credit risk characteristics. Accordingly, the impairment testing is done on the following basis:

Name of the financial asset	Impairment Testing Methodology
Trade Receivables	Expected Credit Loss model (ECL) is applied. The ECL over lifetime of the assets are estimated by using a provision matrix which is based on historical loss rates reflecting current conditions and forecasts of future economic conditions which are grouped on the basis of similar credit characteristics such as nature of industry, customer segment, past due status and other factors that are relevant to estimate the expected cash loss from these assets.
Other financial assets	When the credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. When there is significant change in credit risk since initial recognition, the impairment is measured based on probability of default over the life time. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL and as at amortised cost.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or

costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading, if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to profit and loss. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The company has not designated any financial liability as at fair value through profit and loss.

Classification	Name of the financial liability
Amortised cost	Borrowings, Trade payables, Interest accrued, Unclaimed / Disputed dividends, Security deposits and other financial liabilities not for trading.
FVTPL	Foreign exchange Forward contracts being derivative contracts do not qualify for hedge accounting under Ind AS 109 and other financial liabilities held for trading.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument. Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at fair value through profit or loss, are subsequently measured at higher of (i) The amount of loss allowance determined in accordance with impairment requirements of Ind AS 109 – Financial Instruments and (ii) The amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18 – Revenue.

Derivative financial Instruments

The Company holds derivative financial instruments such as foreign exchange forward and options contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

(a) Derivatives fair valued through profit or loss

This category has derivative financial assets or liabilities which are not designated as hedges. Although the Company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the Statement of Profit and Loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets / liabilities in this category are presented as current assets / current liabilities if they are either held for trading or are expected to be realized within 12 months after the Balance Sheet date.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

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

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

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

j) **Foreign currency transactions and translations**

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rates at the date at which the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate, if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

The Company enters into forward exchange contract to hedge its risk associated with foreign currency fluctuations. The premium or discount arising at the inception of a forward exchange contract is amortized as expense or income over the life of the contract. In case of monetary items which are covered by forward exchange contract, the difference between the yearend rate and rate on the date of the contract is recognized as exchange difference. Any profit or loss arising on cancellation of a forward exchange contract is recognized as income or expense for that year.

k) **Borrowing Costs**

Borrowing cost include interest computed using Effective Interest Rate method, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are directly attributable to the acquisition, construction, production of a qualifying asset are capitalised as part of the cost of that asset which takes substantial period of time to get ready for its intended use. The Company determines the amount of borrowing cost eligible for capitalisation by applying capitalisation rate to the expenditure incurred on such cost. The capitalisation rate is determined based on the weighted average rate of borrowing cost applicable to the borrowings of the Company which are outstanding during the period, other than borrowings made specifically towards purchase of the qualifying asset. The amount of borrowing cost that the Company capitalises during the period does not exceed the amount of borrowing cost incurred during that period. All other borrowings costs are expensed in the period in which they occur.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

l) **Government grants**

Government grants are recognised at fair value where there is a reasonable assurance that the grant will be received and all the attached conditions are complied with.

In case of revenue related grant, the income is recognised on a systematic basis over the period for which it is intended to compensate an expense and is disclosed under "Other operating revenue" or netted off against corresponding expenses wherever appropriate. Receivables of such grants are shown under "Other Financial Assets". Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same. Receivables of such benefits are shown under "Other Financial Assets".

Government grants related to assets, including non-monetary grants at fair value, shall be presented in the balance sheet by setting up the grant as deferred income. The grant set up as deferred income is recognised in profit or loss on a systematic basis over the useful life of the asset.

m) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future tax liability, is recognised as an asset viz. MAT Credit Entitlement, to the extent there is convincing evidence that the Company will pay normal Income tax and it is highly probable that future economic benefits associated with it will flow to the Company during the specified period. The Company reviews the "MAT Credit Entitlement" at each Balance Sheet date and writes down the carrying amount of the same to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income tax during the specified period.

Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences.

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

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

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

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

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

n) Retirement and other employee benefits

Short-term employee benefits

A liability is recognised for short-term employee benefit in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Defined contribution plans

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Defined benefit plans

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

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

Compensated absences

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

Other long term employee benefits

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by the employees up to the reporting date.

o) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

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

A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. All other leases are operating leases.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

p) Impairment of non financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable

amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

q) Provisions, contingent liabilities and contingent asset

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are discounted, if the effect of the time value of money is material, using pre-tax rates that reflects the risks specific to the liability. When discounting is used, an increase in the provisions due to the passage of time is recognised as finance cost. These provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Necessary provision for doubtful debts, claims, etc., are made, if realisation of money is doubtful in the judgement of the management.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. Contingent liabilities are disclosed separately.

Show cause notices issued by various Government authorities are considered for evaluation of contingent liabilities only when converted into demand.

Contingent assets

Where an inflow of economic benefits is probable, the Company discloses a brief description of the nature of the contingent assets at the end of the reporting period, and, where practicable, an estimate of their financial effect.

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

r) Cash and cash equivalents

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

s) Cash Flow Statement

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

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

t) Earnings per share

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

Notes to Financial Statements for the year ended March 31, 2019

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

4 Property, plant and equipment

Particulars	Tangible Assets										Intangible Assets - Software
	Free hold Land	Leasehold Land	Buildings	Plant and Machinery	Lab Equipment	Furniture and Fittings	Vehicles	Office Equipment	Electrical Fittings	Total	
Deemed Cost as at April 1, 2017	354.85	237.82	1,192.35	649.22	84.46	65.30	105.82	58.12	47.51	98,142,808.88	3.14
Additions	-	-	484.81	287.87	34.97	65.19	5.45	45.43	47.51	971.23	-
Deposits	-	-	-	(14.16)	-	-	(3.10)	-	0.40	(17.66)	-
Cost as at March 31, 2018	354.85	237.82	1,677.18	922.93	119.43	101.49	108.17	95.15	145.65	3,762.45	3.14
Additions	-	-	100.76	590.67	-	2.52	27.18	28.70	-	773.19	32.87
Deposits	-	-	-	(161.46)	-	-	(16.70)	(2.03)	-	(180.18)	-
Cost as at March 31, 2019	354.85	237.82	1,777.92	1,354.15	119.43	104.01	118.65	121.82	169.01	4,355.46	36.01
Depreciation/Amortisation											
As at March 31, 2017	-	2.61	116.30	152.99	22.36	8.51	(2.70)	18.75	24.74	343.56	-
Change for the year	-	2.61	128.79	117.18	20.74	12.72	-	38.47	25.77	421.75	25.47.39
Deposits	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2018	-	5.22	245.09	306.67	43.10	21.23	32.85	44.14	50.21	748.51	1.39
Change for the year	-	2.61	144.96	217.37	19.74	38.06	23.28	35.75	27.78	509.55	3.83
Deposits	-	-	-	(121.09)	-	-	(10.46)	(1.92)	-	(134.27)	-
As at March 31, 2019	-	7.83	390.05	402.15	62.84	59.29	45.67	77.97	77.99	1,123.79	5.22
Net Block											
As at April 1, 2017	354.85	235.21	1,076.05	496.23	62.10	27.79	108.52	31.37	73.40	2,465.32	3.14
As at March 31, 2018	354.85	232.60	1,432.07	616.28	76.33	80.26	75.32	51.01	-	5,443,013.94	1.75
As at March 31, 2019	354.85	229.99	1,387.87	950.00	56.59	44.72	72.88	43.85	-	9,023,231.67	36.79

Notes to Financial Statements for the year ended March 31, 2019
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	As at March 31, 2019	As at March 31, 2018
5 Capital Work-in-progress		
PPE under development	44.16	247.40
Intangible assets under development	44.32	-
	<u>88.48</u>	<u>247.40</u>
6 Investment Property		
Land and buildings	185.99	191.86
	<u>185.99</u>	<u>191.86</u>
7 Non-current Investments		
Investments in companies other than subsidiaries, associates and joint ventures at FVTPL		
i. Investments in Equity Instruments (Quoted)		
2,000 equity shares (previous year 2,000) of ₹ 10 each in Amara Raja Batteries Ltd, fully paid	14.40	15.90
	<u>14.40</u>	<u>15.90</u>
Total non-current investments		
Aggregate amount of quoted investments	14.40	15.90
Aggregate market value of quoted investments	14.40	15.90
Aggregate cost of unquoted investments	-	-
Aggregate amount of impairment in value of investments	-	-
8 Other non-current financial assets (Unsecured, considered good)		
Fixed Deposits (maturing after 12 months from end of reporting date)*	-	250.00
Security deposits	93.36	53.61
	<u>93.36</u>	<u>303.61</u>
* Lien marked with banks and are restricted from being exchanged or used to settle a liability.		
9 Deferred Tax Asset / (Liability) - Net		
Deferred Tax Liability		
On Fixed Assets	-	-
On others	-	-
	<u>-</u>	<u>-</u>
Deferred Tax Asset		
On Fixed Assets	35.93	29.73
On expenses allowed under Income Tax on payment basis	22.73	23.65
Others	-	-
	<u>58.66</u>	<u>53.38</u>
MAT credit entitlement	-	-
Net deferred tax asset / (liability)	<u>58.66</u>	<u>53.38</u>

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Notes to Financial Statements for the year ended March 31, 2019
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	As at March 31, 2019	As at March 31, 2018
10 Other non-current assets (Unsecured, considered good)		
Advance income tax (net of provision for tax)	200.39	110.11
Capital Advances	<u>39.95</u>	<u>45.64</u>
	<u>240.34</u>	<u>155.75</u>
11 Inventories		
Raw Materials	3,572.19	3,711.82
Stock in Transit	1,007.50	621.28
Work-in-progress	2,251.54	1,528.64
Finished goods	2,268.67	3,481.10
Stock of traded goods	1,856.56	317.49
Stores and spares	<u>61.12</u>	<u>46.31</u>
	<u>11,017.58</u>	<u>9,706.64</u>
Inventory comprise of		
Raw Materials		
Lead in all forms	2,520.75	3,033.97
Others	<u>1,051.44</u>	<u>677.85</u>
	<u>3,572.19</u>	<u>3,711.82</u>
Work in progress		
Lead Ingots	2,251.54	1,493.00
Lead Alloys	-	34.82
Others	-	0.82
	<u>2,251.54</u>	<u>1,528.64</u>
Finished Goods		
Lead Ingots	916.67	453.59
Lead Alloys	906.52	690.97
Others	<u>443.48</u>	<u>2,336.54</u>
	<u>2,268.67</u>	<u>3,481.10</u>
Traded goods		
Zinc Ingots	1,845.79	208.89
Others	<u>10.77</u>	<u>108.60</u>
	<u>1,856.56</u>	<u>317.49</u>
12 Trade receivables (Secured, considered good)		
Outstanding for a period exceeding six months from due date of payment	-	-
Other debts	-	160.14
(Unsecured, considered good)		
Outstanding for a period exceeding six months from due date of payment	-	-
Other debts	<u>8,853.77</u>	<u>8,959.33</u>
	<u>8,853.77</u>	<u>9,119.47</u>

Notes to Financial Statements for the year ended March 31, 2019
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	As at March 31, 2019	As at March 31, 2018
13 Cash and cash equivalents		
Cash in hand	1.83	3.93
Balances with banks		
In current accounts	103.58	108.46
In EEFC account	<u>0.44</u>	<u>8.95</u>
	<u>105.85</u>	<u>121.34</u>
14 Other Bank Balances		
In fixed deposits (Security deposits)	-	-
In margin money with banks (maturing within 12 months from the reporting date) *	285.64	62.34
In earmarked accounts		
Unpaid dividend accounts	<u>12.87</u>	<u>11.37</u>
	<u>298.51</u>	<u>73.71</u>
* Lien marked with banks and are restricted from being exchanged or used to settle a liability.		
15 Other current financial assets		
Forward contract receivable	<u>17.83</u>	<u>77.60</u>
	<u>17.83</u>	<u>77.60</u>
16 Other current assets		
Other advances (Unsecured, considered good)		
GST / Rebate Receivables	2,131.99	1,185.82
Interest accrued on Deposits	13.49	8.72
Prepaid expenses	8.41	10.59
Balances with government authorities	107.04	1.23
Advances to Employees	7.68	8.19
Others - Suppliers Advance (including for expenses)	<u>1,640.78</u>	<u>839.86</u>
	<u>3,909.39</u>	<u>2,054.41</u>
17 Capital		
Authorised Share Capital		
1,24,00,000 Equity shares of ₹ 10 each	<u>1,240.00</u>	<u>1,240.00</u>
	<u>1,240.00</u>	<u>1,240.00</u>
Issued Share Capital		
55,75,993 Equity shares of ₹ 10 each	<u>557.60</u>	<u>557.60</u>
	<u>557.60</u>	<u>557.60</u>
Subscribed and fully paid up share capital		
55,75,993 Equity shares of ₹ 10 each	<u>557.60</u>	<u>557.60</u>
	<u>557.60</u>	<u>557.60</u>

Notes to Financial Statements for the year ended March 31, 2019
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Notes:	As at March 31, 2019	As at March 31, 2018
(a) Reconciliation of number of equity shares subscribed		
Balance as at the beginning of the year	5,575,993	5,575,993
Add: Issued during the year	-	-
Balance at the end of the year	<u>5,575,993</u>	<u>5,575,993</u>

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

Name of the share holder	March 31, 2019		March 31, 2018	
	No. of shares	%	No. of shares	%
Ashish Bansal	636,620	11.42	633,086	11.35
Anil Kumar Bansal	623,461	11.18	622,761	11.17
Manju Bansal	512,627	9.19	512,627	9.19
R.P.Bansal	502,737	9.02	497,302	8.92

(c) Rights, preferences and restrictions in respect of equity shares issued by the Company

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

18 Other Equity

General reserve	1,035.92	705.92
Securities Premium Reserve	277.87	277.87
Profit and Loss Account	11,168.64	8,325.68
Other comprehensive income	-	-
	<u>12,482.43</u>	<u>9,309.47</u>
a) General reserve		
Balance at the beginning of the year	705.92	435.92
Additions during the year	330.00	270.00
Deductions/Adjustments during the year	-	-
Balance at the end of the year	<u>1,035.92</u>	<u>705.92</u>
b) Securities Premium Reserve		
Balance at the beginning and end of the year	<u>277.87</u>	<u>277.87</u>
c) Profit and Loss Account		
Opening balance	8,325.68	5,873.58
Net profit for the period	3,372.83	2,917.93
Transfer from Other Comprehensive Income	4.12	11.91
Transfers to General Reserve	(330.00)	(270.00)
Excess/(Short) provision for taxes reversed	(2.33)	(6.41)
Dividend paid (including tax on dividends)	<u>(201.66)</u>	<u>(201.33)</u>
Closing balance	<u>11,168.64</u>	<u>8,325.68</u>

Notes to Financial Statements for the year ended March 31, 2019
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	As at March 31, 2019	As at March 31, 2018
d) Other comprehensive income		
Opening balance	-	-
Additions during the year	4.12	11.91
Deductions/Adjustments during the year	(4.12)	(11.91)
Closing balance	-	-
19 Long Term Borrowings		
Secured *		
From Banks	581.58	452.63
From Others	9.46	32.31
Unsecured Loans		
From Related Parties **	-	600.00
Less: Current maturities of Long Term Debt (refer note 26)	<u>(239.10)</u>	<u>(321.85)</u>
	<u>351.94</u>	<u>763.09</u>
* Refer Note 49 for repayment terms and security details		
** Represents loan from Directors		
20 Provisions (Non-current)		
Provision for Employee Benefits		
Gratuity	62.41	65.04
	<u>62.41</u>	<u>65.04</u>
21 Other non-current Liabilities		
Deferred Government Grants	<u>15.94</u>	<u>21.50</u>
	<u>15.94</u>	<u>21.50</u>
22 Current liabilities - Financial Liabilities: Borrowings		
Secured		
Loans repayable on Demand		
From banks		
Rupee Loans	13,573.87	10,952.61
Foreign Currency Loans	-	1,410.90
Unsecured		
From Others	2.85	25.96
Loans from directors	-	1,033.50
Inter Corporate Deposits	<u>52.82</u>	<u>43.25</u>
	<u>13,629.54</u>	<u>13,466.22</u>

Notes:

- (a) Working Capital loans are secured by hypothecation of present and future stock of raw materials, stock-in-process, finished goods, stores and spares, book debts, materials in transit, etc., and guaranteed by promoter directors of the company. The above working capital facilities availed from banks are additionally secured by a charge / mortgage on all fixed assets of the company. The loans carry interest in the range of 7% to 9%
- (b) Inter-corporate and other deposits carry interest in the range of 11% to 12% payable annually, repayable as per the terms of repayment agreed.

