

27.05.2019

Scrip code: 532626

BSE Limited

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

Dear Sir,

Sub: Outcome of the Board Meeting held on May 27, 2019

Further to our letter dated May 13, 2019 and in compliance with Regulation 30 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated 9 September 2015, we wish to inform you that the Board of Directors at their Meeting held on May 27, 2019, has inter alia:

1. Approved the Audited financial statements for the quarter and financial year ended March 31, 2019 and noted the Auditors' report with unmodified opinion thereon.
2. Recommended a Dividend of 40% (i.e., Rs. 4 per equity share of face value of Rs. 10 each) for the financial year ended March 31, 2019.
3. Approved the Scheme of Amalgamation of Meloy Metals Private Limited ('Transferor Company') with Pondy Oxides and Chemicals Limited ('Transferee Company') and their respective Shareholders and Creditors under Sections 230 to 232 of the Companies Act 2013 read with the Rules made thereunder and other applicable provisions of the Act with Appointed Date of 1 April 2019.

The Scheme is subject to the requisite approval of the Securities and Exchange Board of India ('SEBI'), Bombay Stock Exchange Limited ('BSE'), the stock exchange where the shares of the Transferee Company are listed, shareholders / creditors of the Transferor Company and the Transferee Company and the sanction of the National Company Law Tribunal ('NCLT'), and such other statutory and regulatory authority(ies) as may be applicable.

The Disclosure in respect of the aforesaid Scheme of Amalgamation as required under Regulation 30 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated 9 September 2015 is enclosed herewith as **Annexure A.**



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The Meeting commenced at 2.30 P.M and concluded at 5.15 P.M.

Kindly take the above on record.

Thanking you
Yours faithfully

For **Pondy Oxides and Chemicals Limited**





K. Kumaravel
GM Finance & Company Secretary.

Annexure A

Disclosure in terms of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015

a) Name of the entity(ies) forming part of the amalgamation / merger, details in brief such as size, turnover, etc.

Name of the entity	Entity	Turnover (31 st March 2019) (INR in Lakhs)	Networth (31 st March 2019) (INR in Lakhs)
Meloy Metals Private Limited	Transferee Company	5658.89	(160.76)
Pondy Oxides and Chemicals Limited	Transferor Company	104888.55	13040.03

b) Whether the transaction would fall within related party transactions? If yes, whether the same is done at “arms length”

Meloy Metals Private Limited could be a related party to Pondy Oxides and Chemicals Limited wherein the directors of Pondy Oxides and Chemicals Limited are interested in Meloy Metals Private Limited.

The transaction is done at arm's length on the basis of the valuation done by independent valuers.

c) Area of business of the entity(ies)

- (a) Meloy Metals Private Limited is engaged in the business of manufacturing of Lead Metal and Lead Alloys.
- (b) Pondy Oxides and Chemicals Limited is engaged in the production of Lead, Lead Alloys, Zinc Metal and Zinc Oxide.

d) Rationale of amalgamation

(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.

e) In case of cash consideration - amount or otherwise share exchange ratio

There is no cash consideration.

The Share Exchange Ratio is based on the Valuation Report of Mr. R. Vaidyanathan bearing registration no. IBBI/RV/03/2018/10049 and subject to the Fairness Opinion of M/s. Vivro Financial Services Private Limited.

In consideration of the amalgamation, based on the valuation, Pondy Oxides and Chemicals Limited shall issue and allot shares in the following manner:-

102 equity shares of Rs.10/- (Rupees Ten Only) each of the Transferee Company credited as fully paid up in respect of every 100 equity shares of Rs.100/- each fully paid-up held by them in the Transferor Company.

f) Brief details of change in shareholding pattern (if any) of listed entity

Particulars	Pre-Amalgamation (% holding)	Post-Amalgamation (% holding)
Promoters	46.38%	48.24%
Non-promoters	53.62%	51.76%
Total	100%	100%

