



## PONDY OXIDES AND CHEMICALS LIMITED

Regd Office : KRM Centre, 4<sup>th</sup> Floor, #2 Harrington Road, Chetpet, Chennai-600031

### NOTICE OF EXTRA ORDINARY GENERAL MEETING

NOTICE is hereby given that an EXTRA-ORDINARY GENERAL MEETING of the shareholders of the Company will be held on Friday, 26<sup>th</sup> October, 2012 at 12.00 Noon at the Hotel Asoka, Room No.407, New No.47, Old No.33, Pantheon Road, Egmore, Chennai – 600 008 to transact the following Special Businesses:

**1. Re-appointment and fixing remuneration of Shri. Anil Kumar Bansal, Managing Director**

*To consider and if thought fit, to pass, with or without modification, the following resolution as a Special Resolutions:*

**“RESOLVED THAT** pursuant to Sections 198, 269, 309, 310, 311 and other applicable provisions of the Companies Act, 1956, and Schedule XIII thereto Shri Anil Kumar Bansal, who was appointed as a Managing Director of the Company for a period of three years with effect from 1<sup>st</sup> April 2010, be and is hereby reappointed for a further period of two years with effect from 1<sup>st</sup> April 2013.

**RESOLVED FURTHER THAT** the remuneration payable to Shri. Anil Kumar Bansal be and is hereby revised and approved for a period of three years with effect from 1<sup>st</sup> April 2012, including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year and that the Board of Directors of the Company be and are hereby authorised to modify such remuneration from time to time subject to the limits and stipulations prescribed by the Companies Act, 1956 read with Schedule XIII thereto and/or any guidelines prescribed by the Government from time to time:

**Salary:** In the scale of pay of Rs. 1,75,000 - Rs. 25,000 - Rs. 2,25,000 with a basic pay of Rs.1,75,000 per month with authority to the Board/Remuneration Committee to give suitable annual increment not exceeding 25% of Basic salary.

**Perquisites and allowances :** Such as House Rent Allowance, Special Allowance, Provident Fund, Conveyance, Medical Reimbursement, Bonus, Leave Travel Concession, Gratuity, Electrical expenses, House Maintenance, Books, Periodicals and Annual subscription for residence and communication expenses as may be provided by the Company as agreed upon by the Board of Directors of the Company and Shri Anil Kumar Bansal subject however that the total value of perquisites payable in a year shall not exceed the amount of annual salary.

**Commission:** As may be determined by the Board from time to time.”

**2. Re-appointment and fixing remuneration of Shri. R.P. Bansal, Whole time Director**

*To consider and if thought fit, to pass, with or without modification, the following resolution as a Special Resolutions:*

**“RESOLVED THAT** pursuant to Sections 198, 269, 309, 310, 311 and other applicable provisions of the Companies Act, 1956, and Schedule XIII thereto Shri R P Bansal, who was appointed as a Whole Time Director of the Company for a period of three years with effect from 1<sup>st</sup> April 2010, be and is hereby reappointed for a further period of two years with effect from 1<sup>st</sup> April 2013.

**RESOLVED FURTHER THAT** the remuneration payable to Shri. R P Bansal be and is hereby revised and approved for a period of three years with effect from 1<sup>st</sup> April 2012, including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year and that the Board of Directors of the Company be and are hereby authorised to modify such remuneration from time to time subject to

the limits and stipulations prescribed by the Companies Act, 1956 read with Schedule XIII thereto and/or any guidelines prescribed by the Government from time to time:

**Salary:** In the scale of pay of Rs. 1,40,000 - Rs. 20,000 - Rs. 1,80,000 with a basic pay of Rs. 1,40,000 per month with authority to the Board/Remuneration Committee to give suitable annual increment not exceeding 25% of Basic salary.