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Notes to Financial Statements for the year ended March 31, 2019
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	As at March 31, 2019	As at March 31, 2018
23 Trade payables		
Dues to Micro enterprises and Small enterprises *	16.14	0.67
Dues to Creditors other than Micro and Small enterprises	390.79	338.39
	<u>406.93</u>	<u>339.06</u>
<p>* Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management represents the principal amount payable to these enterprises. There are no interest due and outstanding as at the reporting date. Please refer note 45.</p>		
24 Provisions (Current)		
Provision for employee benefits		
Compensated absences	8.14	18.68
	<u>8.14</u>	<u>18.68</u>
25 Other current liabilities		
Current maturities of long-term debt	239.10	321.85
Unpaid/Unclaimed dividends	12.80	11.29
Unclaimed Fractional Shares dividends	0.08	0.08
Statutory Dues Payable	31.27	155.58
Employee benefits payable	122.60	47.83
Advance and deposits from customers	220.07	30.90
Payable on purchase of fixed assets	-	23.00
Deferred Government Grants	5.57	5.57
	<u>631.69</u>	<u>596.10</u>

Notes to Financial Statements for the year ended March 31, 2019
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

		For the year ended March 31, 2019	For the year ended March 31, 2018
26	Revenue from operations		
	Sale of Products		
	Manufactured Goods	101,171.00	90,474.25
	Traded Goods	3,211.41	4,705.28
	Sale of Services		
	Conversion Charges Received	341.08	331.24
		<u>104,723.49</u>	<u>95,510.77</u>
	Other Operating Revenue	165.06	52.57
		<u>104,888.55</u>	<u>95,563.34</u>
	Details of Manufactured and Traded Goods		
	i. Manufactured Goods:		
	Metals	98,633.07	89,472.61
	Metallic Oxides	2,062.20	380.59
	PVC Additives	346.03	621.05
	Others	129.70	-
		<u>101,171.00</u>	<u>90,474.25</u>
	ii. Traded Goods		
	Metals	3,145.86	4,631.55
	Metallic Oxides	-	40.47
	Others	65.55	33.26
		<u>3,211.41</u>	<u>4,705.28</u>
27	Other income		
	Interest receipts	65.04	30.58
	Profit on fixed assets sold / scrapped / written off	6.55	(6.36)
	Rental Income from operating lease	37.88	36.06
	Gain on foreign exchange fluctuation (net)	270.98	48.06
	Miscellaneous income	18.48	82.59
		<u>398.93</u>	<u>190.95</u>
28	Cost of materials consumed		
	Opening inventory of raw materials	3,711.82	3,424.31
	Add : Purchases	89,817.97	83,242.40
	Less : Closing inventory of raw materials	(3,572.19)	(3,711.82)
	Add: (Gain)/Deficit in Hedging operations of price of raw materials	(189.39)	8.20
		<u>89,768.21</u>	<u>82,963.09</u>
29	Purchases of Stock in Trade		
	Metals	4,522.41	4,317.49
	Add: Deficit in Hedging operations of price of traded goods	(111.73)	154.15
	Metallic Oxides	-	11.54
	Others	49.35	22.07
		<u>4,460.03</u>	<u>4,505.25</u>

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Notes to Financial Statements for the year ended March 31, 2019
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	For the year ended March 31, 2019	For the year ended March 31, 2018
30 Changes in Inventories of work-in-progress, stock in trade and finished goods		
Opening Balance		
Work-in-progress	1,528.64	792.38
Finished goods	3,481.10	1,396.68
Stock in trade	317.49	276.20
	<u>5,327.23</u>	<u>2,465.26</u>
Closing Balance		
Work-in-progress	2,251.54	1,528.64
Finished goods	2,268.67	3,481.10
Stock in trade	1,856.56	317.49
	<u>6,376.77</u>	<u>5,327.23</u>
Excise duty on Finished Goods *	-	(74.43)
Net (increase)/decrease in inventories	<u>(1,049.54)</u>	<u>(2,936.40)</u>
* Excise duty shown above represents the difference between excise duty on opening and closing stock of finished goods.		
31 Excise Duty Expense		
Excise Duty	-	1,588.15
	-	<u>1,588.15</u>
32 Employee benefits expense		
Salaries and wages	1,186.93	928.55
Contribution to provident and other funds	80.78	89.69
Staff welfare expenses	237.12	161.65
	<u>1,504.83</u>	<u>1,179.89</u>
33 Finance Cost		
Interest on Bank Borrowings	974.87	851.73
Interest on Others	147.47	272.67
	<u>1,122.34</u>	<u>1,124.40</u>
34 Depreciation and amortisation expense		
Depreciation on Property, Plant and Equipment	509.56	421.75
Amortisation of Intangible Assets	3.83	1.39
Depreciation on Investment Property	5.87	7.01
	<u>519.26</u>	<u>430.15</u>

Notes to Financial Statements for the year ended March 31, 2019
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	For the year ended March 31, 2019	For the year ended March 31, 2018
35 Other expenses		
Power and Fuel	1,614.33	1,037.73
Consumption of Packing Materials	35.00	23.88
Conversion Charges Paid	23.50	39.22
Environmental Control Expenses	291.15	140.50
Repairs and Maintenance		
Buildings	62.22	26.16
Plant and Machinery	236.68	166.94
Vehicles	14.03	10.79
Others	14.32	20.43
Factory expenses	90.48	64.69
Freight and Forwarding	637.49	543.37
Insurance	45.88	41.43
Laboratory Expenses	12.00	8.10
Legal and professional charges	55.02	48.59
Net Loss on foreign exchange fluctuation	-	-
Payments to Auditors [refer note 35 (a)]	14.84	12.03
Communication expenses	26.80	21.50
Printing and Stationery	9.68	7.40
Rates and Taxes	74.66	56.92
Rent	33.81	10.54
Advertisement and business promotion	9.65	11.54
Sales Commission	83.99	49.66
Share Transfer Expenses	1.08	-
Travelling and Conveyance	171.25	145.20
MTM loss on forward contract	59.82	(66.24)
Bank charges	38.69	46.17
Expenditure on Corporate Social Responsibility [refer note 35 (b)]	69.77	5.03
Miscellaneous Expenses	48.40	30.87
	<u>3,774.54</u>	<u>2,502.45</u>
35 (a) Payment to auditors		
Statutory Audit fees	10.00	8.00
Taxation fee	1.00	1.00
GST/VAT Audit	1.00	1.00
Limited Review Audit	1.00	0.75
Other Certifications	1.84	1.28
	<u>14.84</u>	<u>12.03</u>
35 (b) Expenditure on Corporate Social Responsibility		
(i) Gross amount required to be spent on Corporate Social Responsibility during the year	69.64	19.96
(ii) Amount spent during the year on		
(i) Construction and/ or acquisition of any asset	69.77	23.00
(ii) Other purposes [other than (i) above]	69.77	23.00
(iii) Amount unspent during the year	Nil	Nil

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Notes to Financial Statements for the year ended March 31, 2019
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	For the year ended March 31, 2019	For the year ended March 31, 2018
36 Income tax expense		
(a) Income tax expense		
Current tax		
Current tax on profits for the year	1,822.47	1,503.88
MAT Paid	-	-
Total current tax expense	<u>1,822.47</u>	<u>1,503.88</u>
Deferred tax		
Deferred tax adjustments	(7.49)	(24.50)
Total deferred tax expense/(benefit)	<u>(7.49)</u>	<u>(24.50)</u>
Income tax expense	<u>1,814.98</u>	<u>1,479.38</u>

b) The income tax expense for the year can be reconciled to the accounting profit as follows:

Profit before tax from continuing operations	5,187.81	4,397.31
Income tax expense calculated at 34.944% (2017-18: 34.608)	1,812.83	1,521.82
Tax Rate Changes (34.944%-34.608%) [*]	-	14.77
Effect of expenses that are not deductible in determining taxable profit	9.64	(32.71)
Income tax expense	<u>1,822.47</u>	<u>1,503.88</u>

^{*} The Impact is due to the difference in tax rate adopted for the current year deferred tax and previous year deferred tax

c) Income tax recognised in other comprehensive income

Deferred tax		
Remeasurement of defined benefit obligation	2.21	6.36
Total Income tax recognised in other comprehensive income	<u>2.21</u>	<u>6.36</u>

d) Movement of deferred tax expense for the year ended March 31, 2019

Deferred tax (liabilities)/assets in relation to:	Opening balance	Recognised in profit or loss	Recognised in Other compre- hensive Income	Closing balance
Property, plant, and equipment and Intangible Assets	29.73	6.20		35.93
Expenses allowable on payment basis under the Income Tax Act	22.73	1.29	(2.21)	21.81
Remeasurement of financial instruments under Ind AS	-			-
Other temporary differences	0.92	-	-	0.92
	<u>53.38</u>	<u>7.49</u>	<u>(2.21)</u>	<u>58.66</u>
MAT Credit entitlement	-	-	-	-
Total	<u>53.38</u>	<u>7.49</u>	<u>(2.21)</u>	<u>58.66</u>

Notes to Financial Statements for the year ended March 31, 2019
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

e) Movement of deferred tax expense during the year ended March 31, 2019

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

37 Earnings per share			
Profit for the year attributable to owners of the Company		3,372.83	2,917.93
Weighted average number of ordinary shares outstanding		5,575,992	5,575,992
Basic earnings per share (Rs)		60.49	52.33
Diluted earnings per share (Rs)		60.49	52.33
38 Earnings in foreign currency			
Export Turnover		54,930.56	44,250.24
		<u>54,930.56</u>	<u>44,250.24</u>
39 Expenditure in foreign currency			
Membership Fee		4.27	2.92
Travelling		4.82	3.05
Commission		55.98	35.27
Repairs and Maintenance		6.36	-
		<u>65.07</u>	<u>41.24</u>
40 CIF value of imports			
Raw Materials		81,032.65	83,004.53
Capital Goods		278.48	38.66
		<u>81,311.13</u>	<u>83,043.19</u>

41 Value of imported and indigenous Raw material Consumed during the financial year and the percentage of each to the total consumption

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
	₹ In Lakhs	Percentage (%)	₹ In Lakhs	Percentage (%)
Raw Materials				
Imported	79,107.99	88.00	76,682.71	92.00
Others	<u>10,660.22</u>	<u>12.00</u>	<u>6,280.38</u>	<u>8.00</u>
	<u>89,768.21</u>	<u>100.00</u>	<u>82,963.09</u>	<u>100.00</u>

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42 Remittance in foreign currency on account of dividend

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Number of Non Resident Shareholders	335	236
Number of Equity Shares held by them	321,579	289,213
Amount Remitted (₹ in lakhs)	9.65	9.00
Year to which dividend related	2017-18	2016-17

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

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
(a) The principal amount remaining unpaid at the end of the year	16.14	0.67
(b) The delayed payments of principal amount paid beyond the appointed date during the year	10.69	-
(c) Interest actually paid under Section 16 of MSMED Act	-	-
(d) Normal Interest due and payable during the year for all the delayed payments, as per the agreed terms	0.06	-
(e) Total interest accrued during the year and remaining unpaid	0.06	-

*This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

44 Commitments and contingent liability

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Contingent Liability		
Performance/ Finance Guarantees		
Liability in respect of Letter of Credit Opened	-	792.46
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	339.46	75.15

45 Operating Segments

The operations of the Company falls under a single primary segment i.e., "Metal" in accordance with Ind AS 108 'Operating Segments' and hence segment reporting is not applicable.

Information relating to geographical areas

(a) Revenue from external customers

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
India	49,957.99	51,313.10
Rest of the world	54,930.56	44,250.24
Total	104,888.55	95,563.34

(b) Non current assets

The manufacturing facilities of the Company is situated in India and no non-current assets are held outside India

(c) Information about major customers

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Number of external customers each contributing more than 10% of total revenue	3	3
Total revenue from the above customers	79,327.80	71,577.75

46 Operating lease arrangements

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
As Lessor		
The Company has entered into operating lease arrangements for certain surplus facilities. The leases are cancellable at the option of either party to lease and may be renewed based on mutual agreement of the parties.		
Total lease income recognised in the Statement of Profit and Loss	37.88	36.08
As Lessee		
The Company has entered into operating lease arrangements for certain facilities. The leases are cancellable at the option of either party to lease and may be renewed based on mutual agreement of the parties.		
Lease payments recognised in the Statement of Profit and Loss	33.81	10.54

47 Terms and conditions of long term borrowings

Financial Institution	Loan Outstanding	Tenor	Repayment Commences from	Security	Guarantee
Canara Bank	0.00 (88.88)	48 months	November, 2014	Pari Passu First Charge on the Immovables / Other Fixed Assets of Smelter Division - II	Personal Guarantee of Promoter Directors
Axis Bank	0.00 (112.12)	36 months	December, 2015	Pari Passu First Charge on the Immovables / Other Fixed Assets of Smelter Division - II	
	156.89 (251.63)	36 months	November, 2017	Exclusive First Charge on the entire Fixed Assets of Zinc Oxide Plant, Sriperumpudur	
	430.69 (0.00)	27 months	September, 2019	Pari Passu First Charge on the Immovables / Other Fixed Assets of Smelter Division I & II	
Toyota Financial Services India Limited	3.20 (8.38)	36 months	November, 2016	First Charge on Vehicle Purchased	NIL
Daimler Financial Services India Pvt Ltd	6.26 (23.93)	36 months	August, 2016	First Charge on Vehicle Purchased	NIL

The above loans carry interest in the range of 9% to 11%
(Figures in brackets represent previous year numbers)

48 Financial Instruments

Capital management

The Company manages its capital to ensure that entities in the Company will be able to continue as going concern, while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity, long-term borrowings and other short-term borrowings.

For the purposes of the Company's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders.

Gearing Ratio:	March 31, 2019	March 31, 2018	April 1, 2017
Debt	591.04	1,084.94	1,856.01
Less: Cash and bank balances	404.36	195.05	573.92
Net debt	186.68	889.89	1,282.09
Total equity	13,040.03	9,867.07	7,144.97
Gearing ratio (%)	1.43%	9.02%	17.94%
Categories of Financial Instruments	March 31, 2019	March 31, 2018	April 1, 2017
Financial assets			
a. Measured at amortised cost			
Other non-current financial assets	93.36	303.61	110.75
Trade receivables	8,853.77	9,119.47	6,279.46
Cash and cash equivalents	105.85	121.34	74.23
Bank balances other than above	298.51	73.71	499.69
b. Mandatorily measured at FVTPL			
Investments	14.40	15.90	8.89
Derivative instruments	17.83	77.60	11.37
Financial liabilities			
a. Measured at amortised cost			
Borrowings (non-current)	351.94	763.09	1,504.95
Borrowings (current)	13,629.54	13,466.22	9,125.10
Trade payables	406.93	339.06	428.29
Other financial liabilities	239.10	321.85	351.06
b. Mandatorily measured at FVTPL			
Derivative instruments	-	-	-

Financial risk management objectives

The treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company seeks to minimise the effects of these risks by using natural hedging financial instruments and forward contracts to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on foreign exchange risk, the use of financial derivatives, and the investment of excess liquidity. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Market risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Company actively manages its currency and interest rate exposure through its finance division and uses derivative instruments such as forward contracts, wherever required, to mitigate the risks from such exposures. The use of derivative instruments is subject to limits and regular monitoring by appropriate levels of management.

Foreign currency risk management

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

Forward foreign exchange contracts

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

Disclosure of hedged and unhedged foreign currency exposure

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

As on March 31, 2019

Currency	Liabilities			Assets			Net overall exposure on the currency - net assets / (net liabilities)
	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	Gross exposure	Exposure hedged using derivatives	Net asset exposure on the currency	
USD	-	-	-	63.03	-	63.03	63.03
In INR	-	-	-	4,063.34	-	4,063.34	4,063.34

As on March 31, 2018

Currency	Liabilities			Assets			Net overall exposure on the currency - net assets / (net liabilities)
	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	Gross exposure	Exposure hedged using derivatives	Net asset exposure on the currency	
USD	23.66	-	23.66	52.72	-	52.72	29.06
In INR	1,524.15	-	1,524.15	3,399.02	-	3,399.02	1,874.87

As on April 1, 2017

Currency	Liabilities			Assets			Net overall exposure on the currency - net assets / (net liabilities)
	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	Gross exposure	Exposure hedged using derivatives	Net asset exposure on the currency	
USD	2.13	-	2.13	20.75	-	20.75	18.62
In INR	138.37	-	138.37	1,346.35	-	1,346.35	1,207.98

Foreign currency sensitivity analysis

Movement in the functional currencies of the various operations of the Company against major foreign currencies may impact the Company's revenues from its operations. Any weakening of the functional currency may impact the Company's cost of imports and cost of borrowings and consequently may increase the cost of financing the Company's capital expenditures. The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of a currency and a simultaneous parallel foreign exchange rates shift in the foreign exchange rates of each currency by 2%, which represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 2% change in foreign currency rates.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

Interest rate risk management

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

Interest rate sensitivity analysis

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

The 25 basis point interest rate changes will impact the profitability by ₹ 33.82 lakhs for the year (Previous ₹ 32.81 lakhs).

Credit risk management

Credit risk arises when a customer or counterparty does not meet its obligations under a customer contract or financial instrument, leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily trade receivables and from its financing/ investing activities, including deposits with banks, mutual fund investments and foreign exchange transactions. The Company has no significant concentration of credit risk with any counterparty.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure is the total of the carrying amount of balances with banks, short term deposits with banks, trade receivables, margin money and other financial assets excluding equity investments.

