

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

29.06.2020

Scrip code: 532626

BSE Limited

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

Dear Sir,

Sub: Submission of Audited financial results for the quarter and financial year ended March 31, 2020

Pursuant to the provisions of Regulation 30 read with Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, we would like to inform you that the Board of Directors in their meeting held on June 29, 2020 considered and approved the audited financial results for the quarter and financial year ended March 31, 2020.

In this regard, please find attached the Audited financial statements for the quarter and financial year ended March 31, 2020.

The meeting commenced at 03.00 p.m. and concluded at 4.30 p.m.

Kindly take the above on record.

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.
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e-mail : info@pocl.co.in Web : www.pocl.co.in
CIN No. : L24294TN1995PLC030586
GSTIN : 33AAACP5102D4Z4

Pondy Oxides And Chemicals Limited

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Statement of Standalone financial results for the quarter and year ended March 31,2020 under Ind AS

Rs. in Lakhs						
Sl No	Particulars	Quarter ended			Year to date figures for the 12 months ended	
		March 31,2020 (Audited)	December 31, 2019 (Unaudited)	March 31,2019 (Audited)	March 31,2020 (Audited)	March 31,2019 (Audited)
1	Income					
	(a) Revenue from Operations	26,646.45	37,221.55	24,439.06	1,21,987.10	1,04,888.55
	(b) Other Income (Net)	232.69	5.65	(24.53)	354.28	398.93
	Total Income	26,879.14	37,227.20	24,414.53	1,22,341.38	1,05,287.48
2	Expenses					
	(a) Cost of materials consumed	23,394.75	34,211.75	20,592.57	1,07,381.96	90,033.23
	(b) Purchase of stock-in-trade - Traded goods	(1,161.81)	1,343.70	1,814.65	2,797.33	4,460.03
	(c) Changes in inventories of work-in-progress, stock-in-trade and finished goods	1,662.03	(1,273.15)	(54.45)	2,708.45	(1,049.54)
	(d) Employee benefit expenses	522.98	561.47	423.82	1,959.71	1,504.83
	(e) Finance costs	335.67	275.01	252.36	994.56	1,122.34
	(f) Depreciation and amortization expense	398.67	133.79	136.02	786.67	519.26
	(g) Other expenses	1,007.40	1,066.31	938.62	3,589.92	3,509.52
	Total Expenses	26,159.69	36,318.88	24,103.59	1,20,218.60	1,00,099.67
3	Profit/ (loss) before exceptional items and tax (1-2)	719.45	908.32	310.94	2,122.78	5,187.81
4	Exceptional items	-	-	-	-	-
5	Profit/ (loss) before tax (3+4)	719.45	908.32	310.94	2,122.78	5,187.81
6	Tax expense					
	(a) Current tax	214.11	160.86	100.98	481.64	1,822.47
	(b) Deferred tax charge/ (credit)	72.82	(53.69)	13.39	6.58	(7.49)
	Total Tax Expenses	286.93	107.17	114.37	488.22	1,814.98
7	Net Profit for the period (5-6)	432.52	801.15	196.57	1,634.56	3,372.83
8	Other comprehensive income , net of income tax					
	(a) items that will not be reclassified to profit or loss	12.81	-	6.34	12.81	6.34
	(b) income tax relating to items that will not be reclassified to profit or loss	(3.22)	-	(2.21)	(3.22)	(2.21)
	Total other comprehensive income , net of income tax	9.59	-	4.13	9.59	4.13
9	Total comprehensive income/ (loss) for the period (7+8)	442.11	801.15	200.70	1,644.15	3,376.96
10	Paid-up equity share capital	581.24	557.60	557.60	581.24	557.60
	Face value per share (Rs)	10.00	10.00	10.00	10.00	10.00
11	Reserves (excluding Revaluation Reserve)				14,463.74	12,482.43
12	Earning per share (Rs 10 each) (not annualised)					
	- Basic	7.68	14.37	3.53	29.28	60.49
	- Diluted	7.68	14.37	3.53	29.28	60.49



