

<b>M/s. Pondy Oxides &amp; Chemicals Ltd.</b>								
<b>Statement of Standalone Un-Audited Results for the Quarter ended 31.03.2014</b>								
Sl. No.	Particulars	Quarter Ended			Year ended			
		31.03.14 (Audited)	31.12.13 (Unaudited)	31.03.13 (Audited)	31.03.14 (Audited)	31.03.13 (Audited)	31.03.14 (Audited)	31.03.13 (Audited)
		(Standalone)	(Standalone)	(Standalone)	(Standalone)	(Standalone)	(Consolidated)	(Consolidated)
1	Income from Operations							
	Gross Sales Income	13579.49	11262.67	11678.87	48735.38	37292.96	49871.12	
	Less Excise Duty	1136.04	1087.28	1204.83	3917.00	3051.70	4140.33	
	a. Net Sales / Income from Operations (Net of Excise Duty)	12443.45	10175.39	10474.04	44818.38	34241.26	45730.79	
	b. Other operating income	(1.13)	1.13	0.00	5.98	1.38	5.98	
	Total Income from Operations (Net)	12442.32	10176.52	10474.04	44824.36	34242.64	45736.77	
2	Expenses							
	a. Cost of materials consumed	10709.94	8352.69	9726.43	39156.10	29994.64	39156.11	
	b. Purchases of Stock-in-Trade	10.87	147.73	(162.83)	978.56	350.99	1706.40	
	c. Changes in Inventories of finished goods, wip and Stock in Trade	(84.34)	517.78	251.13	(400.03)	(453.72)	(299.96)	
	d. Employee benefits expenses	258.92	172.07	214.00	814.19	701.50	817.47	
	e. Depreciation and amortisation Expenses	41.03	61.33	53.45	224.54	232.90	225.43	
	f. Other Expenses	1235.49	552.24	268.82	2931.51	2685.01	2969.28	
	Total Expenses	12730.31	9603.84	10651.01	43704.87	33511.32	42577.73	
3	Profit from operations before other income, finance cost and exceptional items (1-2)	270.41	372.68	123.03	1119.49	731.32	1162.04	
4	Other income	52.51	(165.19)	257.19	135.59	375.12	125.71	
5	Profit from ordinary activities before finance costs & exceptional items (3+4)	322.92	207.49	380.22	1255.08	1106.44	1287.75	
6	Finance Costs	201.15	203.97	203.44	832.01	763.55	849.25	
7	Profit from ordinary activities after finance costs but before exceptional items 5-6	121.77	3.52	176.78	423.07	342.89	438.50	
8	Exceptional items	0.00	0.00	31.18	0.00	60.85	(0.30)	
10	Tax Expenses							
	Current Tax	34.81	1.14	36.86	132.57	96.69	137.48	
	Deferred Tax	9.14	0.00	30.98	9.14	30.98	9.12	
12	Extraordinary items ( Net of Tax expenses)	0.00	0.00	0.00	0.00	0.00	0.00	
14	Paid up Equity Share Capital ( F.V. Rs 10/- each)	1115.20	1115.20	1115.20	1115.20	1115.20	1114.82	
15	Reserves excluding Revaluation Reserve as per Balance sheet of previous accounting year				2740.03	2578.59	2856.22	
16	a) Earning per share (Rs 10) (before Extra ordinary items)							
	Basic	0.70	0.02	1.26	2.52	2.48	2.61	
	Diluted	0.70	0.02	1.26	2.52	2.48	2.61	
	b) Earning per share (Rs 10) (after extra ordinary items)							
	Basic	0.70	0.02	1.26	2.52	2.48	2.61	
	Diluted	0.70	0.02	1.26	2.52	2.48	2.61	
17	Public shareholding							
	Number of shares	5354104	5354104	5777127	5354054	5777127	5354054	
	Percentage of shareholding	48.01	48.01	51.80	48.01	51.80	48.01	
18	Promoter and Promoter group shareholding							
	a. Pledged / Encumbered							
	- number of shares	Nil	Nil	Nil	Nil	Nil	Nil	
	- Percentage of shares (as a % of shareholding of promoter & promoter group)	NA	NA	NA	NA	NA	NA	
	- Percentage of shares (as a % of the total sharecapital of the company)							
	b. Non-encumbered							
	- number of shares	5797881	5797881	5374858	5797931	5374858	5797931.00	
	- Percentage of shares (As a % of shareholding of promoter & promoter group)	51.99	51.99	48.20	51.99	48.20	51.99	
	- Percentage of shares (as a % of the total sharecapital of the company)							
	<b>INVESTOR COMPLAINTS</b>	<b>Quarter Ended 31.03.2014</b>						
	Pending of the Beginning of the Quarter	Nil						
	Received during the Quarter	3						
	Disposed of during the Quarter	3						
	Remaining unresolved at the end of the Quarter	Nil						