(a) Trade Receivables

The Company has credit evaluation policy for each customer and, based on the evaluation, credit limit of each customer is defined. Wherever the Company assesses the credit risk as high, the exposure is backed by either bank, guarantee/letter of credit or security deposits.

The Company does not have higher concentration of credit risks to a single customer. As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision

matrix to mitigate the risk of default in payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

(b) Investments, Derivative Instruments, Cash and Cash Equivalents and Bank Deposits

Credit Risk on cash and cash equivalents, deposits with the banks/financial institutions is generally low as the said deposits have been made with the banks/financial institutions, who have been assigned high credit rating by international and domestic rating agencies.

Credit Risk on Derivative Instruments is generally low as the Company enters into the Derivative Contracts with the reputed Banks.

Investments of surplus funds are made only with approved banks/ financial institutions/ counterparty. Investments primarily include bank deposits, investment in units of quoted mutual funds issued by high investment grade funds etc. These bank deposits, mutual funds and counterparties have low credit risk. The Company has standard operating procedures and investment policy for deployment of surplus liquidity, which allows investment in bank deposits, debt securities and mutual fund schemes of debt and arbitrage categories and restricts the exposure in equity markets.

Offsetting related disclosures

Offsetting of cash and cash equivalents to borrowings as per the consortium agreement is available only to the bank in the event of a default. Company does not have the right to offset in case of the counter party's bankruptcy, therefore, these disclosures are not required.

Liquidity risk management

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company invests its surplus funds in bank fixed deposit and mutual funds, which carry minimal mark to market risks. The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

Liquidity tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

March 31, 2019	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
Trade payables	406.93	-	-	406.93
Borrowings (including interest accrued thereon upto the reporting date)	239.10	351.94	-	591.04
	646.03	351.94	-	997.97

March 31, 2018	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
Trade payables	339.06	-	-	339.06
Other financial liabilities	-	-	-	-
Borrowings (including interest accrued thereon upto the reporting date)	321.85	763.09	-	1,084.94
	660.91	763.09	-	1,424.00

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

	March 31, 2019	March 31, 2018	April 1, 2017
Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required):	Nil	Nil	Nil

49 Related party disclosure

a) List of parties having significant influence

Holding company	The Company does not have any holding company
Subsidiaries, associates and joint ventures	The Company does not have any subsidiaries, associates and joint ventures
Entities in which directors are interested	M/s. Meloy Metals Private Limited M/s. Daman Metallic Oxides M/s. Bansal Metallic Oxides

Key management personnel (KMP)

Mr. Anil Kumar Bansal	Chairman
Mr. Ashish Bansal	Managing Director
Mr. R.P. Bansal	Whole Time Director
Mr. K Kumaravel	GM-Finance & Company Secretary
Mrs. Usha Sankar	Chief Financial Officer

b) Transactions during the year

S.No.	Nature of transactions	Year ended March 31, 2019	Year ended March 31, 2018
1	M/s. Meloy Metals Private Limited		
	Sales	886.37	243.67
	Purchases	2,027.29	0.77
	Conversion charges received	10.04	-
	Conversion charges paid	23.50	24.04
	Interest received	41.59	-
	Security deposit given (Net)	148.14	-
2	M/s. Daman Metallic Oxides		
	Sales	182.24	164.46
3	M/s. Bansal Metallic Oxides		
	Conversion charges paid	-	0.53
4	Mr. Anil Kumar Bansal		
	Interest Paid	20.11	54.98
	Remuneration paid	114.18	98.65
	Loans taken	103.50	364.75
	Loans repaid	689.00	429.08

S.No.	Nature of transactions	Year ended March 31, 2019	Year ended March 31, 2018
5	Mr. Ashish Bansal Interest Paid Remuneration paid Loans taken Loans repaid	4.20 235.41 19.73 457.14	40.34 212.95 152.00 207.96
6	Mr. R.P.Bansal Interest Paid Remuneration paid Loans taken Loans repaid	63.11 116.33 76.50 765.78	66.06 96.63 17.00 60.03
7	Mr.K Kumaravel Remuneration and payments to provident and other fund	27.66	22.46
8	Mrs.Usha Sankar Remuneration and payments to provident and other fund	19.31	16.34

c) Balances at the end of the year

Particulars	As at March 31, 2019	As at March 31, 2018
Loans		
Mr. Anil Kumar Bansal	-	567.40
Mr. Ashish Bansal	-	433.62
Mr. R.P.Bansal	-	632.48

50 Retirement benefit plans

Defined contribution plans

In accordance with Indian law, eligible employees of the Company are entitled to receive benefits in respect of Gratuity fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. The contributions, as specified under the law, are made to the Gratuity fund as well as Employee State Insurance Fund.

The total expense recognised in profit or loss of ₹ 80.78 lakhs (for the year ended March 31, 2018: ₹ 66.21 lakhs) represents contribution paid to these plans by the Company at rates specified in the rules of the plan.

Defined benefit plans

(a) Gratuity

Gratuity is payable as per Payment of Gratuity Act, 1972. In terms of the same, gratuity is computed by multiplying last drawn salary (basic salary including Dearness Allowance if any) by completed years of continuous service with part thereof in excess of six months and again by 15/26. The Act provides for a vesting period of 5 years for withdrawal and retirement and a monetary ceiling on gratuity payable to an employee on separation, as may be prescribed under the Payment of Gratuity Act, 1972, from time to time. However, in cases where an enterprise has more favourable terms in this regard the same has been adopted.

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These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit.
Interest risk	A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	March 31, 2019	March 31, 2018
Discount Rate	7.62%	7.71%
Rate of increase in compensation level	7.25%	7.30%
Expected Average Remaining Working Lives of Employees (years)	30.58	30.66

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

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

	March 31, 2019 ₹ in Lakhs	March 31, 2018 ₹ in Lakhs
Amount recognised under Employee Benefits		
Expense in the Statement of profit and Loss:		
Current service cost	17.13	14.80
Net interest expense	8.17	7.44
Return on plan assets (excluding amounts included in net interest expense)	(3.11)	(1.58)
Components of defined benefit costs recognised in profit or loss	<u>22.19</u>	<u>20.66</u>
Amount recognised in Other Comprehensive Income (OCI) for the Year		
Remeasurement on the net defined benefit liability comprising:		
Actuarial (gains)/losses recognised during the period	(6.23)	(18.27)
Components of defined benefit costs recognised in other comprehensive income	<u>(6.23)</u>	<u>(18.27)</u>
	<u>15.96</u>	<u>2.39</u>

	March 31, 2019 ₹ in Lakhs	March 31, 2018 ₹ in Lakhs
The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:		
Present value of defined benefit obligation	124.89	105.92
Fair value of plan assets	<u>(62.49)</u>	<u>(40.88)</u>
Net liability/ (asset) arising from defined benefit obligation	<u>62.40</u>	<u>65.04</u>
Funded	(0.01)	-
Unfunded	<u>62.41</u>	<u>65.04</u>
	<u>62.40</u>	<u>65.04</u>

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

Movements in the present value of the defined benefit obligation in the current year were as follows:

Opening defined benefit obligation	105.92	101.95
Current service cost	17.14	14.80
Interest cost	8.17	7.44
Actuarial (gains)/losses	(6.34)	(18.27)
Benefits paid	-	-
Closing defined benefit obligation	<u>124.89</u>	<u>105.92</u>

Movements in the fair value of the plan assets in the current year were as follows:

Opening fair value of plan assets	40.88	19.97
Return on plan assets	3.23	1.58
Contributions	18.76	19.33
Benefits paid	(0.38)	-
Actuarial gains/(loss)	-	-
Closing fair value of plan assets	<u>62.49</u>	<u>40.88</u>

Sensitivity analysis

In view of the fact that the Company for preparing the sensitivity analysis considers the present value of the defined benefit obligation which has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

Compensated absences

The expected cost of accumulating compensated absences is determined at each balance sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense recognised during the year is NIL (previous year ₹ 7.26 Lakhs).

The accompanying notes form an integral part of the financial statements

For and on behalf of the board

As per our report of even date attached
For M/s. L. Mukundan and Associates
Chartered Accountants
(FRN No.010283S)

Anil Kumar Bensal
Chairman
DIN: 00232223

Ashish Bensal
Managing Director
DIN: 01543967

L. Mukundan
Partner
M.No.204372

Usha Sankar
Chief Financial Officer

K. Kumaravel
GM Finance & Company Secretary

Place : Chennai
Date : May 27, 2019

Place : Chennai
Date : May 27, 2019



L. MUKUNDAN & ASSOCIATES
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Members of Meloy Metals Private Limited

1. Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Meloy Metals Private Limited ("the Company"), which comprise the balance sheet as at 31st March 2019, and the statement of Profit and Loss, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and loss, and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibility of Management for Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.





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In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

2. Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit:

- (a) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (b) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (c) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (d) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- (e) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".





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- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company



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

Place: Chennai
Date : 24.05.2019

L Mukundan
Partner
M No. 204372



L. MUKUNDAN & ASSOCIATES
Chartered Accountants

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Annexure - A to the Independent Auditors' Report

Report on the Internal Financial Controls under Clause (j) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the Internal Financial Controls over financial reporting of **MELOY METALS PRIVATE LIMITED** ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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





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Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place : Chennai
Date : 24.05.2019



For L. Mukundan and Associates
Chartered Accountants
Firm Registration No. 0102836

L. Mukundan
Partner
M No. 204372



Annexure – B to the Independent Auditor's Report

Statement of matters specified in Para 3 & 4 of the order referred to in sub-section (11) of 143

The annexure referred to in Para 2 under the heading of 'Report on other Legal and Regulatory Requirements' of our report to the members of **MELOY METALS PRIVATE LIMITED** of even date:

1. In respect of company's fixed assets:
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) As per the information and explanation given to us, all the fixed assets have been physically verified by the Company at reasonable intervals and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
 - c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land, are held in the name of the Company as at the balance sheet date. Immovable properties of freehold land disclosed as fixed assets in the financial statement whose title deeds have been pledged as security for loans, are held in the name of the Company. In respect of immovable properties of land that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
2. The inventories have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and adequate in relation to the size of the company and nature of its business. No material discrepancies were noticed on physical verification of inventories as compared to the book records.
3. During the year, the company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013. Accordingly, Clause 3 (ii) of the Order is not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.





L. MUKUNDAN & ASSOCIATES
Chartered Accountants

Flat No. 1, 2 Kamala Arcade,
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Thousand Lights, Chennai - 600 085
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e-mail: lma@lma.org.in

5. The Company has not accepted any deposits during the year and does not have any unclaimed deposits as at March 31, 2019 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
6. As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
7. According to the information and explanations given to us, in respect of statutory dues:
 - a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Value Added Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Value Added Tax, Customs Duty, Excise Duty, Cess and other material statutory dues were in arrears as at 31st March, 2019 for a period of more than six months from the date they became payable.
8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks and financial institutions. The Company has not taken any loan or borrowing from government and has not issued any debentures during the year under audit.
9. The company has not raised any money by way of initial public offer or further public offer (including debt instruments) or term loans and hence, reporting under Clause 3 (ix) of the Order is not applicable to the Company.
10. To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid or provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
12. The Company is not a Nidhi Company and hence, reporting under Clause 3 paragraph 3(xii) of the Order is not applicable to the company.





L. MUKUNDAN & ASSOCIATES
Chartered Accountants

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13. According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence, reporting under Clause 3 (xiv) of the Order is not applicable to the Company.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with its directors or persons connected to its directors. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. According to the information and explanation given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable.

5

Place Chennai
Date 24.05.2019



For L. Mukundan and Associates
Chartered Accountants
Firm Registration No. 010203S

L. MUKUNDAN
Partner
M No. 204372

MELUOY METALS PRIVATE LIMITED				
4TH FLOOR, KRM CENTRE, NO.2 HARRINGTON ROAD, CHITPET, CHENNAI-600011				
Balance Sheet as at 31 March, 2019				
(All amounts in Rs. unless otherwise stated)				
	Particulars	Note No.	As at 31 March, 2019	As at 31 March, 2018
I	EQUITY AND LIABILITIES			
	1 Shareholders' funds			
	(a) Share capital	1	2,71,76,400	3,31,33,000
	(b) Reserves and surplus	2	(1,95,52,070)	(1,68,31,333)
	2 Non-current liabilities			
	(a) Long term borrowings	3	15,21,94,011	6,10,83,342
	(b) Deferred Tax Liability	4	37,29,102	15,85,492
	3 Current liabilities			
	(a) Short Term borrowings	5	5,99,33,820	5,17,89,540
	(b) Trade Payables	6	38,31,975	-
	(c) Other current liabilities	7	2,91,07,604	1,91,79,858
	(d) Short Term Provisions	8	1,00,304	-
	TOTAL		24,39,81,044	14,87,68,101
II	ASSETS			
	1 Non-current assets			
	(a) Fixed assets			
	(i) Tangible assets	9	14,21,07,005	6,75,58,636
	(ii) Capital Work in Progress	10	7,01,71,048	1,54,07,702
	(iii) Long term Loans and Advances	11	6,91,670	5,30,771
	(iv) Other Non Current Assets	12	-	-
	2 Current assets			
	(a) Inventories	13	5,54,75,880	1,89,41,050
	(b) Trade Receivables	14	1,38,45,175	6,02,126
	(c) Cash and cash equivalents	15	96,66,258	1,45,458
	(d) Short Term Loans & Advances	16	13,000	-
	(e) Other Current Assets	17	2,15,70,049	1,87,85,254
	TOTAL		24,39,81,044	14,87,68,101
	Significant Accounting Policies		-	-
	Notes on Financial Statements	1 to 21		

For L. Mahalingam & Associates
Chartered Accountants
FIRN No. 0107815


L. Mahalingam
Partner
M.No. 204372



Place: Chennai
Date: 24.05.2019

For and on behalf of the Board


Anand Kumar
Director
DIN: 01343767


Usha Sankar
Director
DIN: 00956385

Place: Chennai
Date: 24.05.2019

WILLIS TOWERS WATSON PRIVATE LIMITED

(INCORPORATED IN INDIA) (CIN: 722002/SH/2005/01/00000000000)

Statement of Profit and Loss for the year ended 31 March, 2019

(All amounts in Rupees unless otherwise stated)

	Particulars	Para No.	For the year ended 31 March 2019	For the year ended 31 March 2018
I	Revenue from operations	18	91,79,89,401	9,89,67,314
II	Other Income	19	1,27,430	4,21,090
III	Total Revenue (I+II)		93,07,36,831	10,34,88,404
IV	Expenses			
	(a) Cost of Material Consumed	20	42,19,18,738	4,19,95,740
	(b) Purchase of Stock-in-trade	22	2,19,52,671	-
	(c) Changes in Stock-in-trade	23	61,19,740	+1,19,56,947
	(d) Employee benefits expense	24	1,19,22,219	1,49,529
	(e) Depreciation	25	1,19,02,416	96,67,662
	(f) Amortisation and intangible assets	26	1,19,12,609	48,55,773
	(g) Other expense	27	2,19,71,097	97,23,024
	Total Expenses		69,17,65,239	49,33,95,115
V	Profit / (Loss) before exceptional and extraordinary items and tax (I+IV)		(3,67,24,594)	(96,49,111)
VI	Exceptional item		-	-
VII	Profit / (Loss) before extraordinary items and tax (V+VI)		(3,67,24,594)	(96,49,111)
VIII	Extraordinary item		-	-
IX	Profit / (Loss) before tax (V+VI+VII+VIII)		(3,67,24,594)	(96,49,111)
X	Tax expense:			
	(a) Current tax		21,12,617	19,53,197
	(b) Deferred tax		29,23,619	16,83,691
XI	Profit / (Loss) for the period from continuing operations (IX+X)		(3,67,81,940)	(1,13,044,701)
XII	Profit / (Loss) from discontinued Operations		-	-
XIII	Tax expense of discontinued Operations		-	-
XIV	Profit / (Loss) from discontinued Operations (after tax) (XII+XIII)		-	-
XV	Profit / (Loss) for the period (X+XIV)		(3,67,81,940)	(1,13,044,701)
XVI	Reserve for Equity Share:			
	(a) Share	28	(10,790)	(10,790)
	(b) Dividend		(17,687)	(17,687)
	Reserve Accounting Policies			
	Notes on Financial Statements	1 to 31		

As per our Report of members

For L. Maheshwari & Associates

Chartered Accountants

FIRN No. 00075

(Signature)

L. Maheshwari

Partner

W. No. 20/47C

Phase - Chennai

Date - 31.03.2019



For and on behalf of the Board

(Signature)

Aditya Mehta

Director

DIR: 01041967

Place - Chennai

Date - 24.03.2019

(Signature)