**Perquisites and allowances :** Such as House Rent Allowance, Special Allowance, Provident Fund, Conveyance, Medical Reimbursement, Bonus, Leave Travel Concession, Gratuity, Electrical expenses, House Maintenance, Books, Periodicals and Annual subscription for residence and communication expenses as may be provided by the Company as agreed upon by the Board of Directors of the Company and Shri R P Bansal subject however that the total value of perquisites payable in a year shall not exceed the amount of annual salary.

**Commission:** As may be determined by the Board from time to time."

**3. Re-appointment and fixing remuneration of Shri. Sunil Kumar Bansal, Whole time Director**

*To consider and if thought fit, to pass, with or without modification, the following resolution as a **Special Resolutions:***

**"RESOLVED THAT** pursuant to Sections 198, 269, 309, 310, 311 and other applicable provisions of the Companies Act, 1956, and Schedule XIII thereto Shri Sunil Kumar Bansal, who was appointed as a Whole Time Director of the Company for a period of three years with effect from 1<sup>st</sup> April 2010, be and is hereby reappointed for a further period of two years with effect from 1<sup>st</sup> April 2013.

**RESOLVED FURTHER THAT** the remuneration payable to Shri. Sunil Kumar Bansal be and is hereby revised and approved for a period of three years with effect from 1<sup>st</sup> April 2012, including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year and that the Board of Directors of the Company be and are hereby authorised to modify such remuneration from time to time subject to the limits and stipulations prescribed by the Companies Act, 1956 read with Schedule XIII thereto and/or any guidelines prescribed by the Government from time to time:

**Salary:** In the scale of pay of Rs. 1,40,000 - Rs. 20,000 - Rs. 1,80,000 with a basic pay of Rs. 1,40,000 per month with authority to the Board/Remuneration Committee to give suitable annual increment not exceeding 25% of Basic salary.

**Perquisites and allowances :** Such as House Rent Allowance, Special Allowance, Provident Fund, Conveyance, Medical Reimbursement, Bonus, Leave Travel Concession, Gratuity, Electrical expenses, House Maintenance, Books, Periodicals and Annual subscription for residence and communication expenses as may be provided by the Company as agreed upon by the Board of Directors of the Company and Shri Sunil Kumar Bansal subject however that the total value of perquisites payable in a year shall not exceed the amount of annual salary.

**Commission:** As may be determined by the Board from time to time."

**4. Re-appointment and fixing remuneration of Shri. Devakar Bansal, Whole time Director**

*To consider and if thought fit, to pass, with or without modification, the following resolution as a **Special Resolutions:***

**"RESOLVED THAT** pursuant to Sections 198, 269, 309, 310, 311 and other applicable provisions of the Companies Act, 1956, and Schedule XIII thereto Shri Devakar Bansal, who was appointed as a Whole Time Director of the Company for a period of three years with effect from 1<sup>st</sup> April 2010, be and is hereby reappointed for a further period of two years with effect from 1<sup>st</sup> April 2013.

**RESOLVED FURTHER THAT** the remuneration payable to Shri. Devakar Bansal be and is hereby revised and approved for a period of three years with effect from 1<sup>st</sup> April 2012, including the remuneration

to be paid in the event of loss or inadequacy of profits in any financial year and that the Board of Directors of the Company be and are hereby authorised to modify such remuneration from time to time subject to the limits and stipulations prescribed by the Companies Act, 1956 read with Schedule XIII thereto and/or any guidelines prescribed by the Government from time to time:

**Salary:** In the scale of pay of Rs. 1,40,000 - Rs. 20,000 - Rs. 1,80,000 with a basic pay of Rs. 1,40,000 per month with authority to the Board/Remuneration Committee to give suitable annual increment not exceeding 25% of Basic salary.

**Perquisites and allowances :** Such as House Rent Allowance, Special Allowance, Provident Fund, Conveyance, Medical Reimbursement, Bonus, Leave Travel Concession, Gratuity, Electrical expenses, House Maintenance, Books, Periodicals and Annual subscription for residence and communication expenses as may be provided by the Company as agreed upon by the Board of Directors of the Company and Shri Devakar Bansal subject however that the total value of perquisites payable in a year shall not exceed the amount of annual salary.