For PONDY OXIDES &amp; CHEMICALS LTD.

GM Finance &amp; Company Secretary

**Standalone Segmentwise revenue, results and capital employed  
for the quarter ended 31.03.2014**

SI No	Particulars	Quarter Ended			Rs in Lakhs		Rs in Lakhs	
					Year ended	Year ended	Year ended	Year ended
		31.03.14 (Audited)	31.12.13 (Unaudited)	31.03.13 (Audited)	31.03.14 (Audited)	31.03.13 (Audited)	31.03.14 (Audited)	31.03.13 (Audited)
		(Standalone)	(Standalone)	(Standalone)	(Standalone)	(Standalone)	(Consolidated)	(Consolidated)
1	<b>Segment Revenue</b> <b>External Turnover</b>							
	a. Metal	8979.57	8309.48	8703.44	34078.77	26225.19	33313.72	26221.96
	b. Metallic Oxides	2029.27	1566.76	1737.91	8211.44	7730.75	8211.44	7730.75
	c. Plastic Additives	2182.59	978.73	2118.14	6070.95	6515.61	6070.95	6515.61
	d. Others						1677.44	1827.82
	<b>Total</b>	<b>13191.43</b>	<b>10854.97</b>	<b>12559.49</b>	<b>48361.16</b>	<b>40471.55</b>	<b>49273.55</b>	<b>42296.14</b>
	Less: Inter Segment Turnover	749.11	678.45	880.62	3536.80	3177.21	3536.80	3177.21
	<b>Net sales / Income from operations</b>	<b>12442.32</b>	<b>10176.53</b>	<b>11678.87</b>	<b>44824.36</b>	<b>37294.34</b>	<b>45736.75</b>	<b>39118.93</b>
2	<b>Segment Results</b>							
	<b>Profit / (loss) ( before tax and interest from each segment)</b>							
	a. Metal	334.95	254.33	201.63	1,179.62	519.76	1179.62	519.76
	b. Metallic Oxides	(11.82)	26.85	(25.17)	135.07	260.73	135.07	260.76
	c. Plastic Additives	75.88	40.23	141.72	312.66	476.44	312.66	476.44
	d. Others						32.37	85.27
	<b>Total</b>	<b>399.01</b>	<b>321.40</b>	<b>318.18</b>	<b>1627.35</b>	<b>1256.93</b>	<b>1659.72</b>	<b>1342.23</b>
	Less:							
	1. Interest	201.15	203.97	203.44	832.01	763.55	849.25	776.03
	2. Other unallocable expenditure net off un-allocable income	76.09	113.91	(62.03)	372.27	150.50	372.27	151.16
	<b>Total Profit before Tax</b>	<b>121.77</b>	<b>3.52</b>	<b>176.77</b>	<b>423.07</b>	<b>342.88</b>	<b>438.20</b>	<b>415.04</b>
	<b>Exceptional Income / (Expenses)</b>	<b>0.00</b>	<b>0.00</b>	<b>31.18</b>	<b>0.00</b>	<b>60.85</b>	<b>0.00</b>	<b>60.85</b>
	<b>Profit from Ordinary Activities before Tax</b>	<b>121.77</b>	<b>3.52</b>	<b>207.95</b>	<b>423.07</b>	<b>403.73</b>	<b>438.20</b>	<b>475.89</b>
3	<b>Capital employed</b> <b>(Segment Assets Less Segment Liabilities)</b>							
	a. Metal	1894.84	1980.49	1416.81	1894.84	1416.81	1894.84	1416.81
	b. Metallic Oxides	786.25	485.55	1197.86	786.25	1197.86	947.02	1197.86
	c. Plastic Additives	394.40	370.19	185.21	394.40	185.21	394.40	185.21
	d. Others						177.34	167.38
	e. Unallocated	779.76	1061.09	893.89	779.76	893.89	557.84	833.71

For PONDY OXIDES & CHEMICALS LTD.