Uma Reddy

Director

DIR: 0000420

MILWA SIAKES PRIVATE LIMITED
 411, SINDHURAMA PERUMAL STREET, CHENNAI 600 026, INDIA

Cash Flow Statement for the year ended 31st March 2015

Sl No	Particulars	As at 31 March 2015	As at 31 March 2014
I	Cash flow from Operating activities		
	Net profit before taxation	2,17,76,553	56,43,152
	Adjustments for:		
	Add:		
	Provision for Bad & Doubtful Debts		
	Depreciation for the Company and 2013	1,85,79,771	85,69,075
	Loss on sale of Fixed Assets		
	Loss on transfer of Technology Holding		
	Loss on F&D	1,79,73,276	17,84,254
	Loss on foreign exchange fluctuation	537,299	
	Less:		
	Provision Foreign exchange fluctuation		1,96,200
	Interest Received	41,783	2,43,290
	Profit on sale of equity	1,06,104	
	Minority Income	778	11,466
	Showing Activities before Working Capital Changes	2,95,93,703	(13,83,971)
	Change in Working Capital		
	(Increase) / Decrease in Receivables	(6,82,44,000)	11,39,41,700
	(Increase) / Decrease in Trade Payables	1,36,74,600	49,02,280
	(Increase) / Decrease in Short Term Loans & bank overdrafts	125,200	-
	(Increase) / Decrease in Other current assets	(2,27,500)	(3,42,44,000)
	Surplus / (Deficiency) in Trade Payables	58,11,171	-
	Surplus / (Deficiency) in Other current liabilities	(8,81,254)	19,33,100
	Surplus / (Deficiency) in Short term provisions	1,63,200	(1,625)
	Net cash used in Operating Activities	(7,89,11,600)	(4,68,89,211)
II	Cash flow from Investing Activities		
	Dividend Received	41,863	1,45,560
	Dividends / Dividend on Capital Work in progress	1,32,11,100	(3,00,000)
	Fixed Assets Capitalized	(1,94,80,000)	13,47,13,587
	Fixed Assets sold for cash	65,16,700	-
	Dividends / Dividend on Other current assets	6	19,33,100
	Net cash used in Investing Activities	(1,26,95,131)	(3,47,14,554)
III	Cash flow from Financing Activities		
	As at 01/04/2014		
	Less:		
	Increase / Decrease in Share Capital:	(1,31,62,242)	2,44,74,000
	Increase / Decrease in Long term borrowing	1,82,25,647	2,83,89,340
	Increase / Decrease in Long term loans and advances	(1,00,279)	39,820
	Increase / Decrease in Short term borrowings	1,14,82,116	5,98,78,641
	Surplus / (Deficiency) from equity payments	1,77,43,816	-
	Surplus / (Deficiency) from foreign fluctuation	-	20,573
	Minority Income	778	11,466
	Less:		
	Dividend Paid		
	Interest Paid	1,21,98,756	37,42,254
	Loss on settlement of Currency Derivatives		
	Loss on foreign exchange fluctuation	5,10,299	
	Net cash from Financing Activities	4,13,44,566	4,67,59,156
IV	Net Increase in Cash and Cash Equivalents	33,26,595	(5,49,609)
V	Cash and cash equivalents at the begin of the period	1,45,428	1,50,927
VI	Cash and cash equivalents at the end of the period	1,78,693	1,45,428

As per our Report of even date
 Chartered Accountants
 FIRM NO. 002874

[Signature]
 I. Mahalingam
 Partner
 M No. 98477

[Signature]
 Ajith Kumar
 Director
 CIN: 5050927



[Signature]
 Usha Sankar
 Director
 DIN: 00126358

Chartered Accountant
 Date: 11/05/2015

ALLOY METALS PRIVATE LIMITED

Notes forming part of the financial statements

1 Share Capital

S.No	Particulars	As at 31 March 2019	As at 31 March 2018
	Authorised capital 775000 (725000) Equity shares of ₹10/- each	7,75,00,000	7,25,00,000
	Issued, ₹100/- (₹100/-) Equity shares of ₹10/- each	2,31,78,400	3,21,83,000
	Total	2,31,78,400	3,21,83,000

1.1 The Details of Shareholders holding more than 5% shares:

S.No	Name of Share Holder	As at 31 March 2019		As at 31 March 2018	
		No of Shares	% Held	No of Shares	% Held
1	Real Securities Private Limited	-	-	1,74,830	48.66
2	Aakash Bansal	1,31,050	78.12	1,40,000	42.64
3	Rajasthan Prasad Bansal	25,900	11.87	25,000	7.11
	Total	1,31,050	80.99	1,40,830	99.43

1.2 Promotional of the number of shares outstanding is set out below:

	31-Mar-19	31-Mar-18
No of shares at the beginning	3,51,830	3,51,830
Less: Cancellation of shares as per Merger	1,74,830	-
Add: Adjustment of Shares as per merger	18,514	-
Add: Allotment of Shares through Issuance of Equity	16,230	-
	2,21,164	3,21,830

1.3 During the year, the Company offered 36,314 fully paid up equity shares of face value of ₹100/- each to the shareholders of M/s. Real Alloy Extraders Private Limited (Transferor Company) in the ratio of 20 Equity Shares of Transferor Company of ₹100/- each for every 547 Equity Shares of Transferor Company of ₹100/- each vide the order of the National Company Law Tribunal, Single Bench, Chennai on 11th March 2019. Further the Company has allotted 152,59 Equity shares to Co-Directors through Sweat Equity. Also the authorized capital stands increased to ₹7.75 Lakhs.

2 Reserves and surplus

S.No	Particulars	As at 31 March 2019	As at 31 March 2018
(a)	Surplus / (Deficit) in Statement of Profit and Loss		
	Opening balance	(1,46,53,133)	(31,18,449)
(b)	Add: Profit / (Loss) for the year	(3,87,31,998)	(1,15,34,644)
(c)	Add: Reserves transferred from Real Alloy Extraders Limited	1,12,92,276	-
(d)	Add: Profit transferred from Real Alloy Extraders Limited	4,41,773	-
(e)	Add: Equity shares allotted to shareholders Real Alloy Extraders Limited	4,48,900	-
	Total (a) to (e)	(1,92,32,032)	(1,46,53,133)

3 Non Current Liabilities

Long Term Borrowings

S.No	Particulars	As at 31 March 2019	As at 31 March 2018
1	From Bank (Secured)		
	Term Loan	5,44,16,675	7,29,63,334
	Letter of Credit for this year considered separately	2,43,33,234	1,09,90,992
2	From Related Parties	13,31,10,899	-
	Total	16,31,74,808	6,39,87,442

Notes on Term loan

Bank	Loan Outstanding	Terms	Repay ment Commencement
HDFC Bank	2,10,33,342	36	Mar-18
	3,33,33,334	36	Sep-18

Security: The above loans are secured with the entire charge on the entire fixed assets of the company
Guarantee: Personal Guarantee of Mr. Aakash Bansal Managing Director

4 Deferred Tax liability (Net)

S.No	Particulars	As at 31 March 2019	As at 31 March 2018
1	Deferred Tax Liability (Net)	37,39,102	16,85,492
	Total	37,39,102	16,85,492

5 Short Term Borrowings

S.No	Particulars	As at 31 March 2019	As at 31 March 2018
1	Loan Repayable on Demand		
	(a) From Bank (Secured) *	5,16,35,830	5,17,89,542
	(b) From Related parties	85,00,000	-
	Total	5,99,33,630	5,17,89,542

* Working Capital loans are secured by hypothecation of present and future stock of raw materials, work in process, finished goods, stores & spares, book debts, materials in transit, etc. and guaranteed by Mr. Ashish Bansal (Director of the company). The above working capital facilities availed from banks are additionally secured by a charge/mortgage on all fixed assets of the company.

6 Trade Payables

S.No	Particulars	As at 31 March 2019	As at 31 March 2018
1	Micro, Small and Medium Enterprises	23,44,816	-
2	Others	14,87,139	-
	Total	36,31,955	

7 Other current liabilities

S.No	Particulars	As at 31 March 2019	As at 31 March 2018
1	Creditors for Fixed Assets	15,33,648	9,78,696
2	Current year maturity of long term loan	2,44,31,524	1,09,59,992
3	Audit Fee Payable	1,00,000	50,000
4	Interest payable	6,36,477	-
5	TDS Payable	13,85,252	1,64,641
6	Outstanding expenses	12,08,903	9,86,529
	Total	2,91,97,804	1,31,79,858

8 Short term provisions

S.No	Particulars	As at 31 March 2019	As at 31 March 2018
1	Provision for taxation	-	-
2	Provision for bonus	1,60,204	-
	Total	1,60,204	

Meloy Metals Private Limited

Depreciation as per Companies Act, 2013

7. Fixed Assets

Particulars	Gross Block			Depreciation			Net Block		
	Gross Block	Additions	Deletions	Total	Upto 31.03.2018	For the current year	Upto 31.03.2019	As at 31.03.2018	As at 31.03.2019
Land	1,39,54,701	-	-	1,39,54,701	-	-	-	1,39,54,701	1,39,54,701
Building	2,99,63,435	5,06,48,143	-	8,08,11,578	16,16,906	41,07,949	58,24,855	2,83,46,529	7,49,86,723
Plant & Machinery	1,15,50,494	2,46,65,967	-	3,62,16,462	14,09,595	30,70,392	44,79,987	1,01,40,900	3,17,36,475
Furniture & Fixings	4,15,493	3,92,224	-	8,07,717	53,042	1,02,450	1,55,491	3,62,451	6,52,226
Office Equipments	1,99,553	57,395	-	2,56,948	39,810	88,835	1,28,646	1,59,743	1,20,302
Electrical fittings	71,60,018	46,06,001	-	1,17,66,019	9,34,698	17,19,199	26,53,898	62,25,320	90,82,121
Air pollution control equipment	50,24,974	88,39,328	-	1,38,64,302	6,55,981	13,50,876	20,06,857	43,68,993	1,18,57,445
Total	6,82,68,668	8,94,09,058	-	15,76,77,726	47,10,033	1,05,69,701	1,52,79,733	6,35,58,636	14,23,97,993

10 Capital Work In Progress

S.no	Particulars	As at 31 March 2019	As at 31 March 2018
1	Building Work in progress	-	2,25,72,689
2	Electrical Fittings Work in progress	28,23,417	-
3	Furniture & Fittings Work in progress	-	3,92,224
4	Plant and Machinery Work in progress	1,74,67,631	1,06,25,512
5	Other Capital Work in progress	-	20,71,781
	Total	2,03,91,048	3,56,92,206

11 Long term Loans and Advances

S.no	Particulars	As at 31 March 2019	As at 31 March 2018
1	Security Deposit	4,96,900	3,31,900
2	Prepaid Expenses	1,94,770	1,48,471
	Total	6,91,670	5,33,371

12 Other Non Current Assets

S.no	Particulars	As at 31 March 2019	As at 31 March 2018
(a)	Miscellaneous Expenditure	80,66,906	19,56,200
	Add: Preliminary Expenses	-	-
	Pre-operative expenses	-	20,47,353
	Less: Capitalised during the year	-	40,33,483
	Total	80,66,906	80,66,906

13 Inventories

S.no	Particulars	As at 31 March 2019	As at 31 March 2018
1	Raw Materials	1,39,73,561	81,47,106
2	Work in progress	-	-
3	Finished Goods	2,02,73,451	1,05,56,862
4	Stores and spares	10,63,052	31,633
5	Loose Tools	1,65,815	2,05,449
	Total	3,54,75,880	1,89,41,050

14 Trade Receivables

S.no	Particulars	As at 31 March 2019	As at 31 March 2018
1	Trade receivables outstanding for more than 180 days	-	-
(a)	Unsecured and considered good	-	6,02,126
	Total (1)	-	6,02,126
2	Other Trade receivables	-	-
(a)	Secured and considered good	-	-
(b)	Unsecured and considered good	1,58,45,175	-
	Total (2)	1,58,45,175	-
	Total	1,58,45,175	6,02,126

15 Cash and cash equivalents

S.no	Particulars	As at 31 March 2019	As at 31 March 2018
(a)	Balance with banks		
1	In current account	76,09,461	39,590
	Total	76,09,461	39,590
(b)	Cash in hand	56,817	1,05,868
	Total	56,817	1,05,868
	Total (a + b)	76,66,278	1,45,458

16 Short term Loans and Advances

S.no	Particulars	As at 31 March 2019	As at 31 March 2018
1	Loans to employees	13,000	-
	Total	13,000	-

17 Other Current Assets

S.no	Particulars	As at 31 March 2019	As at 31 March 2018
1	Suppliers advance- Capital Goods	2,46,173	1,06,60,320
2	Suppliers advance- Others	36,18,254	66,53,649
3	GST/VAT Receivable	1,64,41,372	1,08,27,959
4	TDS Receivable	1,33,684	71,746
5	MAT Credit	3,56,396	-
6	Interest Accrued but not due	20,031	-
7	Fixed deposit with bank	7,50,000	5,75,000
8	Others	4,135	7,080
	Total	2,15,70,049	2,67,95,254

18 Contingent liabilities and commitments (to the extent not provided for)

	Particulars	As at 31 March 2019
(i)	Contingent liabilities shall be classified as:	
	(a) Claims against the company not acknowledged as debts;	-
	(b) Guarantees;	-
	(c) Other money for which the company is contingently liable.	-
(ii)	Commitments shall be classified as:	
	(a) Estimated amount of contracts remaining to be executed on capital account and not provided for.	1,44,00,000
	(b) Uncalled liability on shares and other investments partly paid;	-
	(c) Other commitments (specify nature)	-
	Total	1,44,00,000

MELOY METALS PRIVATE LIMITED

19 Revenue from operations

S.No	Particulars	For the Year ended 31.03.2019	For the Year ended 31.03.2018
1	Revenue from operations	56,58,89,463	3,09,60,914
	Total	56,58,89,463	3,09,60,914

19.1 Revenue from operations

S.No	Particulars	For the Year ended 31.03.2019	For the Year ended 31.03.2018
1	Sale of goods	56,35,39,190	3,26,15,236
2	Conversion charges received	23,50,273	27,42,708
	Total	56,58,89,463	3,49,90,914

20 Other income

S.No	Particulars	For the Year ended 31.03.2019	For the Year ended 31.03.2018
1	Interest income	61,063	2,43,290
2	Net gain on exchange fluctuations	-	1,59,166
3	Profit on sale of investments	10,66,181	-
4	Miscellaneous receipts	275	33,456
	Total	11,67,479	1,29,106

21 Cost of Material Consumed

S.No	Particulars	For the Year ended 31.03.2019	For the Year ended 31.03.2018
1	Opening Stock	81,47,106	-
2	Add: Purchases	43,67,24,993	5,01,27,466
		43,88,72,099	5,01,27,466
3	Less: Closing Stock	1,26,75,561	8,47,106
		42,61,96,538	4,92,80,360
	Total	42,61,96,538	4,92,80,360

22 Purchase of stock-in-trade

S.No	Particulars	For the Year ended 31.03.2019	For the Year ended 31.03.2018
1	Purchase of stock-in-trade	12,38,52,977	-
	Total	12,38,52,977	-

23 Changes in level of inventory

S.No	Particulars	For the Year ended 31.03.2019	For the Year ended 31.03.2018
	Opening stock	1,05,56,862	-
	Closing Stock	2,02,73,451	1,05,56,862
	Total	(97,16,589)	(1,05,26,862)

24 Employee Benefit Expense

S.No	Particulars	For the Year ended 31.03.2019	For the Year ended 31.03.2018
1	Salaries and Wages	46,99,493	1,20,000
2	Contribution to Provident and other funds	1,26,847	-
3	Staff Welfare expenses	6,76,546	40,829
	Total	54,02,886	1,60,829

25 Finance Costs

S.no	Particulars	For the Year ended 31.03.2019	For the Year ended 31.03.2018
1	Bank Charges	3,64,714	1,22,907
2	Interest on unsecured loan	1,09,13,846	5,09,389
3	Interest paid to bank	74,54,348	17,75,005
4	Interest paid to others	70,532	-
	Total	1,00,03,640	39,07,167

26 Depreciation and Amortisation Expenses

S.no	Particulars	For the Year ended 31.03.2019	For the Year ended 31.03.2018
1	Depreciation	1,05,59,791	47,70,033
2	Tools & implements written off	82,908	1,02,725
	Total	1,06,42,699	48,72,757

27 Other Expenses

S.no	Particulars	For the Year ended 31.03.2019	For the Year ended 31.03.2018
1	Advertisement	4,000	-
2	Auditors Fee	1,00,000	50,000
3	Conversion charges paid	10,03,940	-
4	Conveyance	5,35,145	9,224
5	Environmental Control Expenses	2,17,333	1,07,530
6	Factory Expenses	11,90,915	4,20,024
7	Fees & Other Taxes	30,06,407	6,06,771
8	Freight Outward	1,03,900	-
9	Freight Outward- Export	15,62,140	2,74,991
10	General Expenses	49,500	54,764
11	Insurance	1,80,375	58,914
12	Laboratory Expenses	41,955	41,227
13	Membership Fee & Subscription	40,000	13,950
14	Net loss on exchange fluctuation	5,10,299	-
15	Packing Material	78,343	-
16	Postage, Telegram & Telephone	18,967	5,223
17	Power & Fuel Consumed	1,50,51,479	26,10,557
18	Printing & Stationery	47,289	1,20,000
19	Professional Charges	7,37,400	1,34,116
20	Repairs & Maintenance	5,12,968	1,70,233
21	Rent	10,250	-
22	Transportation Charges	5,13,942	47,403
	Total	2,73,71,690	49,24,926