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Statement of Standalone Assets and Liabilities		
	Rs. in Lakhs	
	As at March 31,2020	As at March 31,2019
1 Assets		
Non-current assets		
(a) Property, plant and equipment	4,966.14	3,231.67
(b) Capital work in progress	188.33	44.16
(c) Investment Property	-	185.99
(d) Goodwill	965.46	-
(e) Intangible assets	124.10	30.79
(f) Intangible assets under development	-	44.32
(g) Financial Assets		
(i) Investments	9.56	14.40
(ii) Other Financial Assets	106.13	93.36
(h) Deferred Tax Assets (Net)	11.47	58.66
(i) Other non-current assets	252.07	240.34
Total Non-current assets	6,623.26	3,943.69
Current assets		
(a) Inventories	7,050.44	11,017.58
(b) Financial Assets		
(i) Trade receivables	5,741.00	8,853.77
(ii) Cash and cash equivalents	615.63	105.85
(iii) Bank balances other than above	322.11	298.51
(iv) Other financial assets	-	17.83
(c) Other current assets	1,571.56	3,909.39
Total Current Assets	15,300.74	24,202.93
Total - Assets	21,924.00	28,146.62
2 Equity and Liabilities		
Equity		
(a) Equity share capital	581.24	557.60
(b) Other Equity	14,463.74	12,482.43
Total Equity	15,044.98	13,040.03
Non current liabilities		
(a) Financial Liabilities		
(i) Borrowings	684.30	351.94
(b) Provisions	56.29	62.41
(c) Other liabilities	10.38	15.94
Total Non current Liabilities	750.97	430.29
Current liabilities		
(a) Financial Liabilities		
(i) Borrowings	4,443.61	13,629.54
(ii) Trade payables		
- Dues to Micro and Small enterprises	8.07	16.14
- Dues to Creditors other than Micro and Small enterprises	463.34	390.79
(iii) Other financial liabilities	817.55	251.98
(b) Provisions	77.34	8.14
(c) Other current liabilities	318.14	379.71
Total Current Liabilities	6,128.05	14,676.30
Total - Equity and Liabilities	21,924.00	28,146.62



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Statement of Standalone financial results for the quarter and year ended March 31,2020 under Ind AS

Statement of cash flows for the year ended March 31,2020

		Rs. in Lakhs	
Particulars		As at March 31,2020	As at March 31,2019
1	Cash Flow From Operating Activities		
	Profit before income tax	2,122.78	5,187.81
	Adjustments for		
	Depreciation and amortisation expense	786.67	519.26
	(Profit)/ loss on sale of fixed asset	36.63	(6.55)
	(Increase)/ decrease in fair value of investments	4.84	1.50
	Interest income	(14.23)	(65.04)
	Dividend income	(0.11)	(0.05)
	Finance costs	994.56	1,122.34
	Operating Profit before working capital changes	3,931.14	6,759.27
	Change in operating assets and liabilities		
	(Increase)/ decrease in Other financial assets	5.06	270.02
	(Increase)/ decrease in inventories	3,967.14	(1,310.94)
	(Increase)/ decrease in trade receivables	3,112.77	265.70
	(Increase)/ decrease in Other assets	2,324.83	(1,850.21)
	Increase/ (decrease) in provisions and other liabilities	511.99	45.98
	Increase/ (decrease) in trade payables	64.48	67.87
	Cash generated from operations	13,917.41	4,247.69
	Less : Income taxes paid (net of refunds)	(387.73)	(1,915.11)
	Net cash from operating activities (1)	13,529.68	2,332.58
2	Cash Flows From Investing Activities		
	Purchase of PPE (including changes in CWIP)	(3,596.39)	(664.45)
	Sale proceeds of PPE	52.53	52.63
	(Investments in)/ Maturity of fixed deposits with banks	(23.60)	(224.80)
	Dividend received	0.11	0.05
	Interest received	27.23	60.27
	Net cash used in investing activities (2)	(3,540.12)	(776.30)
3	Cash Flows From Financing Activities		
	Proceeds from issue of equity share capital (net of share application money)	838.29	-
	Proceeds from/ (repayment of) long term borrowings	332.36	(411.15)
	Proceeds from/ (repayment of) short term borrowings	(9,185.93)	163.32
	Finance costs	(994.56)	(1,122.28)
	Dividend paid	(469.94)	(201.66)
	Net cash from/ (used in) financing activities (3)	(9,479.78)	(1,571.77)
	Net increase/decrease in cash and cash equivalents (1+2+3)	509.78	(15.49)
	Cash and cash equivalents at the beginning of the financial year	105.85	121.34
	Cash and cash equivalents at end of the year	615.63	105.85



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Notes:

- 1 These financial results were reviewed, recommended by the Audit Committee and approved by the Board of Directors at their meetings held on June 29, 2020. These results are as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended. The statutory auditors have carried out an audit of these results for the year ended March 31, 2020 and a limited review for the quarter ended March 31, 2020 and have issued an unmodified report on these results.
- 2 Interim dividend of Rs. 3 per equity share of face value of Rs 10 each approved by the Board of Directors at its meeting held on March 13,2020 and was paid during the current year (Previous year dividend Rs. 4 per equity share).
- 3 The Company is engaged in the manufacture and marketing of Lead Metal and Lead Alloys which in the context of Indian Accounting Standard (Ind AS) -108 Operating Segments, is considered as the operating segment of the Company.
- 4 During the year, the Company elected to exercise the option permitted under section 115BAA of Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019. Accordingly, the Company has recognized provision for Income-tax for the year ended March 31, 2020 and re-measured its deferred tax asset (net) based on the rate prescribed in the said Act. The full impact of this change relating to the deferred tax asset (net) as at March 31, 2019 has been recognized in the Statement of Profit and Loss in the year ended March 31, 2020.
- 5 The Company has adopted Ind AS 116 "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 figure.
- 6 The Ministry of Home Affairs vide order no 40-312020-DM-I(A) dated March 24, 2020 announced a nation-wide lockdown as a measure to contain the spread of COVID 19 which was declared a global pandemic by the World Health Organisation. Owing to the lockdown, the operations of the Company were impacted due to initial shutting down of all plants and offices. The Company has resumed operations in a phased manner as per directives issued by the Government and is closely monitoring the impact of the pandemic on all aspects of its business. The Company is taking appropriate measures to ensure the safety and well-being of all its employees and ensuring full compliance with the directives issued by the Government in this regard.
The Management has exercised due care, in concluding on significant accounting judgements and estimates, inter-alia, recoverability of receivables, assessment for impairment of intangible assets, inventory, based on the information available to date, both internal and external, to the extent relevant, while preparing these financial results as of and for the year ended March 31, 2020. Based on the assessment of current indicators of future economic conditions, the management does not envisage any significant impact on its financial results and financial position as on March 31, 2020. The impact assessment of COVID 19 is a continuing process given the uncertainties associated with its nature and duration, and accordingly, the eventual outcome may be different from those estimated as on the date of approval of these financial results.
- 7 The figures for the current quarter ended March 31, 2020 and the quarter ended March 31, 2019 are balancing figures between the audited figures of the full financial year ended March 31, 2020 and March 31, 2019, and the published year to date figures up to third quarter ended December 31, 2019 and December 31, 2018, respectively.
- 8 During the year, as per the order dated February 31, 2020 of NCLT Meloy Metals Private Limited merged with our company with the appointed date as at April 01, 2019 and accordingly details provided in the financial statements includes the transactions of Meloy Metals Private Limited and hence full year figures are strictly not comparable with previous year.
- 9 Previous year figures are re grouped wherever necessary

Place: Chennai
Date : June 29,2020



for Pondy Oxides and Chemicals Limited

**Ashish
Bansal**

Digitally signed
by Ashish Bansal
Date: 2020.06.29
16:33:19 +05'30'

Ashish Bansal
Managing Director
DIN : 01543967



**INDEPENDENT AUDITOR'S REPORT ON THE AUDITED STANDALONE FINANCIAL RESULTS OF THE
PONDY OXIDES AND CHEMICALS LIMITED FOR THE QUARTER AND YEAR ENDED 31st MARCH, 2020**

To

The Board of Directors
Pondy Oxides and Chemicals Limited
KRM Centre, 2, Harrington Road,
Chetpet, Chennai 600 031

Opinion

We have audited the accompanying statement of Standalone Financial Results of Pondy Oxides and Chemicals Limited ("the Company"), for the quarter and year ended 31st March, 2020 ("the Statement"), attached herewith, being submitted by the Company pursuant to requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended ("the Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- i. is presented in accordance with the requirement of Regulation 33 of the Listing Regulations as amended; and
- ii. gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and other comprehensive income and other financial information of the Company for the quarter and year ended 31st March, 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Results" 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 standalone financial results under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibility for the Standalone Financial Results

This statement has been prepared on the basis of the standalone annual Ind AS financial statements. The Company's Board of Directors are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the applicable Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act, read with relevant Rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are also responsible for overseeing the Company's financial reporting process

Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement 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 the Statement.

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

- a. Identify and assess the risks of material misstatement of the Statement, 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.
- b. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing our opinion on effectiveness of the Company's internal control. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.



- c. evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Company's Board of Directors.
- d. Conclude on the appropriateness of the Board of Directors' 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 Statement 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.
- e. Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement 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.

Other Matters

The Statement includes the results for the Quarter ended 31st March, 2020 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to third quarter of the current financial year which were subject to limited review by us.

For L Mukundan and Associates
Chartered Accountants
Firm Registration No.0102835

LAKSHMI Digitally signed
by LAKSHMI
NARASIMHA NARASIMHAN
N MUKUNDAN
MUKUNDAN Date: 2020.06.29
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(L MUKUNDAN)
Partner
Membership No. 204372
UDIN: 20204372AAAACU6501

Place: Chennai
Date: 29.06.2020

Declaration with respect to the unmodified opinion in Auditor's Report

Pursuant to the provisions of Regulation 33(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby declare that M/s. L. Mukundan & Associates, Statutory Auditors of the Company have expressed an UNMODIFIED OPINION in their Audit report on the Audited Financial Results of the Company for the financial year ended March 31, 2020.

For Pondy Oxides and Chemicals Limited

Ashish Digitally signed
by Ashish Bansal
Bansal Date: 2020.06.29
16:36:46 +05'30'

Ashish Bansal
Managing Director