*S. S. S.*

GM Finance & Company Secretary

**M/s. Pondy Oxides and Chemicals Ltd.,**

Statement of assets and liabilities	Standalone		Consolidated	
	(Rs. In lacs)		(Rs. In lacs)	
	As at		As at	
Particulars	31.03.2014	31.03.2013	31.03.2014	31.03.2013
	Audited	Audited	Audited	Audited
<b>Equity And Liabilities</b>				
<b>Shareholder's funds</b>				
a) Share Capital	1115.20	1115.20	1115.20	1114.82
b) Reserve & Surplus	2740.04	2578.58	2856.24	2686.19
<b>Sub-total - Share Holder's Fund</b>	<b>3855.24</b>	<b>3693.78</b>	<b>3971.44</b>	<b>3801.01</b>
<b>Non- Current liabilities</b>				
a) Long term borrowings	968.44	789.58	982.69	789.58
b) Deferred tax liabilities ( Net )	72.48	63.34	72.61	63.49
c) Other long-term liabilities	20.00	20.00	20.00	20.00
d) Long-term Provisions	108.10	96.15	108.10	96.15
<b>Sub-total - Non-Current liabilities</b>	<b>1169.02</b>	<b>969.07</b>	<b>1183.40</b>	<b>969.22</b>
<b>Current liabilities</b>				
a) Short term borrowings	6414.76	6704.31	6425.41	6733.52
b) Trade Payables	1483.30	1439.24	1760.06	1776.22
c) Other Current liabilities	466.74	477.03	472.84	515.98
d) Short-term Provisions	309.03	263.62	309.23	288.23
<b>Sub-total - Current liabilities</b>	<b>8668.83</b>	<b>8884.20</b>	<b>8967.54</b>	<b>9313.94</b>
<b>TOTAL - EQUITIES AND LIABILITIES</b>	<b>13693.09</b>	<b>13547.05</b>	<b>14122.38</b>	<b>14084.17</b>
<b>ASSETS</b>				
<b>Non - Current assets</b>				
a) Fixed Assets	2493.46	2425.65	2508.48	2441.33
b) Non- Current Investments	112.33	102.33	36.15	26.46
c) Long term- Loans and Advances	36.83	34.89	38.43	36.59
d) Other Non-Current Assets	11.59	12.04	11.60	12.06
<b>Sub-total - Non-Current Assets</b>	<b>2654.21</b>	<b>2575.01</b>	<b>2594.66</b>	<b>2516.44</b>
<b>Current assets</b>				
a) Current Investments				
b) Inventories	3892.23	2861.89	4177.05	3301.45
c) Trade Receivables	4840.46	5186.44	4857.16	5271.54
d) Cash and Cash equivalents	536.29	1179.43	702.45	1323.58
e) Short-term loans and advances	1276.75	1437.40	1286.00	1339.49
f) Other Current assets	493.11	306.88	505.07	331.67
<b>Sub-total - Current Assets</b>	<b>11038.88</b>	<b>10972.04</b>	<b>11527.73</b>	<b>11567.73</b>
<b>TOTAL ASSETS</b>	<b>13693.09</b>	<b>13547.05</b>	<b>14122.38</b>	<b>14084.17</b>

**Notes**  
 - The above Audited results have been reviewed by the Audit Committee and approved by the Board of Directors of the company at its meeting held on 28.05.2014.  
 - A Dividend of Rs.1 per share has been recommended by directors  
 - The figures of last quarter are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the 3rd quarter of the current financial year.

For PONDY OXIDES & CHEMICALS LTD.