28 Auditors Remuneration

Statutory Audit	100000	50,000
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29. Earnings per share

Particulars	2018-2019	2017-2018
Net Profit attributable to Share Holders (Rs. In Lacs)	(36791949)	(11334644)
No. of Shares	211704	252200
Weighted average No. of Equity	215647	176830
Basic Earnings Per Share (in Rs.)	(170.70)	(132.26)
Adjusted basic EPS (in Rs.)	(170.57)	(132.92)

30. Earnings in foreign currency

Export Turnover	86,01,07,200	3,17,56,034
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31. Expenditure in foreign currency

	NIL	NIL
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32. CIF value of imports

Raw Materials	10,18,20,999	2,49,89,712
Capital Goods	NIL	NIL

33. Value of imported and indigenous Raw material Consumed during the financial year and the percentage of each to the total consumption

Particulars	For the Year ended 31.03.2019		For the Year ended 31.03.2018	
	Amount	Percentage	Amount	Percentage
Raw Materials				
Imported	41,94,92,051	98.73	4,05,97,306	96.68
Other	54,06,505	1.27	13,93,078	3.32
Total	42,48,98,556	100	4,19,90,384	100

34. Related Party disclosures:

In accordance with Accounting Standard 18, the disclosure required is given below
Name of the related party and relationship

(a) Related Enterprise

- M/s. Pongy Oxide & Chemicals Limited

(b) Key Managerial Personnel

S.No	Name	Designation
1	Ashish Bhatnagar	Director
2	K. Kumaravel	Director
3	Usha Sankar	Director

G.1 Relatives of Key Managerial Personnel

1. Anil Kumar Bawa- Father of Director
2. Rajendra Prasad Bawa- Uncle of Director

34.1 Related Party Transactions

Details relating to parties referred to in above:

Particulars	Related Entity/Person	Management Personnel	Key Management Personnel
Transactions during the year			
Interest Paid	41,58669 (Nil)	Nil (Nil)	64,50067 (Nil)
Purchases	346,36650 (243,67240)	Nil (Nil)	Nil (Nil)
Sales	70,77,90754 (7,6500)	Nil (Nil)	Nil (Nil)
Conversion charges paid	10,09940 (Nil)	Nil (Nil)	Nil (Nil)
Conversion charges received	21,50272 (24,04308)	Nil (Nil)	Nil (Nil)
FINANCE AND INVESTMENTS DURING THE YEAR			
Shares issued during the year	Nil (Nil)	Nil (Nil)	12,25000 (Nil)
Loan Taken	Nil (Nil)	45,40,000 (21,80,000)	94,50,000 (Nil)
Loan Paid	Nil (Nil)	Nil (21,80,000)	8,70,000 (Nil)
OUTSTANDING			
Payable	Nil (Nil)	48,40,000 (Nil)	84,40,000 (Nil)
Receivable	Nil (Nil)	Nil (Nil)	Nil (Nil)

35. General:

- i. Previous year's figures have been regrouped wherever necessary.
- ii. A figure in brackets represents previous year figures.
- iii. Figures have been rounded off to the nearest rupee.
- iv. Notes 1 to 31 and significant accounting policies attached to this Balance Sheet and Profit and Loss Account form part of the accounts and should be read in conjunction therewith.

As per our Report of even date
For L. Mulkani & Associates
Chartered Accountants
FRN No. 0102835

L. Mulkani
Partner
M.No 204372



Place : Chennai
Date : 24.05.2019

For and on behalf of the Board


Ashish Kumar
Director
DIN : 01543967



V. Sankar
Director
DIN : 00986100

Place : Chennai
Date : 24.05.2019

Pondy Oxides And Chemicals Limited Head Office: IICM Centre, 40 Feet, # 3, Hosiery Road, Chennai, Chennai 600 031 (11)944224534 Fax: 044-42993333 Email: info@poocl.co.in Website: www.poocl.co.in TIN: L28294TN1900PL2305006					
POCL[®]					
Statement of Unaudited Financial Results for the quarter ended June 30, 2019 under Ind AS					
Sl. No.	Particulars	Quarter ended			Year Ended
		June 30, 2019 (Unaudited)	March 31, 2019 (Audited)	June 30, 2018 (Unaudited)	March 31, 2018 (Audited)
1	Income				
	(a) Revenue from Operations	24,887.34	24,439.06	34,758.36	1,84,888.23
	(b) Other Income (Net)	5.86	(24.53)	123.64	798.83
	Total Income	24,893.20	24,414.53	34,882.00	1,85,687.06
2	Expenses				
	(a) Cost of materials consumed	20,164.18	20,536.32	28,054.60	89,768.21
	(b) Purchase of stock-in-trade / Finished goods	496.13	1,214.45	319.10	4,488.83
	(c) Changes in inventories of raw material, work-in-progress, stock-in-trade and finished goods	2,568.45	(54.45)	1,798.91	(1,889.54)
	(d) Depreciation expenses	115.06	433.82	322.71	1,484.83
	(e) Finance costs	250.63	282.36	311.87	1,132.34
	(f) Depreciation and amortisation expense	117.33	134.82	114.88	519.34
	(g) Other Expenses	665.08	1,008.87	721.85	3,774.54
	Total Expenses	24,286.78	24,165.59	31,827.22	1,00,092.63
3	Profit/(Loss) before exceptional items and tax (E-E)	606.42	324.94	3,054.78	8,594.43
4	Exceptional Items				
	Profit/(Loss) before tax (E-F)	606.42	324.94	3,054.78	8,594.43
5	Tax expense				
	Current tax	1.22	188.98	439.93	1,322.87
	Deferred tax	(18.13)	11.39	(8.71)	(7.89)
	Total Tax Expense	(16.91)	200.37	431.22	1,314.98
6	Net Profit/(Loss) after tax (E-G)	589.51	124.57	2,623.56	5,279.45
7	Other comprehensive income/(loss) of income tax				
	(a) Items that will not be reclassified to profit or loss		6.34	-	6.34
	(b) Income tax relating to items that will not be reclassified to profit or loss		(7.21)	-	(6.87)
	Total other comprehensive income/(loss) of income tax		(0.87)		(0.53)
8	Total comprehensive income/(loss) for the period				
		589.51	123.70	2,623.56	5,278.92
9	Dividend				
	Face value per share (Rs)	557.60	557.60	557.60	557.60
	Face value per share (Rs)	14.00	18.00	18.00	18.00
10	Reserves (including Retained Earnings)				13,482.43
11	Earnings per share (EPS) (not audited)				
	Basic	0.42	3.53	14.62	68.89
	Diluted	0.42	2.53	14.62	68.89

Notes:

- The above quarterly results for the quarter ended June 30, 2019 as reviewed and recommended by the Audit Committee of the Group, has been approved by the Board of Directors at its meeting held on August 12, 2019. The initial review as required under Regulation 15 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015 has been completed by the Statutory Auditors.
- The statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 and Ind AS practices under section 133 of the Companies Act, 2013 and other approved accounting practices and policies to the extent applicable.
- The figures for the quarter ended March 31, 2019 are the Company figures unless stated otherwise in respect of the full financial year are unaudited published figures in terms of the financial results for the third quarter of the respective financial year.
- The operations of the Company fall under a single primary segment i.e. "Metal" in accordance with Ind AS 104 Operating Segments and hence segmentary reporting is not applicable.
- The Company has adopted Ind AS - 18 "Leases" with effect from April 01, 2019. The effect on adoption of Ind AS 116 is not material on the financial results and no adjustments has been made to the comparative figures.
- Previous period figures have been restated wherever necessary.



Pondy Oxides and Chemicals Limited
 Asstt. General
 Managing Director
 DEX : 01243967

Place: Chennai
 Date: August 13, 2019



L. MUKUNDAN & ASSOCIATES
Chartered Accountants

Fir No. 1, 2 Kamala Arcade,
669 Mount Road,
Thousand Lights, Chennai - 600 016
Ph: 044 - 2879 1178, 88401 45556
e-mail: lmmishere@gmail.com

INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM STANDALONE
FINANCIAL RESULTS

To

The Board of Directors
Pondy Oxides and Chemicals Limited
KRM Centre, 2, Harrington Road,
Chetpet, Chennai 600 031

1. We have reviewed the unaudited financial results of Pondy Oxides and Chemicals Limited (the 'Company') for the Quarter ended June 2019 which are included in the accompanying Statement of Unaudited Financial Results for the Quarter June 30, 2019. The Statement has been prepared by the Company's management pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations, 2015') and SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.
2. The Statement is the responsibility of the Company's management and has been approved by its board of directors. This Statement has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("IND AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement.
4. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.



L. MUKUNDAN & ASSOCIATES
Chartered Accountants

Flat No. 1, 2 Kamala Arcade,
669 Mount Road,
Thousand Lights, Chennai - 600 006
Ph: 044 - 2829 1123, 08401 43386
e-mail: lmaashere@gmail.com

5. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the Statement has not been prepared in all material respects in accordance with Ind AS and other recognised accounting practices and policies, and has not disclosed the information required to be disclosed in terms of Regulation 33 of the (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circular CIR/CFD/FAC/62/2016 dated July 5, 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For L. Mukundan and Associates
Chartered Accountants
Firm Registration No. 0102835

Place: Chennai
Date: August 12, 2019

(L. MUKUNDAN)
Partner
Membership No. 204372
UDIN No.: 19204372AAAFJ2090

MELOY METALS PRIVATE LIMITED				
4TH FLOOR, KRM CENTRE, NO 2 HARRINGTON ROAD, CHETPET, CHENNAI-600031				
Balance Sheet as at 30 June 2019				
(All amounts in Rs. unless otherwise stated)				
	Particulars	Note No.	As at 30 June, 2019	As at 31 March, 2019
I	EQUITY AND LIABILITIES			
	1 Shareholders' funds			
	(a) Share capital	1	23,176,400	23,176,400
	(b) Reserves and surplus	2	(44,393,990)	(39,252,032)
	2 Non-current liabilities			
	(a) Long term borrowings	3	146,263,081	163,194,011
	(b) Deferred Tax Liability	4	3,316,676	3,739,102
	3 Current liabilities			
	(a) Short Term borrowings	5	47,568,690	59,933,830
	(b) Trade Payables	6	53,407,058	3,831,975
	(c) Other current liabilities	7	26,577,777	29,197,604
	(d) Short Term Provisions	8	37,404	160,204
	TOTAL		255,953,096	243,981,094
II	ASSETS			
	1 Non-current assets			
	(a) Fixed assets			
	(i) Tangible assets	9	137,069,084	142,397,993
	(ii) Capital Work in Progress	10	21,032,438	20,321,048
	(b) Long term Loans and Advances	11	651,670	691,670
	2 Current assets			
	(a) Inventories	12	35,803,427	35,475,880
	(b) Trade Receivables	13	34,196,057	15,845,175
	(c) Cash and cash equivalents	14	176,457	7,666,278
	(d) Short Term Loan & Advances	15	31,675	13,000
	(e) Other Current Assets	16	26,992,288	21,570,049
	TOTAL		255,953,096	243,981,094
	Significant Accounting Policies			
	Notes on Financial Statements	1 to 34		

For L Mukundan & Associates
Chartered Accountants
FRN No: 010283S

-SD/-

L. Mukundan
Partner
M.No 204372

Place : Chennai
Date : 29-Jul-2019

For and on behalf of the Board

-SD/-

Ashish Bansal Usha Sankar
Director Director
DIN : 01543967 DIN : 00986388

Place : Chennai
Date : 29-Jul-2019

MELOY METALS PRIVATE LIMITED

4TH FLOOR, KRM CENTRE, NO 2 HARRINGTON ROAD, CHETPET, CHENNAI-600031

Statement of Profit and Loss for the year ended 30 June, 2019

(All amounts in Rs. unless otherwise stated)

	Particulars	Note No.	For the period ended 30 June, 2019	For the year ended 31 March, 2019
I	Revenue from operations	18	151,487,777	565,889,463
II	Other income	19	99,307	1,147,439
III	Total Revenue(I+II)		151,587,084	567,036,902
IV	Expenses			
	(a) Cost of Material Consumed	20	104,346,921	424,898,538
	(b) Purchase of Stock-in-trade	21	-	123,852,877
	(b) Changes in level of inventory	22	3,252,427	(9,716,589)
	(c) Employee benefits expense	23	1,127,384	5,703,276
	(d) Finance costs	24	1,366,862	19,003,440
	(e) Depreciation and amortisation expense	25	5,344,188	10,652,608
	(f) Other expenses	26	41,713,686	27,371,090
	Total Expenses		157,151,468	601,765,239
V	Profit / (Loss) before exceptional and extraordinary items and tax (III-IV)		(5,564,384)	(34,728,338)
VI	Exceptional items		-	-
VII	Profit / (Loss) before extraordinary items and tax (V-VI)		(5,564,384)	(34,728,338)
VIII	Extraordinary items		-	-
IX	Profit / (Loss) before tax (VII-VIII)		(5,564,384)	(34,728,338)
X	Tax expense:			
	(a) Current tax		-	-
	(b) Deferred tax		(422,426)	2,053,610
			(422,426)	2,053,610
XI	Profit / (Loss) for the period from continuing Operations (IX+X)		(5,141,958)	(36,781,948)
XII	Profit / (Loss) from discontinuing Operations		-	-
XIII	Tax expense of discontinuing Operations		-	-
XIV	Profit / (Loss) from discontinuing Operations (after tax)(XII-XIII)		-	-
XV	Profit / (Loss) for the period(XI+XIV)		(5,141,958)	(36,781,948)
XVI	Earning per Equity Share			
	(1) Basic	28	(22.19)	(158.70)
	(2) Diluted		(23.84)	(35.92)
	Significant Accounting Policies Notes on Financial Statements	1 to 34		

As per our Report of even date

For L. Mukundan & associates
Chartered Accountants
FRN No: 0102835

-SD/-

L. Mukundan
Partner
M.No 204372

Place : Chennai
Date : 29-Jul-2019

For and on behalf of the Board

-SD/- -SD/-

Ashish Bansal Usha Sankar
Director Director
DIN : 01543967 DIN : 00986388

Place : Chennai
Date : 29-Jul-2019

MELOY METALS PRIVATE LIMITED

Notes forming part of the financial statements

1 Share capital

S.no	Particulars	As at 30 June 2019	As at 31 March 2019
	Authorised capital 775000 (725000) Equity shares of 100/- each	77,500,000	77,500,000
	Issued, Subscribed and Paid-up 231764 (351830) Equity shares of 100/- each	23,176,400	23,176,400
	Total	23,176,400	23,176,400

1.1 The details of Shareholders holding more than 5% shares

S.no	Name of Share Holder	As at 30 June 2019		As at 31 March 2019	
		No of Shares	% Held	No of Shares	% Held
1	Real Securities Private Limited	-	-	-	-
2	Ashish Bansal	181,058	78.12	181,058	78.12
3	Rajendra Prasad Bassal	27,503	11.87	27,503	11.87
	Total	208,561	89.99	208,561	89.99

1.2 Reconciliation of the number of shares outstanding is set out below

No of shares at the beginning	231,764	351,830
Less: Cancellation of shares as per Merger	-	174,830
Add: Allotment of shares as per merger	-	38,514
Add: Allotment of Shares through Sweat Equity	-	16,250
	231,764	231,764

- 1.3 During the year, the Company allotted 38,514 fully paid up equity shares of face value of Rs.100/- each to shareholders of M/s. Real Alloy Extruders Private Limited(Transferor Company) in the ratio of 49 Equity shares of Transferee Company of Rs.100/- each for every 547 Equity Shares of Transferor Company of Rs.10/- each. vide the order of the National Company Law Tribunal, Single Bench, Chennai on 11th March 2019. Further the Company also allotted 16,250 Equity shares to the Directors through Sweat Equity. Also the authorised capital stands increased to Rs. 775 Lakhs.

2 Reserves and surplus

S.no	Particulars	As at 30 June 2019	As at 31 March 2019
(a)	Surplus / (Deficit) in Statement of Profit and Loss Opening balance	(39,252,032)	(14,653,133)
(b)	Add: Profit / (Loss) for the year	(5,141,958)	(36,781,948)
(c)	Add: Reserves transferred from Real Alloy Extruders	-	11,293,276
(d)	Add: Profit transferred from Real Alloy Extruders	-	441,773
(e)	Add: Equity shares allotted to shareholders Real Alloy Extruders	-	448,000
	Total (a + b)	(44,393,990)	(39,252,032)

Non Current Liabilities

3 Long Term Borrowings

S.no	Particulars	As at 30 June 2019	As at 31 March 2019
1	From Bank (Secured)		
	Term Loan	48,333,345	54,416,676
	Less: Due within one year considered separately	24,333,324	24,333,324
2	From Related Parties	122,263,060	133,110,659
	Total	146,263,081	163,194,011

Notes on Term loan

Bank	Loan Outstanding	Tenure
HDFC Bank	21,083,342	36
	33,333,334	36

Security: The above loans are secured with Exclusive charge on the entire fixed assets of the company.
Guarantee: Personal Guarantee of Mr. Ashish Bansal Managing Director

4 Deferred Tax liability (Net)

S.no	Particulars	As at 30 June 2019	As at 31 March 2019
1	Deferred Tax Liability (Net)	3,316,676	3,739,102
	Total	3,316,676	3,739,102

5 Short Term Borrowings

S.No	Particulars	As at 30 June 2019	As at 31 March 2019
1	Loan Repayable on Demand		
	(a) From Bank (Secured) *	39,268,690	51,633,830
	(b) From Related parties	8,300,000	8,300,000
	Total	47,568,690	59,933,830

* 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 Mr. Ashish Bansal (Director of the company). The above working capital facilities availed from banks are additionally secured by a charge / mortgage on all fixed assets of the company.