**Commission:** As may be determined by the Board from time to time."

5. **Revision in remuneration of Shri. Ashish Bansal, Whole time Director**

*To consider and if thought fit, to pass, with or without modification, the following resolution as a **Special Resolutions:***

**"RESOLVED THAT** pursuant to Sections 198, 269, 309, 310, 311 and other applicable provisions of the Companies Act, 1956, and Schedule XIII thereto the payment of remuneration to Shri Ashish Bansal who was appointed as a Whole time Director of the Company for a period of three years with effect from 1<sup>st</sup> April 2012, be and is hereby revised and approved for a period of three years with effect from 1<sup>st</sup> April 2012, including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year and that the Board of Directors of the Company be and are hereby authorised to modify such remuneration from time to time subject to the limits and stipulations prescribed by the Companies Act, 1956 read with Schedule XIII thereto and/or any guidelines prescribed by the Government from time to time:

**Salary:** In the scale of pay of Rs. 1,20,000 - Rs. 20,000 - Rs. 1,80,000 with a basic pay of Rs. 1,20,000 per month with authority to the Board/Remuneration Committee to give suitable annual increment not exceeding 25% of Basic salary.

**Perquisites and allowances :** Such as House Rent Allowance, Special Allowance, Provident Fund, Conveyance, Medical Reimbursement, Bonus, Leave Travel Concession, Gratuity, Electrical expenses, House Maintenance, Books, Periodicals and Annual subscription for residence and communication expenses as may be provided by the Company as agreed upon by the Board of Directors of the Company and Shri Ashish Bansal subject however that the total value of perquisites payable in a year shall not exceed the amount of annual salary.

**Commission:** As may be determined by the Board from time to time."

6. **Re-appointment and fixing remuneration of Shri. Y V Raman, Whole time Director**

*To consider and if thought fit, to pass, with or without modification, the following resolution as a **Special Resolutions:***

**"RESOLVED THAT** pursuant to Sections 198, 269, 309, 310, 311 and other applicable provisions of the Companies Act, 1956, and Schedule XIII thereto Shri Y V Raman, who was appointed as a Whole Time Director of the Company for a period of three years with effect from 1<sup>st</sup> April 2010, be and is hereby reappointed for a further period of two years with effect from 1<sup>st</sup> April 2013.

**RESOLVED FURTHER THAT** the remuneration payable to Shri. Y V Raman be and is hereby revised and approved for a period of three years with effect from 1<sup>st</sup> April 2012, including the remuneration to be

paid in the event of loss or inadequacy of profits in any financial year and that the Board of Directors of the Company be and are hereby authorised to modify such remuneration from time to time subject to the limits and stipulations prescribed by the Companies Act, 1956 read with Schedule XIII thereto and/ or any guidelines prescribed by the Government from time to time:

**Salary:** In the scale of pay of Rs. 42,000 - Rs. 5,000 - Rs. 52,000 per month with a basic pay of Rs. 42,000 per month with authority to the Board/Remuneration Committee to give suitable annual increment not exceeding 25% of Basic salary.

**Perquisites and allowances:** Such as House Rent Allowance, Special Allowance, Provident Fund, Conveyance, Medical Reimbursement, Bonus, Leave Travel Concession, Gratuity, Electrical expenses, House Maintenance, Books, Periodicals and Annual subscription for residence and communication expenses as may be provided by the Company as agreed upon by the Board of Directors of the Company and Shri Y V Raman subject however that the total value of perquisites payable in a year shall not exceed the amount of annual salary.