*[Signature]*

GM Finance & Company Secretary

Place : Chennai  
 Date 28.05.2014  
 www.pocl.co.in



# PONDY OXIDES & CHEMICALS LIMITED **POCL**<sup>®</sup>

POCL:KS:2014-15

May 28, 2014

Corporate Relationship Department,  
The Stock Exchange,  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400 001.

Fax No.022-22721072

Phone NO.022-22721234 / 1233

Dear sir,

**Sub : Accounts for the year ended 31<sup>st</sup> March 2014**

**Ref : Our Letter dated 19.05.2014.**

With reference to the above, we would like to inform that the Board of Directors in their meeting held on 28.05.2014 approved the accounts for the year 2013-14 and recommended dividend of 10% for the year ended 31.03.14 for the amount paid-up on the equity shares, the details of which are given below :

(Rs. in lacs)

<u>PARTICULARS</u>	<u>2013-2014</u>	<u>2012-2013</u>
Operational Income	44959.95	34617.75
EBIDAT	1479.64	1400.18
Other Income	135.59	375.12
Interest and Financial Charges	832.02	763.55
Depreciation and Amortization	224.55	232.90
Profit Before Taxation	423.07	403.73
Provision for taxes	141.71	127.67
Net Profit for the year	281.36	276.06
Appropriations		
General Reserve	15.00	15.00
Proposed Dividend on equity shares	111.52	111.52
Tax on proposed dividend	18.14	18.14
Surplus carried forward to next year	136.70	131.40

For your information, please.

Thanking you,

Yours faithfully,  
For Pondy Oxides & Chemicals Ltd.,



K.Kumaravel,  
GM Finance & Company Secretary



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

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**Jeeravla & Co.,**  
Chartered Accountants

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### Independent Auditor's Report

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

#### **Report on the Financial Statements:**

We have audited the accompanying financial statements of Pondy Oxides and Chemicals Limited ("the Company"), which comprise the Balance sheet as at 31.03.2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Financial Statements:**

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

#### **Auditor's Responsibility:**

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

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

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





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### Opinion:

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

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014
- b) In the case of the Profit and Loss Account, of the profit for the year ended on that date ; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements:

1. As required by the Companies ( Auditor's Report ) Order , 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matter specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - (a) We have obtained all the information and explanations which to best of our knowledge and belief were necessary for the purpose of our audit,
  - (b) In our opinion proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in the agreement with the books of accounts.
  - (d) In our opinion, the Balance sheet, Statement of Profit and Loss, Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
  - (e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  - (f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

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

*Sohan C J Parmar*

SOHAN C J PARMAR  
 Proprietor  
 Membership No.: 22321



Chennai  
 Date: May 28, 2014



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## ANNEXURE TO AUDITORS' REPORT DATED May 30, 2014

The annexure referred to in the Auditors' Report to the Members of Pondy Oxide Chemical Limited ("the Company") for the year ended 31<sup>st</sup> March 2014

### 1) In respect of its Fixed Assets:

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

### 2) In respect of its Inventories:

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

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

- (a) The Company has given loans to its Subsidiary. In respect of the said loan, the maximum amount outstanding at any time during the year was Rs 3.93 Cr and the year-end balance is Rs 1.61 Cr.
- (b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of the loans given by the company, are not prima facie prejudicial to the interest of the company.
- (c) The principal amount is repayable on demand.
- (d) In respect of the said loans and interest thereon, there are no overdue amounts.
- (e) The Company has taken loans during the year from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. The maximum outstanding at any time during the year was Rs 9.56 Cr and the year-end balance is Rs 3.60 Cr.
- (f) In our opinion, the rate of interest and other terms and conditions of the said loan are not prima facie prejudicial to the interest of the company.





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- (g) The interest payments, wherever applicable, have been regularly paid by the company.
- 4) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- 5) In respect of the contract or arrangement referred to in Section 301 of the Companies Act, 1956:
- (a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements entered in the Register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rs.5,00,000 in respect of each party during the year have been made at prices which appear reasonable as per information available with the Company.
- 6) The company has accepted Fixed Deposits from Directors & their relatives/friends. In our opinion and according to information and explanations given to us, all the directives issued by the Reserve Bank Of India and provisions of Section 58A and 58AA or any other relevant provisions of the Companies Act 1956, and rules framed there under where applicable were complied with. Further, we are informed by the management that no order has been passed by the Companies Law Board or National Company Law Tribunal or RBI or any Other Tribunal on the Company.
- 7) In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
- 8) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- 9) In respect of Statutory dues:
- (a) Undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable have generally been regularly deposited with the appropriate authorities.