6 Trade Payables

S.No	Particulars	As at 30 June 2019	As at 31 March 2019
1	Micro, Small and Medium Enterprises	1,706,629	2,344,836
2	Others	6,225,905	1,487,139
3	Group CO	45,474,525	-
	Total	53,407,058	3,831,975

7 Other current liabilities

S.no	Particulars	As at 30 June 2019	As at 31 March 2019
1	Creditors for Fixed Assets	782,688	1,533,648
2	Current year maturity of long term loan	24,333,324	24,333,324
3	Advance received from Customers	129,928	-
4	Audit Fee Payable	100,000	100,000
5	Interest payable	-	636,477
6	Statutory Payable	105,856	1,385,252
7	Outstanding Expenses	1,125,981	1,208,903
	Total	26,577,777	29,197,604

8 Short term provisions

S.no	Particulars	As at 30 June 2019	As at 31 March 2019
1	Provision for taxation	-	-
2	Provision for bonus	37,404	160,204
	Total	37,404	160,204

10 Capital Work in Progress

S.no	Particulars	As at 30 June 2019	As at 31 March 2019
1	Building Work in progress	-	-
2	Electrical Fittings Work in progress	2,873,447	2,853,417
3	Furniture & Fittings Work in progress	-	-
4	Plant and Machinery Work in progress	18,158,991	17,467,631
5	Other Capital Work in progress	-	-
	Total	21,032,438	20,321,048

11 Long term Loans and Advances

S.no	Particulars	As at 30 June 2019	As at 31 March 2019
1	Security Deposit	456,900	496,900
2	Prepaid Expenses	194,770	194,770
	Total	651,670	691,670

12 Inventories

S.no	Particulars	As at 30 June 2019	As at 31 March 2019
1	Raw Materials	8,610,961	13,973,561
2	Work in progress	-	-
3	Finished Goods	17,021,025	20,273,451
4	Stores and spares	10,019,445	1,063,052
5	Loose Tools	151,997	165,815
	Total	35,803,427	35,475,880

13 Trade Receivables

S.no	Particulars	As at 30 June 2019	As at 31 March 2019
1	Trade receivables outstanding for more than 180 days		
(a)	Unsecured and considered good	-	-
	Total (1)	-	-
2	Other Trade receivables		
(a)	Secured and considered good	34,196,057	-
(b)	Group	-	-
(c)	Unsecured and considered good	-	15,845,175
	Total (2)	34,196,057	15,845,175
	Total	34,196,057	15,845,175

14 Cash and cash equivalents

S.no	Particulars	As at 30 June 2019	As at 31 March 2019
(a)	Balance with banks		
1	In current account	22,120	7,609,461
	Total	22,120	7,609,461
(b)	Cash in hand	154,337	56,817
	Total	154,337	56,817
	Total (a + b)	176,457	7,666,278

15 Short term Loans and Advances

S.no	Particulars	As at 30 June 2019	As at 31 March 2019
1	Loans to employees	31,675	13,000
	Total	31,675	13,000

16 Other Current Assets

S.no	Particulars	As at 30 June 2019	As at 31 March 2019
1	Suppliers advance- Capital Goods	-	246,178
2	Suppliers advance- Others	4,516,112	3,618,254
3	GST Receivable	20,188,304	16,441,372
4	TDS Receivable	363,358	133,684
5	MAT Credit	356,396	356,396
6	Interest Accrued but not due	20,031	20,031
7	Fixed deposit with bank	1,250,000	750,000
8	Others	298,087	4,135
	Total	26,992,288	21,570,049

17 Contingent liabilities and commitments (to the extent not provided for)

	Particulars	As at 30 June 2019
(i)	Contingent liabilities shall be classified as:	
	(a) Claims against the company not acknowledged as debt;	-
	(b) Guarantees;	-
	(c) Other money for which the company is contingently liable.	-
(ii)	Commitments shall be classified as:	
	(a) Estimated amount of contracts remaining to be executed on capital account and not provided for;	9,553,000
	(b) Uncalled liability on shares and other investments partly paid;	-
	(c) Other commitments (specify nature).	-
	Total	9,553,000

Meloy Metals Private Limited
 Depreciation as per Companies Act, 2013

9. Fixed Assets

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Particulars	Gross Block			Total 30.06.2019	Depreciation			Net Block	
	Gross Block 31.03.2019	Additions	Deletions		Upto 31.03.2019	For the current year	Upto 30.06.2019	As at 31.03.2019	As at 30.06.2019
Land	13,954,701	-	-	13,954,701	-	-	-	13,954,701	13,954,701
Building	80,811,578	-	-	80,811,578	5,824,855	1,812,562	7,637,417	74,986,723	73,174,161
Plant & Machinery	36,216,462	-	-	36,216,462	4,479,987	2,076,980	6,556,967	31,736,475	29,659,495
Furniture & Fittings	807,717	-	-	807,717	155,491	42,651	198,142	652,226	609,575
Office Equipments	256,948	-	-	256,948	128,646	16,309	144,955	128,302	111,993
Electrical fittings	11,766,019	1,460	-	11,767,479	2,683,858	599,379	3,283,270	9,082,121	8,484,709
Air pollution control equipment	13,864,302	-	-	13,864,302	2,006,857	782,496	2,789,352	11,857,445	11,074,950
Total	157,677,727	1,460	-	157,679,187	15,279,733	5,330,370	28,610,103	142,397,993	137,069,084

MELOY METALS PRIVATE LIMITED

18 Revenue from operations

S.no	Particulars	For the Period ended 30.06.2019	For the Year ended 31.03.2019
1	Revenue from operations	151,487,777	565,889,463
	Total	151,487,777	565,889,463

18.1 Revenue from operations

S.no	Particulars	For the Period ended 30.06.2019	For the Year ended 31.03.2019
1	Sale of goods	139,870,995	563,539,190
2	Conversion charges received	11,616,782	2,350,272
	Total	151,487,777	565,889,463

19 Other income

S.no	Particulars	For the Period ended 30.06.2019	For the Year ended 31.03.2019
1	Interest income	-	61,063
2	Net gain on exchange fluctuation	99,307	-
3	Profit on sale of investments	-	1,086,101
4	Miscellaneous receipts	-	275
	Total	99,307	1,147,439

20 Cost of Material Consumed

S.no	Particulars	For the Period ended 30.06.2019	For the Year ended 31.03.2019
1	Opening Stock	13,973,561	8,147,106
2	Add: Purchases	98,984,321	430,724,993
		112,957,882	438,872,099
3	Less: Closing Stock	8,610,961	13,973,561
		104,346,921	424,898,538
	Total	104,346,921	424,898,538

21 Purchase of Stock-in-trade

S.no	Particulars	For the Period ended 30.06.2019	For the Year ended 31.03.2019
1	Purchase of stock-in-trade	-	123,852,877
	Total	-	123,852,877

22 Changes in level of inventory

S.no	Particulars	For the Period ended 30.06.2019	For the Year ended 31.03.2019
	Opening stock	20,273,451	10,556,862
	Closing stock	17,021,025	20,273,451
	Total	3,252,427	(9,716,589)

23 Employee Benefit Expense

S.no	Particulars	For the Period ended 30.06.2019	For the Year ended 31.03.2019
1	Salaries and Wages	844,482	4,699,483
2	Contribution to Provident and other funds	80,432	326,847
3	Staff Welfare expenses	202,470	676,946
	Total	1,127,384	5,703,276

24 Finance Costs

S.no	Particulars	For the Period ended 30.06.2019	For the Year ended 31.03.2019
1	Bank Charges	138,783	564,714
2	Interest on unsecured loan	-	10,913,846
3	Interest paid to bank	1,228,080	7,454,348
4	Interest paid to others	-	70,532
	Total	1,366,862	19,003,440

25 Depreciation and Amortisation Expenses

S.no	Particulars	For the Period ended 30.06.2019	For the Year ended 31.03.2019
1	Depreciation	5,330,370	10,569,701
2	Tools & Implements written off	13,818	82,908
	Total	5,344,188	10,652,608

26 Other Expenses

S.no	Particulars	For the Period ended 30.06.2019	For the Year ended 31.03.2019
1	Advertisement	-	41,040
2	Auditors Fee	-	100,000
3	Conversion charges paid	-	1,003,940
4	Conveyance	151,540	555,145
5	Environmental Control Expenses	2,076,877	217,733
6	Factory Expenses	206,945	1,191,015
7	Fees & Other Taxes	133,698	3,006,407
8	Freight Outward	631,565	103,900
9	Freight Outward- Export	1,565,950	3,362,140
10	General Expenses	10,882	49,500
11	Insurance	147,494	181,175
12	Laboratory Expenses	-	43,955
13	Membership Fee & Subscription	-	40,000
14	Net loss on exchange fluctuation	-	510,299
15	Packing Material	86,583	78,545
16	Postage, Telegram & Telephone	430	18,967
17	Power & Fuel Consumed	36,157,858	15,051,479
18	Printing & Stationery	7,251	41,289
19	Professional Charges	7,500	737,400
20	Repairs & Maintenance	486,612	512,968
21	Rent	10,000	10,250
22	Transportation Charges	32,500	513,942
	Total	41,713,686	27,371,090

27 Auditors Remuneration

Statutory Audit	-	100,000
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28 Earnings per share

Particulars	Q1 2019-20	2018-2019
Net Profit attributable to Share Holders (Rs. In lacs)	(5,141.958)	(36,781,948)
No of Shares	231,764	231,764
Weighted average No of Equity Shares	215,647	215,647
Basic Earnings Per Share (in Rs.)	(22.19)	(158.70)
Adjusted basic EPS (in Rs.)	(23.84)	(35.92)

29 Earnings in foreign currency

Export Turnover	136,560,324	360,307,230
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30 Expenditure in foreign currency

	NIL	NIL
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31 CIF value of imports

Raw Materials	99,845,026	461,820,999
Capital Goods	NIL	NIL

33 Value of imported and indigenous Raw material Consumed during the financial year and the percentage of each to the total consumption

Particulars	For the Period ended 30.06.2019		For the Year ended 31.03.2019	
	Amount	Percentage	Amount	Percentage
Raw Materials				
Imported	98,326,342	94.23	419,492,031	98.73
Others	6,020,579	5.77	5,406,507	1.27
Total	104,346,921	100	424,898,538	100

34 General:

- i. Previous year's figures have been regrouped wherever necessary
- ii. A figure in brackets represents previous year figures.
- iii. Figures have been rounded off to the nearest rupee.
- iv. Notes 1 to 31 and significant accounting policies annexed to this Balance Sheet and Profit and Loss Account form part of the accounts and should be read in conjunction therewith.

As per our Report of even date
For L. Mukundan & Associates
Chartered Accountants
FRN No: 010283S

-SD/-

L. Mukundan
Partner
M.No 204372

Place : Chennai
Date : 29-Jul-2019

For and on behalf of the Board

-SD/-

-SD/-

Ashish Bansal Usha Sankar
Director Director
DIN : 01543967 DIN : 00986388

Place : Chennai
Date : 29-Jul-2019

PONDY OXIDES AND CHEMICALS LIMITED *POCL*

Report on Complaints

(From 03 June 2019 to 24 June 2019)

Part A

Sr. No.	Particulars	Number
1	Number of complaints received directly	Nil
2	Number of complaints forwarded by Stock Exchange	Nil
3	Total Number of complaints/complaints received (1+2)	Nil
4	Number of complaints resolved	Not Applicable
5	Number of complaints pending	Not Applicable

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
		Not Applicable	

For Pondy Oxides and Chemicals Limited



K Kumarivel
GM Finance and Company Secretary

Date: 25 June 2019
Place: Chennai



KRM Centre, 4th Floor, # 9, Harrington Road, Chetpet, Chennai - 600 031 India
Ph: +91 - 44 - 4296 3454, Fax: +91 - 44 - 4296 3455
e-mail: info@pocl.co.in Web: www.pocl.co.in
CIN No.: L84294TN1995PLC030586
GSTIN: 33AAAC95109D474

PONDY OXIDES AND CHEMICALS LIMITED *POCL*[®]

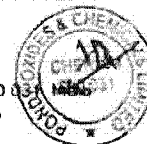
REPORT UNDER SECTION 232(2)(C) OF THE COMPANIES ACT, 2013 ADOPTED BY THE BOARD OF DIRECTORS OF PONDY OXIDES AND CHEMICALS LIMITED AT ITS MEETING HELD ON MAY 27, 2019, EXPLAINING THE EFFECT OF THE SCHEME OF AMALGAMATION OF MELROY METALS PRIVATE LIMITED WITH PONDY OXIDES AND CHEMICALS LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS, ON EQUITY SHAREHOLDERS, KEY MANAGERIAL PERSONNEL AND PROMOTERS AND NON-PROMOTER SHAREHOLDERS

1 Background

- 1.1 The Board of Directors (the "Board") of Pondy Oxides and Chemicals Limited at its meeting held on May 27, 2019, has unanimously approved the draft Scheme of Amalgamation of Melroy Metals Private Limited (the "Transferor Company") with Pondy Oxides and Chemicals Limited (the "Transferee Company") and their respective shareholders and creditors (the "Scheme" or "Scheme of Amalgamation") under sections 230 to 232 of the Companies Act, 2013 (the "Act") and other applicable provisions of the Act read with Rules 3 and 5 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and the National Company Law Tribunal Rules, 2016.
- 1.2 Section 232(2)(c) of the Act requires the Directors to adopt a report explaining the effect of the Scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders of the Transferee Company laying out in particular the share entitlement ratio, specifying any special valuation difficulties, and the same is required to be circulated to the shareholders or class of shareholders or creditors or class of creditors, as the case may be.
- 1.3 This report of the Board is accordingly being made in pursuance to the requirements of Section 232(2)(c) of the Act.
- 1.4 The Scheme, *inter alia* envisages the amalgamation of Melroy Metals Private Limited into Pondy Oxides and Chemicals Limited as a going concern.
- 1.5 The following documents were placed before the Board:
 - (i) Draft Scheme of Amalgamation initiated by the Chairman for the purpose of identification;
 - (ii) Share entitlement ratio report dated 25th May 2019 issued by M/s R. Vaidyanathan;
 - (iii) Fairness Opinion dated 27th May 2019 issued by M/s Vivro Financial Services Private Limited;
 - (iv) Pricing Certificate dated 27th May 2019 issued by M/s L. Mukundan & Associates, Chartered Accountants.



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 Ph: +91 44 4296 5454, Fax: +91 44 4296 5455
 e mail: info@pocl.co.in Web: www.pocl.co.in
 CIN No: 124294TN1995PLC030586
 GSTIN: 33AAAC95102D4Z4



- v) Certificate, confirming that the accounting treatment contained in the Scheme is in compliance with the prescribed Accounting Standards, dated 27th May 2019 issued by M/s L. Mukundan & Associates, the Statutory Auditors of the Company;
- vi) Pre Scheme shareholding pattern of the Transferor Company and the pre and post Scheme shareholding pattern of the Transferee Company;
- vii) Audited Financial Statements of the Transferee Company and Transferor Company for the last 3 financial years;
- viii) Memorandum of Association and Articles of Association of the Transferor Company and the Transferee Company;

2. Valuation

2.1 Share Entitlement Ratio

In consideration for the amalgamation, 102 (One Hundred and Two) fully paid-up equity shares of INR 10/- (Rupees Ten) each of the Transferee Company will be issued to the equity shareholders of the Transferor Company as on the Record Date, for every 100 (Hundred) fully paid-up equity shares of INR 100/- (Rupees Hundred) each held by the equity shareholders in the Transferor Company.

3. Effect of the Scheme of Amalgamation on:

3.1 Director and Key Managerial Personnel ("KMP"):

The Directors and KMP of the Transferee Company hold shares in the Transferor Company. Upon the Scheme becoming effective and upon allotment of shares as consideration for amalgamation, there would be a change in the shareholding of directors and KMP's of the Transferee Company.

In pursuance of the Scheme becoming effective, no change is being expected in the KMP's of the Transferee Company.

3.2 Equity shareholders

There is only one class of shareholders i.e. equity shareholders in the Transferee Company.

The interests of the non-promoter shareholders are in no way affected due to amalgamation as there will be no change in the Non-Promoter shareholding, pursuant to the amalgamation. However, the percentage of public shareholding will get reduced from the present level owing to the enhancement of paid-up capital.