**Commission:** As may be determined by the Board from time to time."

On Behalf of the Board  
For M/s. PONDY OXIDES AND CHEMICALS LIMITED

Place : Chennai  
Date : 08.09.2012

K Kumaravel  
General Manager - Finance & Company Secretary

**Note:**

1. An explanatory Statement under Section 173(2) of the Companies Act, 1956 in respect to the item Nos. 1 to 6 as set out above is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. THE INSTRUMENT OF PROXY DULY COMPLETED AND SIGNED SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF MEETING**

## **Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956**

### **Items No. 1, 2, 3, 4, 5, 6:**

Pursuant to Sections 198, 269, 309, 310 and 311 of the Companies Act, 1956 and Schedule XIII thereto and all other applicable provisions and regulations under the said Act, approval of the shareholders is being sought for the reappointment of Shri. Anil Kumar Bansal, Managing Director, Shri. R P Bansal, Shri. Sunil Kumar Bansal, Shri. Devakar Bansal and Shri. Y V Raman, Whole Time Directors of the Company for a further period of two years with effect from 1<sup>st</sup> April 2013. Approval is also sought to revise the remuneration of the Managing Director and Whole Time Directors with effect from 1<sup>st</sup> April 2012 detailed hereinafter.

Current remuneration of Directors per month:

(Rs. in Lakhs)

<b>Name of the Director</b>	<b>Salary (Basic)</b>	<b>Perquisites &amp; Allowances</b>	<b>Total</b>
Shri. Anil Kumar Bansal	1.75	1.30	3.05
Shri. R.P. Bansal	1.40	1.17	2.57
Shri. Sunil Kumar Bansal	1.40	1.27	2.67
Shri. Devakar Bansal	1.40	0.80	2.20
Shri. Ashish Bansal	1.20	0.80	2.00
Shri. Y V Raman	0.42	0.40	0.82

**Minimum Remuneration:** In years where the Company has no profits or the profits are inadequate, the remuneration would be within the limits set out in Part II - Section II (1B) of Schedule XIII to the Companies Act, 1956. The Board of Directors of the Company may also be authorised to determine and modify from time to time the remuneration payable to the said directors in accordance with the provisions of Sections 198, 269, 309, 310 and 311 of the Companies Act, 1956 read with Schedule XIII thereof and stipulations contained in and any other applicable provision of the Companies Act, 1956.

Accordingly, resolutions under item Nos. 1, 2, 3, 4, 5 & 6 are placed before the shareholders for obtaining their approval for the reappointment and revision in remuneration payable to the Managing Director and Whole Time Directors of the Company.

Information as required under the Part II - Section II (1B) of Schedule XIII to the Companies Act, 1956 in respect of each appointee is produced below:

### **I. General Information**

#### **(1) Nature of Industry**

The Company is engaged in the manufacture of Metals such as Zinc Metal and Lead Metal and Oxides such as Zinc Oxides and Lead Oxides and PVC Stabilizers and accessories thereof.

#### **(2) Date or expected date of commencement of commercial production.**

The Company has been doing business for over 16 years.

#### **(3) In case of new companies, expected date of commencement of activities.**

Not applicable, as the company is an existing company.

#### **(4) Financial performance based on given indicators:**

(Rupees in Lakhs)

<b>Particulars</b>	<b>31.03.2012</b>	<b>31.03.2011</b>	<b>31.03.2010</b>
Sales (Gross)	31,979.17	27,279.23	15,923.05
Profit before Tax	432.34	826.53	741.55
Profit after tax	287.59	551.67	576.70
Shareholders Funds	1,115.20	1,010.71	1,010.71
Rate of Equity Dividend (%)	10%	14%	12%
Net profit as computed under Section 349	287.59	551.67	576.70

(5) **Export performance and net foreign exchange collaboration :** (Rupees in Lakhs)

Particulars	31.03.2012	31.03.2011	31.03.2010
Foreign Exchange Earnings	18,008.15	12,673.47	5,088.48
Foreign Exchange Outgo	18,748.28	11,376.42	8,625.45

There are no foreign collaborations entered into by the Company.