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(b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty and Excise Duty and Cess were outstanding as at 31<sup>st</sup> March, 2014 for a period of more than six months from the date they became payable.

(c) The disputed statutory dues aggregating Rs 7.01 Lakhs that have not been deposited on account of dispute pending before appropriate authorities are as under:

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

- 10) The company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.
- 11) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions and banks. The Company does not have any borrowings by way of debentures.
- 12) In our opinion and according to the information and explanations given to us and based on the information available, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities. Hence paragraph 4(xii) of the CARO, 2003 is not applicable to this Company.
- 13) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- 14) In our opinion, and as per the information and explanations given to us, the Company has not dealt or traded in shares, securities, debentures and other investments. In respect of the Long term investments made in the equity shares of another company, proper records have been maintained and timely entries have been made therein and the shares have been held by the Company in its own name.
- 15) According to the information & explanations given to us, the Company has given guarantee for loans taken from banks by its subsidiary; the terms and conditions whereof in our opinion are not prima facie prejudicial to the interest of the Company.
- 16) The company has raised new term loan during the year. The term loans outstanding at the beginning of the year and those raised during the year have been applied for the purpose for which they were raised.





# Jeeravla & Co.,

Chartered Accountants

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Kilpauk Chennai - 600 010 Tel. : +91 - 044 - 2642 1022  
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E-mail : jclients@gmail.com / info@jeeravla.com

- 17) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we are of the opinion that no funds raised on short term basis that have been used for long term investments.
- 18) The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.
- 19) The Company has not issued any debentures during the year
- 20) The Company has not raised any money by public issue during the year.
- 21) In our Opinion and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year.

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

*Sohan C J Parmar*

**SOHAN C J PARMAR**  
Proprietor  
Membership No.: 22321



Chennai  
Date: May 28, 2014



**Jeeravla & Co.,**  
Chartered Accountants

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### Independent Auditor's Report

To The Board of Directors of  
**Pondy Oxides and Chemicals Limited**

#### **Report on the Consolidated Financial Statements:**

We have audited the accompanying consolidated financial statements of Pondy Oxides & Chemicals Limited (the "Company") and its subsidiary, which comprise the consolidated Balance sheet as at March 31, 2014, the consolidated Statement of Profit and Loss and the consolidated Cash Flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Consolidated Financial Statements:**

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

#### **Auditor's Responsibility:**

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

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





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

### *Opinion:*

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

- a) In the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) In the case of the consolidated Profit and Loss Account, of the profit of the Company for the year ended on that date and
- c) In the case of the consolidated Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

### *Other Matters*

We have audited the financial Statements / consolidated financial statements of the subsidiaries which reflect total assets (net) of Rs. 668.2 Lakhs as at March 31, 2014, total revenues (net) of Rs1691.76 Lakhs and net cash flows amounting to Rs. 22.01 Lakhs for the year ended on that date

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

SOHAN C J PARMAR  
Proprietor  
Membership No.: 22321



Chennai  
Date: May 28, 2014



**Jeeravla & Co.,**  
Chartered Accountants

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## Auditor's Certificate on Corporate Governance

To the Members,  
Pondy Oxides and Chemicals Limited

We have examined the compliance of conditions of Corporate Governance by Pondy Oxides and Chemicals Limited for the year ended 31st March 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges in India with the relevant records and documents maintained by the Company and furnished to us and the report on Corporate Governance as approved by the Board of Directors.

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

In our opinion and to the best of our information and according to the explanations given to us and the representation made by the directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We state that in respect of investor grievances received during the year ended 31<sup>st</sup> March 2014, no investor grievances are pending for the period exceeding one month against the Company as per the records maintained by the Shareholders committee

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

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

**SOHAN C J PARMAR**  
Proprietor  
Membership No.: 22321



Chennai  
Date: May 28, 2014