Following table gives the details of shares allotted to Directors, KMP, & shareholders.

Name of the Person	Designation	Number of shares held in the Transferor Company	Number of shares allotted pursuant to the Scheme
Ashish Bansal	KMP and Promoter Director of the Transferee Company and, KMP and Promoter Director of the Transferor Company	181058	181679
Rajendra Prasad Bansal	KMP and Promoter Director of the Transferee Company and, Promoter of the Transferor Company	27505	28053
Megha Choudhary	Promoter of the Transferor Company	3851	3928
Charu Bansal	Promoter of the Transferee Company and Transferor Company	708	722
R. Kumaravel	KMP of the Transferee Company and Director of the Transferor Company	10650	10863
Usha Sankar	KMP of the Transferee Company and Director of the Transferor Company	6985	7125
Anosh Cherakuri	Director of the Transferor Company	10	10
K Mahalakshmi	Member of Transferee Company	999	1019

4. No special difficulties were reported in arriving at the share entitlement ratio.
5. Conclusion:

While deliberating on the Scheme, the Board had also considered the impact of the same on all the stakeholders of the Transferee & Transferor Company. The Scheme is in the best interests of the shareholders, creditors and employees of the Transferee and Transferor Company and they shall not be prejudiced by the Scheme. The Scheme does not seek any waiver of any rights or outstanding obligations towards the creditors and shareholders of the Transferee or Transferor Company.

For and on behalf of the Board


Anil Kumar Bansal
Chairman & Whole Time Director
DIN: 00232223



Date: 27th May 2019
Place: Chennai

MELOY METALS PRIVATE LIMITED *MMPL*

REPORT UNDER SECTION 232(2)(C) OF THE COMPANIES ACT, 2013 ADOPTED BY THE BOARD OF DIRECTORS OF MELOY METALS PRIVATE LIMITED AT ITS MEETING HELD ON MAY 27, 2019, EXPLAINING THE EFFECT OF THE SCHEME OF AMALGAMATION OF MELOY METALS PRIVATE LIMITED WITH PONDY OXIDES AND CHEMICALS LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS, ON EQUITY SHAREHOLDERS, KEY MANAGERIAL PERSONNEL AND PROMOTERS AND NON-PROMOTER SHAREHOLDERS

1. Background

- 1.1 The Board of Directors (the "Board") of Meloy Metals Private Limited at its meeting held on May 27, 2019, has unanimously approved the draft Scheme of Amalgamation of Meloy Metals Private Limited (the "Transferor Company") with Pondy Oxides and Chemicals Limited (the "Transferee Company") and their respective shareholders and creditors (the "Scheme" or "Scheme of Amalgamation") under sections 230 to 232 of the Companies Act, 2013 (the "Act") and other applicable provisions of the Act read with Rules 3 and 5 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and the National Company Law Tribunal Rules, 2016.
- 1.2 Section 232(2)(c) of the Act requires the Directors to adopt a report explaining the effect of the Scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders of the Transferor Company lying out in particular the share entitlement ratio, specifying any special valuation difficulties, and the same is required to be circulated to the shareholders or class of shareholders or creditors or class of creditors, as the case may be.
- 1.3 This report of the Board is accordingly being made in pursuance to the requirements of Section 232(2)(c) of the Act.
- 1.4 The Scheme, *inter alia* envisages the amalgamation of Meloy Metals Private Limited into Pondy Oxides and Chemicals Limited as a going concern.
- 1.5 The following documents were placed before the Board:
 - (i) Draft Scheme of Amalgamation intimated by the Chairman for the purposes of identification;
 - (ii) Share entitlement ratio report dated 25th May 2019 issued by M/s R Vandyarathnam;
 - (iii) Memorandum of Association and Articles of Association of the Transferor Company and the Transferee Company;



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 e-mail : info@mmpl.co.in
 CIN No. U27310TN2011PTC115709

MMPL

2. Valuation

2.1 Share Entitlement Ratio

In consideration for the amalgamation, 102 (One Hundred Two) fully paid-up equity shares of INR 100 (Rupees Ten) each of the Transferee Company will be issued to the equity shareholders of the Transferor Company as on the Record Date, for every 100 (Hundred) fully paid-up equity shares of INR 100 (Rupees Hundred) each held by the equity shareholders in the Transferor Company.

3. Effect of the Scheme of Amalgamation on:

3.1 Director and Key Managerial Personnel ("KMP"):

The Directors and KMP of the Transferor Company hold shares in the Transferee Company. Upon the Scheme becoming effective and upon allotment of shares as consideration for amalgamation, there would be a change in the shareholding of directors and KMP of the Transferor Company in the Transferee Company.

In pursuance of the Scheme becoming effective, the personnel who are in such employment with the Transferor Company as on the Effective Date shall become executives, staff, workmen and other employees of the Transferee Company from the Appointed Date or their respective joining date, whichever is later.

3.2 Equity shareholders

There is only one class of shareholders i.e. Equity Shareholders in the Transferor Company.

Upon the Scheme becoming effective, the Equity Shareholders of the Transferor Company, shall become the equity shareholders of the Transferee Company.

Upon the Scheme becoming effective, the promoters of Transferor Company shall become a part of the promoter or promoter group of the Transferee Company.

Following table gives the details of shares allotted to Directors, KMP and Shareholders:

Name of the Person	Designation	Number of shares held in the Transferor Company	Number of shares allotted pursuant to the Scheme
Ashish Bartsal	KMP and Promoter Director of the Transferee Company and KMP and Promoter Director Transferor Company	181028	184679



MMPL

Rajendra Prasad Bansal	KMP and Promoter Director of the Transferee Company and Promoter of the Transferor Company	27503	28053
Megha Bansal	Promoter of the Transferor Company	3851	3928
Cham Bansal	Promoter of the Transferee Company and Transferor Company	708	722
K. Kumaravel	KMP of the Transferee Company; and Director of the Transferor Company	10650	10863
Usha Sankar	KMP of the Transferee Company; and Director of the Transferor Company	6985	7125
Anush Chelukuri	Director of the Transferor Company	10	10
K Mahalakshmi	Member of Transferee Company	999	1019

4. No special difficulties were reported in arriving at the share entitlement ratio.

5. **Conclusion:**

While deliberating on the Scheme, the Board had also considered the impact of the same on all the stakeholders of the Transferee & Transferor Company. The Scheme is in the best interests of the shareholders, creditors and employees of the Transferee and Transferor Company and they shall not be prejudiced by the Scheme. The Scheme does not seek any waiver of any rights or outstanding obligations towards the creditors and shareholders of the Transferee or Transferor Company.

For and on behalf of the Board


Usha Sankar
Director
DIN: 00986388



Date: 27th May 2019
Place: Chennai

VIVRO

Vivro Financial Services Private Limited

Regd. Office:

Vivro House, 11, Shastri Colony, Opp. Seelidhis Shipping Center,

Paldi, Ahmedabad, Gujarat, India - 380007

Tel: +91 (79) 4340 4742

www.vivro.com

August 19, 2019

The Board of Directors and Shareholders,
Pondy Oxides and Chemicals Limited
 KRM Centre, 4th floor, No 2,
 Harrington Road, Chelveti,
 Chennai - 600031,
 Tamil Nadu, India.

Dear Sirs / Madams:

Sub: Due Diligence Certificate on the adequacy and accuracy of disclosure of information pertaining to Meloy Metals Private Limited in the format of the abridged prospectus in relation to Scheme of Amalgamation of Meloy Metals Private Limited ("Transferor Company" / "MMPL") with Pondy Oxides and Chemicals Limited ("Transferee Company" / "POCL") and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and rules made thereunder ("the Scheme").

This is with reference to our engagement letter dated May 02, 2018 entered with Pondy Oxides and Chemicals Limited for certifying the adequacy and accuracy of disclosure of information in the abridged prospectus of Meloy Metals Private Limited, prepared by POCL and to be sent to the shareholders and secured as well as unsecured creditors of POCL pursuant to the Scheme.

The Scheme provides for amalgamation of Meloy Metals Private Limited with Pondy Oxides and Chemicals Limited. Pursuant to the Scheme, the shareholders of Meloy Metals Private Limited shall receive equity shares of POCL as a consideration.

SEBI vide its Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 as amended ("SEBI Circular") prescribed requirements to be fulfilled by listed entities when they propose a Scheme of Arrangement. The SEBI Circular, *inter alia*, provides that in the event a listed entity enters into a scheme of arrangement with an unlisted entity, the listed entity shall disclose to its shareholders applicable information pertaining to the unlisted entity in the format specified for abridged prospectus as provided in Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2015 as amended ("SEBI ICDR Regulations").

Further, the adequacy and accuracy of such disclosure of information pertaining to unlisted entity is required to be certified by a SEBI registered Merchant Banker.

Accordingly, we have been provided the abridged prospectuses of MMPL ("Abridged Prospectus") as prepared by POCL and enclosed herewith. The Abridged Prospectus will be circulated to the shareholders and creditors of the Company at the time of seeking their approval to the Scheme as a part of the explanatory statement to the notice.

Based on the information, documents, affirmations, representations, undertakings and certificates provided to us by MMPL and discussions with their managements, directors and officers, we confirm that the information contained in the Abridged Prospectus of MMPL is adequate and accurate in terms of the SEBI Circular read with Part E of Schedule VI of the SEBI ICDR Regulations.



VIVRO

Vivro Financial Services Private Limited

Regd. Office:
Vivro House, B. Shash, Colony, Opp. Sahibha Shopping Centre,
Paldi, Ahmedabad, Gujarat, India - 380007
Tel: +91 (9) 4043 4242
www.vivro.net

The above confirmation is based on the information, documents and explanations provided by MMPL, explanations provided by the management of MMPL and information available in public domain. Wherever required, appropriate representations from MMPL and others have also been obtained. This certificate is based on such information and explanations provided or received up to the date preceding the date of this certificate. We have relied on the financial information and representations provided to us on an as is basis and have not carried out an audit of such information. Our scope of work does not constitute an audit for financial information and accordingly we do not express an opinion on the fairness of the financial information referred to in the Abridged Prospectus and have assumed that the same is complete and accurate in all material aspects on an as is basis. This Certificate is a specific purpose certificate issued in terms of and in compliance with the SEBI Circular and hence it should not be used for any other purpose or transaction. This certificate is not, nor should it be construed as our opinion or certifying the compliance of the proposed Scheme of Arrangement with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising thereon, in their respective jurisdiction, except for the purpose expressly mentioned herein.

We express no opinion whatsoever and make no recommendation at all on the Company's decision to effect the Scheme or how the holders of equity shares and secured and unsecured creditors should vote at their respective meetings held in connection with the proposed Scheme. We do not and should not be deemed to have expressed any views on any terms of the Scheme or its success. We also express no opinion, and accordingly accept no responsibility for or as to the price at which the equity shares of the Company will trade following the Scheme or as to the financial performance of the Company, HCC following the consummation of the Scheme. We express no opinion whatsoever and make no recommendations at all (and accordingly take no responsibility) as to whether shareholders/investors should buy, sell or hold any stake in the Company or any of its related parties. We shall not be liable for any losses whether financial or otherwise or expenses arising directly or indirectly out of the use of or reliance on the information set out here in this certificate.

For, Vivro Financial Services Private Limited


Jayesh Vihani
SVP - Capital Markets



Place: Ahmedabad

Encl: As above

APPLICABLE INFORMATION OF UNLISTED ENTITY IN THE FORMAT SPECIFIED
FOR ABRIDGED PROSPECTUS
(AS PROVIDED IN PART E OF SCHEDULE VI OF THE SEBI (CDR) REGULATIONS, 2018)

This Document contains information pertaining to unlisted entity involved in the proposed Scheme of Amalgamation of Meloy Metals Private Limited ("Transferor Company" / "MMPL") with Pandy Oxides and Chemicals Limited ("Transferee Company" / "POCL") and their respective shareholders and creditors in terms of requirement specified in SEBI Circular No. CFD/DIL/CIR/2017/21 dated March 10, 2017 as amended from time to time ("SEBI Circular").

MELOY METALS PRIVATE LIMITED		
Registered Office: KRM Centre, 4 th floor, No. 2, Harrington Road, Chetpet, Chennai- 600 031, Tamilnadu, India		
Telephone: +91-44-42965434; Fax: +91-44-42965435; Email: info@meloymetals.com		
CIN: L27110TN2011PTC115700		
Contact Person: Ms. Usha Sankar, Director		
PROMOTERS		
Mr. Ashish Bansal, Mr. Rajendraprasad Bansal, Ms. Megha Choudhuri and Ms. Charu Bansal		
DETAILS OF THE SCHEME		
The Scheme of Amalgamation of Meloy Metals Private Limited with Pandy Oxides and Chemicals Limited and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and rules made thereunder.		
STATUTORY AUDITORS		
M/s. L. Mukundan & Associates Chartered Accountants Address: Flat No. 1, 2 Kamala Arcade, 669 Mount Road Thousand Lights, Chennai - 600006 Phone No.: +91-044-28291328, 9840145586; Email: lmuishere@gmail.com		
INDEX CONTENT		
Sr. No.	Particulars	Page No.
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PROMOTERS OF MELOY METALS PRIVATE LIMITED

1. Mr. Ashish Bansal

Mr. Ashish Bansal, aged 38 years, is a Promoter as well as Managing Director of Meloy Metals Private Limited. He is a graduate in Management studies from the University of Wales, United Kingdom. He has been associated with the Company and its associates for around 10 years. Mr. Ashish Bansal has been appointed as the Managing Director of MMPL in the year 2015.

2. Mr. Rajendraprasad Bansal

Mr. Rajendraprasad Bansal, aged 72 years, is a Promoter of Meloy Metals Private Limited. He started his career in 1963 in chemicals trading and possess wide spread knowledge in Chemicals. He is well versed in the technical aspects of the Manufacturing process and has rich experience in marketing as well. He is associated with MMPL since 2017.

3. Ms. Megha Choudhari

Ms. Megha Choudhari, aged 33 years, is a Promoter of Meloy Metals Private Limited. She holds master's degree in business administration. Prior to joining the Company, she worked with Standard Chartered Bank.

4. Ms. Chara Bansal

Ms. Chara Bansal, aged 38 years, is a Promoter of Meloy Metals Private Limited. She holds Master's degree in Business Administration.

BUSINESS MODEL / BUSINESS OVERVIEW AND STRATEGY

Meloy Metals Private Limited was originally incorporated on May 25, 2011 as "*Vedam Drugs Private Limited*" in the State of Andhra Pradesh under the Companies Act, 1956. The Company changed its name to "*Meloy Metals Private Limited*" with effect from June 29, 2016 with the object of manufacturing various non-ferrous metals. The registered office of MMPL was shifted to Tamil Nadu effective from March 25, 2017.

MMPL is a Lead alloys producer having its manufacturing facility at Chittoor, Andhra Pradesh. The operations and administration of MMPL are taken care of by its capable management comprising of Mr. Ashish Bansal, Managing Director; Ms. Usha Sankar, Director and Mr. Anesh Chowdary Cherukuri, Director.

The manufacturing unit at Chittoor, Andhra Pradesh is spread on a vast area of around 6 acres of land with constructed area of around 50,000 sq ft. The unit has the capacity to manufacture 48000 metric ton per annum, of Lead metals and alloys. The unit has an advanced smelting and refining plant with automatic battery breaking capacity. It has a connected power load of 250 KVA.



BOARD OF DIRECTORS OF MELOY METALS PRIVATE LIMITED

Sr. No.	Name of Director	DIN	Designation (Independent / Whole time / Executive / Nominee)	Experience including current / past position held in other firms
1.	Ashish Bansal	01543967	Managing Director	Mr. Ashish Bansal aged 58 years, is Promoter and Managing Director of Meloy Metals Private Limited. He graduated in Management Studies from the University of Wales, United Kingdom. He is also Managing Director of Pandy Oxides and Chemicals Limited. He is associated with the Company from 2015, prior to our company he was a Whole time Director in Lohita Metals Private Limited.
2.	Usha Shankar	00986388	Director	Ms. Usha Shankar aged 57 years, is Director of Meloy Metals Private Limited. She is actively playing the role of managing the cash flow as well as treasury activities for Meloy Metals Private Limited. She is associated with the Company since the year 2015.
3.	Kumaravel Krishnamoorthi	00664405	Additional Director	Mr. Kumaravel Krishnamoorthi aged 56 years, is Director of Meloy Metals Private Limited. He is qualified CS as well Cost Accountant. Further he completed his Master of Commerce in the year 1985 from the Annamalai, Chidambaram. He is associated with the Company from the year 2019. He is also Company Secretary of Pandy Oxides and Chemicals Limited since 22 years.
4.	Anush Chowdary Cherukuri	02193537	Director	Mr. Anush Chowdary aged 56 years, was the founder Director of MMPL. He has been associated with Company since its incorporation. He is a Master Graduate in Management and has 6 years of experience in the construction industry and 6 years of experience in the pharmaceutical industry.