(6) **Foreign investments or collaborators, if any - NIL**

II (A). **Information about Shri. Anil Kumar Bansal, Managing Director**

1. **Background details :**

Shri. Anil Kumar Bansal is the Promoter-Director of the Company and holding the position of Managing Director from the date of incorporation of the Company in 1995. He was reappointed as Managing Director of the Company for a period of 3 years with effect from 1<sup>st</sup> April 2010 at the Annual General Meeting held on 28<sup>th</sup> August 2010.

2. **Past remuneration.**

The past remuneration drawn by Shri Anil Kumar Bansal was Rs. 34.35 Lakhs for the financial year 2011-12 which includes perquisites and all other allowances.

3. **Recognition and Awards.**

Taking into account the contribution made by Shri. Anil Kumar Bansal in PVC Stabilizer Industry he has been elected as the Vice President of All India Plastics Manufacturers' Association (AIPMA) South Zone, Member – IPI Chennai and Member – CIPET Chennai.

4. **Job profile and his suitability.**

Shri. Anil Kumar Bansal is a B.Sc graduate and has specialised knowledge in production and R&D areas of Plastic Additives and Metals. He is the Managing Director of the Company, in charge of the overall functioning of various departments in tune with the directions of the Board. Due to his contribution the Company was able to start several new projects.

Shri. Anil Kumar Bansal will devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Board from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to superintendence, control and directions of the Board.

5. **Remuneration proposed.**

The remuneration of Shri. Anil Kumar Bansal is as set out in the resolution.

6. **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:**

The remuneration payable to Shri Anil Kumar Bansal is not out of tune with the remuneration in similar sized industries in same segment of business.

7. **Pecuniary relationship directly or indirectly with the company, or relationship with managerial personnel, if any:**

Other than the remuneration stated above, Shri. Anil Kumar Bansal has no other pecuniary relationship directly or indirectly with the Company.

Shri. Anil Kumar Bansal is related to Shri R.P. Bansal, Shri. Sunil Kumar Bansal, Shri. Devakar Bansal, and Shri. Ashish Bansal, Whole Time Directors of the Company.

II (B). **Information about Shri. R.P. Bansal, Whole Time Director**

1. **Background details :**

Shri. R.P. Bansal is the promoter Director of the Company. He was reappointed as Whole Time

Director of the Company for a period of 3 years with effect from 1<sup>st</sup> April 2010 at the Annual General Meeting held on 28<sup>th</sup> August 2010.

**2. Past remuneration.**

The past remuneration drawn by Shri R.P. Bansal was Rs. 28.04 Lakhs for the financial year 2011-12 which includes perquisites and all other allowances.

**3. Job profile and his suitability.**

Shri. R.P.Bansal started his career in 1965 in chemicals trading, by virtue of which he gained widespread knowledge in various chemicals. He also gained deep insight in the manufacturing of Zinc Oxide, which is one of the prime products of the Company. He has experience in the marketing of zinc oxide and is looking after marketing activities in the northern and the eastern regions of the country. He is also working on various aspects of expansion into new markets of the northwest region and other unexplored markets.

Shri. R P Bansal will devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Board from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to superintendence, control and directions of the Board.

**4. Remuneration proposed.**

The remuneration of Shri. R P Bansal is as set out in the resolution.

**5. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:**

The remuneration payable to Shri R.P. Bansal is not out of tune with the remuneration in similar sized industries in same segment of business.

**6. Pecuniary relationship directly or indirectly with the company, or relationship with managerial personnel, if any:**

Other than the remuneration stated above, Shri. R.P. Bansal has no other pecuniary relationship directly or indirectly with the Company.

Shri. R.P. Bansal is related to Shri Anil Kumar Bansal Managing Director Shri. Sunil Kumar Bansal, Shri. Devakar Bansal and Shri. Ashish Bansal, Whole Time Directors of the Company.