SHAREHOLDING PATTERN AS ON MARCH 31, 2019

Sr. no.	Particulars	Number of Equity Shares	% holding of total share capital
1.	Promoter & Promoter Group	2,13,120	91.96%
2.	Public	18,644	8.04%
	Total	2,31,764	100.00%



AUDITED FINANCIALS**Standalone Financials***(Amount in Rs.)*

Particulars	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Total income from operations (net)	56,58,89,463	3,49,60,914	0
Net Profit / (Loss) before tax and extraordinary items	(3,47,28,338)	(98,49,152)	17,014
Net Profit / (Loss) after tax and extraordinary items	(3,67,81,948)	(1,15,34,644)	17,014
Equity Share Capital	2,31,76,400	3,51,83,000	1,76,83,000
Reserves and Surplus	(3,92,52,032)	(1,46,53,133)	(31,18,189)
Net Worth	(1,60,75,632)	2,05,29,867	1,45,64,811
Basic earnings per share (₹)	(158.70)	(32.78)	(0.07)
Diluted earnings per share (₹)	(170.57)	(35.92)	
Return on net worth (%)	(228.81)	47.97	0.17
Net asset value per share (₹)	(69.39)	41.40	82.36

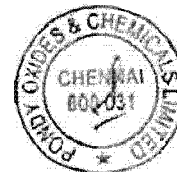
MMPL does not have any subsidiary and hence, consolidated financials are not required.

INTERNAL RISK FACTORS

1. The Transferor Company is engaged in the business of manufacturing of Lead Metals and Alloys and it caters to the needs of automobile industry and any slowdown in the growth of the automobile industry or future volatility in the metal market could affect the business.
2. The Transferor Company is an unlisted company and its equity shares are not available for trading on the stock exchange.
3. The Transferor Company has, in past, entered into related party transactions.
4. The Transferor Company has suffered losses in the previous financial years which affected the accumulated reserves and surpluses of the Transferor Company.
5. The Transferor Company had negative cash flows from operations in the previous financial years.

SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION

- A. Total number of outstanding litigations against and by our Company and amount involved: Nil
- B. Brief details of top 5 material outstanding litigations against the Company and amount involved: Nil
- C. Regulatory Action, if any - disciplinary action taken by SEBI or stock exchanges against the Promoters / Group companies in last 5 financial years including outstanding action, if any: Nil
- D. Brief details of outstanding criminal proceedings against Promoters: Nil



RATIONALE AND BENEFITS OF SCHEME OF ARRANGEMENT

Rationale and the benefits of the Scheme, inter-alia, are as follows:

- Consolidation of business

The amalgamation will enable consolidation of the businesses into one amalgamated entity which will facilitate in focused growth, Operational efficiency, integration synergies and better supervision of the business of the group. The Amalgamated Company would also have a better credit rating in the market enabling it to have better access to market funds.

- Pooling of resources

The amalgamation will enable pooling of resources of the Companies to their advantage, resulting in more productive utilization of the resources and achieving cost and operational efficiency which will be beneficial to all stakeholders.

- Scaling of operations

The amalgamation would facilitate scaling of operations i.e. achieving economies of scale, reduce administrative, managerial, compliance costs and other expenditure and bring operational rationalization resulting in greater visibility for the resultant amalgamated entity in the market.

- Financial consolidation and Flexibility

The amalgamation will lead to combination of funds of the companies. This will lead to consolidation of the financial strengths of the companies and will also result in fungibility of funds amongst various projects.

- Implementation of policy changes

From a management perspective, the amalgamation will also enable smoother implementation of policy changes at a higher level and help enhance the efficiency of the entities.

- Operational efficiencies

The amalgamation will result in reduction of multiplicity of compliances.

DECLARATION

We hereby declare that all relevant provisions of the SEBI Circular and Part E of Schedule VI of the SEBI (ICDR) Regulations, 2018 have been complied with and no statement made in this Document is contrary to the provisions of SEBI Circular or the SEBI (ICDR) Regulations, 2018. We further certify that all statements in this Document are true and correct.

For Poudy Oxides and Chemicals Limited,



K Kumaravel
Company Secretary & Compliance Officer

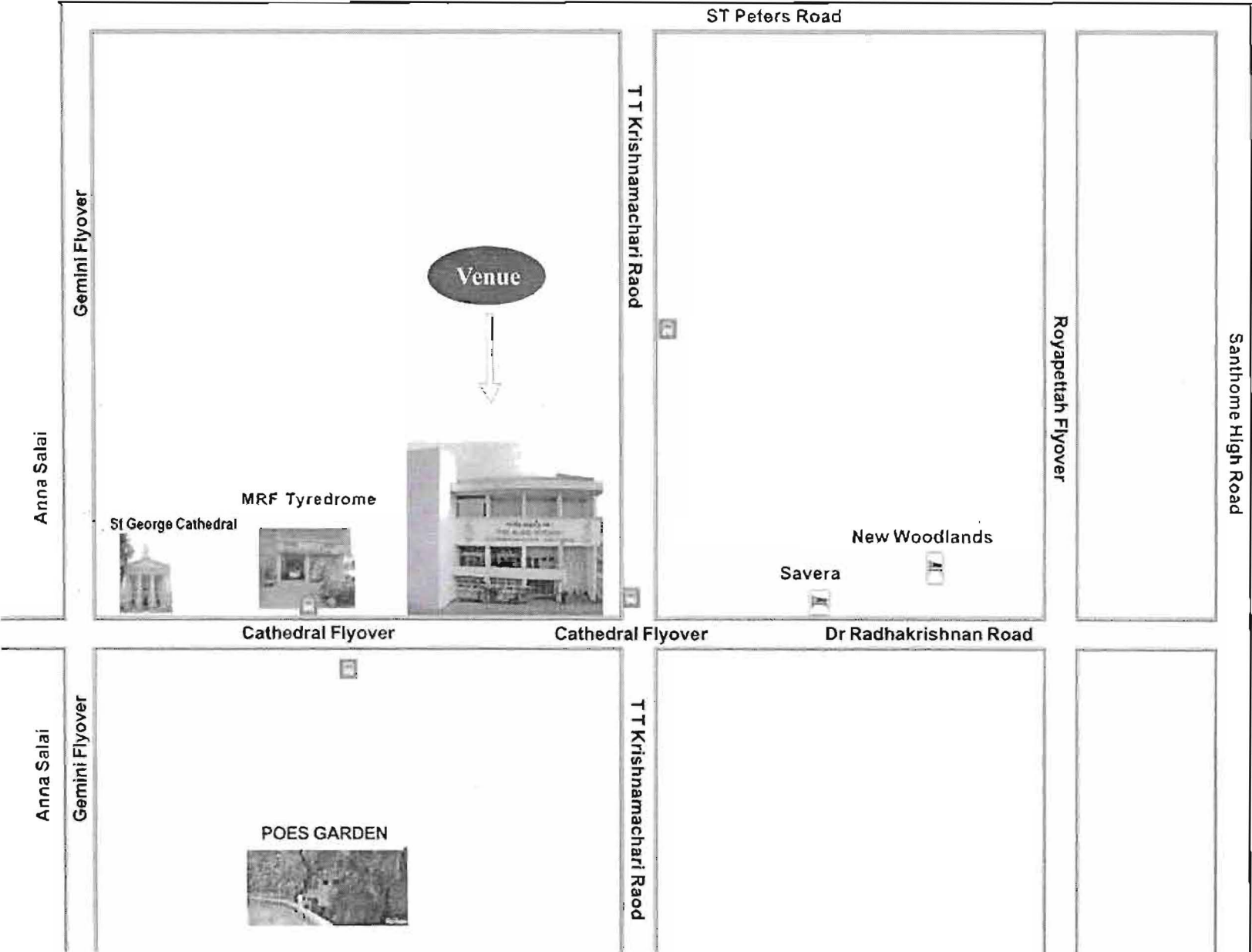


Place: Chennai

Date: 19th August 2019

Route map for the venue of Meeting of the Equity Shareholders of the Company of Pondy Oxides and Chemicals Limited to be held on Thursday, October 10, 2019 at 11:30 a.m.

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**IN THE NATIONAL COMPANY LAW TRIBUNAL
SPECIAL BENCH, CHENNAI**

CA/800 & 801/CAA/2019

Under Sections 230 to 232 of the Companies Act, 2013

In the matter of Scheme of Amalgamation

of

M/s. Meloy Metals Private Limited

(Applicant/Transferor Company)

With

M/s. Pandy Oxides and Chemicals Limited

(Applicant/Transferee Company)

And

Their Respective Shareholders and Creditors

Order delivered on 9th August, 2019

CORAM

B. S.V. PRAKASH KUMAR, MEMBER (JUDICIAL)

ANIL KUMAR B, MEMBER (TECHNICAL)

For the Petitioner: *Mr. Pawan Jhabakh, Advocate*

ORDER

Per: B. S.V. PRAKASH KUMAR, MEMBER (JUDICIAL)

1. Under consideration are 2 Company Applications in CA Nos. 800 & 801/CAA/2019 filed under sections 230 to 232 of the Companies Act, 2013 r/w the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and the NCLT, Rules, 2016. The above Applicant Companies through these Company Applications have prayed for directions for the convening, holding and conducting of the meeting of the Equity Shareholders and dispensation of the convening, holding and conducting of the meeting of the Unsecured and Secured Creditors for the Transferor Company. The Transferee Company has prayed for

directions for the convening, holding and conducting of the meeting of the Equity Shareholders, Unsecured Creditors and Secured Creditors.

The Scheme contemplates the amalgamation, transfer and vesting of the entire business of M/s. Meloy Metals Private Limited into M/s. Pondy Oxides and Chemicals Limited. The rationale and reasons for the Scheme of Amalgamation is to ensure, consolidation of business, pooling of resources, scaling of operations, implementation of policy changes and improve operation efficiencies between the Transferor and Transferee Company. The Transferor Company is a private company, whereas the Transferee Company is listed public company having its equity shares with the BSE Limited.

2. M/s. Meloy Metals Private Limited:

- i) The Transferor Company has 8 (Eight) Equity Shareholders. The List of Equity Shareholders is placed at Page 124 of the typed set filed with the Application. The meeting of the Equity Shareholders is ordered to be held on 30th September, 2019, at 11:30 AM, at 4th Floor, KRM Centre, No: 2, Harrington Rd, Chetpet, Chennai, Tamil Nadu – 600031 and publication is ordered to be made in the “The Business Standard” (Chennai Edition) and “Malai Chudur” (Chennai Edition). The meeting is to be chaired by Mr. Ashish Bansal, Director, and in his absence Mr. K Kumaravel, failing which, Ms. Usha Sankar will chair the meeting. The Chairman’s Report shall be filed before this tribunal, on or before 7 days from the date of the meeting. The quorum for the meeting is fixed as 2 Equity Shareholders

in person or by proxy. In case the said quorum is not present at the designated time, then the meeting shall be adjourned by half an hour, and thereafter the persons present for voting in person or by proxy shall be considered as valid quorum. The notice shall be issued with a clear 30+2 days prior to the date of the meeting. The service of notice may be affected by speed post/ courier/email.

ii) The Transferor Company has 1 (One) Secured Creditor. The certificate issued by an independent Chartered Accountant in this regard is placed at Page 97 of the typed set filed with the Application and the consent affidavit by the said Secured Creditor is placed at page 98 to 108 of the type set of the Application. Therefore, since consent of more than 90% of the class of creditors has been obtained, the meeting of the Secured Creditor(s) is allowed to be dispensed with under section 230(9) of the Companies Act, 2013. The Transferor Company is also directed to send notice to the Secured Creditor by way of speed post/courier/email and file the proof of service along with the Company Petition.

iii) The Transferor Company has 69 (Sixty Nine) Unsecured Creditor(s). The certificate issued by an independent Chartered Accountant in this regard is placed at Pages 109 to 111 of the typed set filed with the Application. The consent affidavit(s) given by the Unsecured Creditors exceeding 90% in terms of values, are placed at pages 112 to 123 of the typed set filed with the Application, wherein it has been deposed that they do support the Scheme and consent to the same. Therefore, since consent of more than 90% of the class of creditors has been

obtained, the meeting of the Unsecured Creditors is allowed to be dispensed with under section 230(9) of the Companies Act, 2013. The Transferor Company is also directed to send notice to the Unsecured Creditors by way of speed post/courier/email and file the proof of service along with the Company Petition.

3. M/s. Pandy Oxides and Chemicals Limited:

- i) The Transferee Company is listed with the BSE Limited and has 12,622 (Twelve Thousand Six Hundred Twenty Two) Equity Shareholders. The List of Equity Shareholders is placed at Pages 172 to 339 of the typed set filed with the Application. The meeting of the Equity Shareholders is ordered to be held on 10th October, 2019, at 11:30 AM, at Kasturi Srinivasan Hall (Mini Hall), Music Academy, 306, T.T.K Road, Chennai – 600014, Tamil Nadu and publication is to be made in the “The Business Standard” (Chennai Edition) and “Malai Chudur” (Chennai Edition). The meeting is to be chaired by Mr. Anil Kumar Bansal, Director, and in his absence Mr. Anil Kumar Sachdev, Director, failing which, Mr. Vijay Anand, Director, will chair the meeting. The Chairman’s Report shall be filed before this tribunal, on or before 7 days from the date of the meeting. The quorum for the meeting is fixed as 50 Shareholders in person or by proxy. In case the said quorum is not present at the designated time, then the meeting shall be adjourned by half an hour, and thereafter the persons present for voting in person or by proxy shall be considered as valid quorum. The notice shall be issued with a

clear 30+2 days prior to the date of the meeting. The service of notice may be affected by speed post/ courier/email.

ii) The Transferee Company has 6 (Six) Secured Creditors. The List of Secured Creditors is placed at Page 168 of the typed set filed with the Application. The meeting of the Secured Creditors is ordered to be held on 11th October, 2019, at 11:30 AM, at 4th Floor, KRM Centre, No: 2, Harrington Rd, Chetpet, Chennai, Tamil Nadu – 600031 and publication is to be made in the “The Business Standard” (All India Edition) and “Malai Chudur” (Chennai Edition). The meeting is to be chaired by Mr. Anil Kumar Bansal, Director, and in his absence Mr. Ashish Bansal, Director, will chair the meeting. The Chairman’s Report shall be filed before this tribunal, on or before 7 days from the date of the meeting. The quorum for the meeting is fixed as 2 Secured Creditors in person or by proxy. In case the said quorum is not present at the designated time, then the meeting shall be adjourned by half an hour, and thereafter the persons present for voting in person or by proxy shall be considered as valid quorum. The notice shall be issued with a clear 30+2 days prior to the date of the meeting. The service of notice may be affected by speed post/ courier/email.

iii) The Transferee Company has 99 (Ninety Nine) Unsecured Creditors. The List of Unsecured Creditors is placed at Page 169-170 of the typed set filed with the Application. The meeting of the Unsecured Creditors is ordered to be held on 11th October, 2019, at 02:30 PM, at 4th Floor, KRM Centre, No: 2, Harrington Rd,


Chetpet, Chennai, Tamil Nadu – 600031 and publication is to be made in the “The Business Standard” (All India Edition) and “Malai Chudur” (Chennai Edition). The meeting is to be chaired by Mr. Anil Kumar Bansal, Director, and in his absence Mr. Ashish Bansal, Director, will chair the meeting. The Chairman’s Report shall be filed before this tribunal, on or before 7 days from the date of the meeting. The quorum for the meeting is fixed as 15 Unsecured Creditors in person or by proxy. In case the said quorum is not present at the designated time, then the meeting shall be adjourned by half an hour, and thereafter the persons present for voting in person or by proxy shall be considered as valid quorum. The notice shall be issued with a clear 30+2 days prior to the date of the meeting. The service of notice may be affected by speed post/courier/email.

4. The Registry is directed to issue notice to the concerned Regional Director, Ministry of Corporate Affairs, RoC concerned, Income Tax Authorities including the Assessing Officer of the I.T. Circle in relation to the Transferor and Transferee Company, Notices are also ordered to the Security Exchange Board of India, BSE Limited for the Transferee Company. The Registry is also directed to issue notice to the Official Liquidator, who in turn, may appoint a Chartered Accountant and submit a report with regard to the Transferor Company within four weeks from the date of receipt of this order. In case, the statutory authorities to whom the notice is issued are desirous of making any objection/representation,

they may do so within 30 days from the date of receipt of the notice. In case no objection/representation is made, it shall be presumed that they/any of them have/has no objection/representation to make.

5. The Applicant Companies are directed to place the notice on their website, if any, and also place the same on the notice board of the registered office of Companies. The Applicant Companies are also directed to send private notices to the authorities by way of speed post and file the proof of service along with the paper publication, by way of an affidavit before t

6. The Applicant Companies shall present the days from the date of submission of the : the Application stand **disposed of**.


(Anil Kumar B)
Member (Technical)

-SD-
ANIL KUMAR B
MEMBER (TECHNICAL)

earing.
pany Petition within 7
airman. Accordingly,


(B. S. V. Prakash Kumar)
Member (Judicial)

Arpan

-Sd-
(B. S. V. PRAKASH KUMAR)
Member (Judicial)