**II (C). Information about Shri. Sunil Kumar Bansal, Whole Time Director**

**1. Background details :**

Shri. Sunil Kumar Bansal was the Managing Director in M/s.Lohia Metals Pvt Ltd., till the date of the merger. Erstwhile M/s. Lohia Metals Pvt Ltd., a subsidiary of the Company was merged with the Company as per the order of The Hon'ble High Court of Madras, dated 12<sup>th</sup> March 2012 and also promoter Director of the company. He was reappointed as Whole Time Director of the Company for a period of 3 years with effect from 1<sup>st</sup> April 2010 at the Annual General Meeting held on 28<sup>th</sup> August 2010.

**2. Past remuneration.**

The past remuneration drawn by Shri. Sunil Kumar Bansal was Rs. 28.22 Lakhs for the financial year 2011-12 which includes perquisites and all other allowances.

**3. Job profile and his suitability.**

Shri. Sunil Kumar Bansal is a B.Com. graduate. He has been looking after the purchase and finance activities of the Company and has been responsible for identifying potential suppliers and customers for the Company's products contributing effectively through cost management in terms of purchases, procurements and optimum selling of the products. He has also been responsible

for implementing various cost cutting measures that have been advantageous and profitable to the Company.

Shri. Sunil Kumar Bansal will devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Board from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to superintendence, control and directions of the Board.

**4. Remuneration proposed.**

The remuneration of Shri. Sunil Kumar Bansal is as set out in the resolution.

**5. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:**

The remuneration payable to Shri Sunil Kumar Bansal is not out of tune with the remuneration in similar sized industries in same segment of business.

**6. Pecuniary relationship directly or indirectly with the company, or relationship with managerial personnel, if any:**

Other than the remuneration stated above, Shri. Sunil Kumar Bansal has no other pecuniary relationship directly or indirectly with the Company.

Shri. Sunil Kumar Bansal is related to Shri Anil Kumar Bansal, Managing Director and Shri R.P. Bansal, Shri. Devakar Bansal and Shri. Ashish Bansal, Whole Time Directors of the Company.

**II (D) Information about Shri. Devakar Bansal, Whole Time Director**

**1. Background details :**

Shri. Devakar Bansal is the promoter Director of the Company. He was reappointed as Whole Time Director of the Company for a period of 3 years with effect from 1<sup>st</sup> April 2010 at the Annual General Meeting held on 28<sup>th</sup> August 2010.

**2. Past remuneration.**

The past remuneration drawn by Shri Devakar Bansal was Rs. 26.33 Lakhs for the financial year 2011-12 which includes perquisites and all other allowances.

**3. Job profile and his suitability.**

Shri. Devakar Bansal is a B.Sc graduate and he has specialised knowledge in production and R&D areas of Plastic Additives and Metallic Oxides having over 24 years of experience in the same field of the Company.

Shri. Devakar Bansal will devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Board from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to superintendence, control and directions of the Board.

**4. Remuneration proposed.**

The remuneration of Shri. Devakar Bansal is as set out in the resolution.

**5. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:**

The remuneration payable to Shri Devakar Bansal is not out of tune with the remuneration in similar sized industries in same segment of business.

**6. Pecuniary relationship directly or indirectly with the company, or relationship with managerial personnel, if any:**

Other than the remuneration stated above, Shri. Devakar Bansal has no other pecuniary relationship directly or indirectly with the Company.



Shri. Devakar Bansal is related to Shri. Anil Kumar Bansal, Managing Director and Shri R.P. Bansal, Shri. Sunil Kumar Bansal and Shri. Ashish Bansal, Whole Time Directors of the Company.

**II (E). Information about Shri. Ashish Bansal, Whole Time Director**

**1. Background details :**

Shri. Ashish Bansal was the Whole Time Director in M/s. Lohia Metals Pvt Ltd. till the date of the merger and was taking care of the production and marketing activities of Lead Metal and Alloys of the division. Erstwhile M/s. Lohia Metals Pvt Ltd., a subsidiary of the Company was merged with the Company as per the order of The Hon'ble High Court of Madras, dated 12<sup>th</sup> March 2012.

**2. Past remuneration.**

The past remuneration drawn by Shri. Ashish Bansal was Rs. 24.60 Lakhs for the financial year 2011-12 which includes perquisites and all other allowances.

**3. Job profile and his suitability.**

Shri. Ashish Bansal is a MBA Graduate from Cardiff University, UK and has over 10 years of experience in Business operations. He contributes to the company by getting orders from the export market for the sale of Lead Metal and Alloys and also the Incharge of Smelting and Refining Plants in Tamilnadu and taking care of the trading activities of the company. He is the whole Time Director of the Company.

Shri. Ashish Bansal will devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Board from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to superintendence, control and directions of the Board.

**4. Remuneration proposed.**

The remuneration of Shri. Ashish Bansal is as set out in the resolution.

**5. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:**

The remuneration payable to Shri Ashish Bansal is not out of tune with the remuneration in similar sized industries in same segment of business.

**6. Pecuniary relationship directly or indirectly with the company, or relationship with managerial personnel, if any:**

Other than the remuneration stated above, Shri. Ashish Bansal has no other pecuniary relationship directly or indirectly with the Company.

Shri. Ashish Bansal is related to Shri. Anil Kumar Bansal, Managing Director and Shri R.P. Bansal, Shri. Devakar Bansal and Shri. Sunil Kumar Bansal, Whole Time Directors of the Company.

**II (F). Information about Shri. Y V Raman, Whole Time Director**

**1. Background details :**

Shri. Y V Raman is the Director of the Company. He was reappointed as Whole Time Director of the Company for a period of 3 years with effect from 1<sup>st</sup> April 2010 at the Annual General Meeting held on 28<sup>th</sup> August 2010.

**2. Past remuneration.**

The past remuneration drawn by Shri. Y V Raman was Rs. 8.40 Lakhs for the financial year 2011-12 which includes perquisites and all other allowances.

**3. Job profile and his suitability.**

Sri. Y V Raman is the Whole Time Director of the Company since 2010. Mr. Y V Raman holds a

degree B.Sc and he did his specialisation in marketing of various products. He has an experience of over 30 years in the marketing field.

**4. Remuneration proposed.**

The remuneration of Shri. Y V Raman is as set out in the resolution.

**5. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:**

The remuneration payable to Shri Y V Raman is not out of tune with the remuneration in similar sized industries in same segment of business.

**6. Pecuniary relationship directly or indirectly with the company, or relationship with managerial personnel, if any:**

Other than the remuneration stated above, Shri. Y V Raman has no other pecuniary relationship directly or indirectly with the Company. He is not related to any other Director of the Company.

**III. OTHER INFORMATION**

**(1) Reasons of inadequate profit**

Managing growth and price stability are the major challenges of macroeconomic policy making. The Indian economy had grown by 6.9% in 2011-2012, after having grown at the rate of 8.4% in each of the two preceding years. This indicates a slowdown compared not just to the previous two years but 2003 to 2011 (except 2008-2009).

In addition to the above, the industry also facing the problem of volatility in Metal prices during the year 2011-12 and FOREX fluctuation in the rupee market. Due to the above, profit of the company was affected during the financial year 2011-12 compared to the previous year.

**(2) Steps taken / proposed to be taken for Improvement**

To overcome the above problems, the Company started locking the price for import of raw materials on average LME basis every month as the sale realization also based on the average LME price of the previous month. Further, since the Company's exports increased considerably, it started availing Packing Credit in foreign currency from financial institutions and export proceeds are adjusted against the loan and thus the Company avoided the exchange fluctuation in FOREX market. Further, the Company also introduced value added products to maximize the profitability.

**(3) Expected increase in productivity and Profits in measurable terms**

In view of the steps taken by the Company, turnover and profitability has increased in the first quarter ending June 2012 compared to the quarter ending March 2012. Further, the Company is also aiming to increase the turnover by 20% and profitability by 40% during the year 2012-13 as per the initiatives taken by the Management as mentioned above.

**IV. DISCLOSURES**

(1) The directors have been paid the following remuneration for the year 2011-12: (Rs. in Lakhs)

Name of the Director	Salary(Basic)	Perquisites and Allowances	Total
Shri. Anil Kumar Bansal	18.00	16.35	34.35
Shri. R.P. Bansal	14.40	13.64	28.04
Shri. Sunil Kumar Bansal	14.40	13.82	28.22
Shri. Devakar Bansal	14.40	11.93	26.33
Shri. Ashish Bansal	14.40	10.20	24.60
Shri. Y V Raman	4.80	3.60	8.40

- (2) Other details required to be disclosed under the Corporate Governance Report of the Company's Annual Report are duly given in the Annual Report circulated to the shareholders for the AGM held on 7<sup>th</sup> September 2012. Similar information will further be provided for all the subsequent Annual Reports of the Company as and when circulated.

None of the Directors other than Shri. Anil Kumar Bansal, Dr. Padam C Bansal, Shri. R. P. Bansal, Shri. Sunil Kumar Bansal, Shri. Devakar Bansal and Shri. Ashish Bansal are interested in the above resolutions.

**Memorandum of Interest under Section 302 (7) of the Act:**

The Explanatory Statement together with the accompanying Notice may be treated as an abstract of the terms of appointment of Shri. Anil Kumar Bansal as Managing Director and Shri. R.P.Bansal, Shri. Sunil Kumar Bansal, Shri. Devakar Bansal, Shri. Ashish Bansal and Shri. Y. V. Raman as Whole Time Directors and payment of remuneration to them and the Memorandum of interest under Section 302(7) of the Companies Act, 1956.

Your Directors commend the proposed resolutions under items no. 1 to 6 for the approval of the Members by way of Special Resolution.

**Inspection of Documents**

The Documents pertaining to the above Special Businesses are available for inspection at the Registered Office of the Company between 10.30 a.m. and 12.30 p.m on any working day prior to the meeting.

On Behalf of the Board  
For M/s. PONDY OXIDES AND CHEMICALS LIMITED

Place : Chennai  
Date : 08.09.2012

K Kumaravel  
General Manager – Finance & Company Secretary

**PROXY FORM**

**PONDY OXIDES AND CHEMICALS LIMITED**

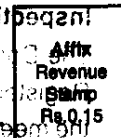
Regd Office : KRM Centre, 4<sup>th</sup> Floor, #2 Harrington Road, Chetpet, Chennai-600031.

No. of shares	Folio / ID No.

I/We ..... of .....  
 being a member / members of Pondy Oxides and Chemicals Limited, hereby appoint .....  
 ..... or failing him  
 ..... as my / our  
 proxy to attend and vote for me / us on my / our behalf at the Extra Ordinary General Meeting of the

Company to be held on 26<sup>th</sup> October, 2012 and at any adjournment thereof.

Signature .....



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

**ATTENDANCE SLIP**

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

**PONDY OXIDES AND CHEMICALS LIMITED**

Regd Office : KRM Centre, 4<sup>th</sup> Floor, #2 Harrington Road, Chetpet, Chennai-600031.

Name and Address

No. of shares	Folio / ID No.

EXTRA ORDINARY GENERAL MEETING AT 12.00 NOON  
 ON 26<sup>th</sup> OCTOBER, 2012  
 HOTEL ASOKA, ROOM NO.407, NEW NO.47, OLD NO.33,  
 PANTHEON ROAD, EGMORE, CHENNAI - 600 008

I certify that I am a registered shareholder / proxy of the registered shareholder of the Company.  
 I hereby record my presence at the above Extra Ordinary General Meeting of the Company.  
 A member / proxy wishing to attend the meeting must complete this attendance slip and hand it over at the entrance of the meeting hall.

**NO GIFTS WILL BE DISTRIBUTED**

Name of Proxy [if any] in BLOCK LETTERS

Signature of Member / Proxy