

POCL

Clarification Note: With respect to the financial results for the third and fourth quarter and year ended March 31, 2015, Please note that the current year financials are not comparable with the previous year financials, consequent to the Demerger of four units during the current year.

M/s. Pondy Oxides & Chemicals Ltd.,
Statement of Audited Results for the Quarter and Year ended 31st March 2015

| | | Rs in Lakhs | | | | |
|-------|---|--|---|----------------------|--|----------------------|
| Sl No | Particulars | Quarter Ended | | | Year ended | |
| | | 31.3.15 (Audited) (Refer Note b) | 31.12.14 (Unaudited) (Refer Note b) | 31.3.14 (Audited) | 31.3.15 (Audited) (Refer Note b) | 31.3.14 (Audited) |
| 1 | Income from Operations | | | | | |
| | Gross Sales Income | 9501.35 | 10925.51 | 13579.49 | 40581.60 | 48735.38 |
| | Less Excise Duty | 896.26 | 976.58 | 1136.04 | 3339.49 | 3917.00 |
| | a. Net Sales / Income from Operations (Net of Excise Duty) | 8605.09 | 9948.93 | 12443.45 | 37242.11 | 44818.38 |
| | b. Other operating income | 8.34 | 28.96 | (1.13) | 53.98 | 5.98 |
| | Total Income from Operations (Net) | 8613.43 | 9977.89 | 12442.32 | 37296.09 | 44824.36 |
| 2 | Expenses | | | | | |
| | a. Cost of materials consumed | 6695.53 | 9506.63 | 10709.94 | 32088.05 | 39156.10 |
| | b. Purchases of Stock-in-Trade | 174.47 | 479.44 | 10.87 | 1460.31 | 978.56 |
| | c. Changes in inventories of finished goods, wip and Stock in Trade | 1069.55 | (1086.75) | (84.34) | 320.97 | (400.03) |
| | d. Employee benefits expenses | 38.91 | 133.79 | 258.92 | 449.04 | 814.19 |
| | e. Depreciation and amortisation Expenses | 101.60 | 41.34 | 41.03 | 239.56 | 224.54 |
| | f. Other Expenses | 123.02 | 403.51 | 1235.49 | 1276.25 | 2931.51 |
| | Total Expenses | 8203.08 | 9477.96 | 12171.91 | 35834.18 | 43704.87 |
| 3 | Profit from operations before other income , finance cost and exceptional items (1-2) | 410.35 | 499.93 | 270.41 | 1461.91 | 1119.49 |
| 4 | Other income | 148.96 | 9.08 | 52.51 | 207.24 | 135.59 |
| 5 | Profit from ordinary activities before finance costs & exceptional items (3+4) | 559.31 | 509.01 | 322.92 | 1669.15 | 1255.08 |
| 6 | Finance Costs | 226.14 | 184.94 | 201.15 | 698.60 | 832.01 |
| 7 | Profit from ordinary activities after finance costs but before exceptional items 5-6 | 333.17 | 324.07 | 121.77 | 970.55 | 423.07 |
| 8 | Exceptional items | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 9 | Profit(+)/ Loss(-) from ordinary activities before tax (7+8) | 333.17 | 324.07 | 121.77 | 970.55 | 423.07 |
| 10 | Tax Expenses | | | | | |
| | Current Tax | 120.09 | 110.15 | 34.81 | 336.73 | 132.57 |
| | Deferred Tax | (37.21) | 0.00 | 9.14 | (37.21) | 9.14 |
| 11 | Net profit/Loss from ordinary activities after tax (9-10) | 250.29 | 213.92 | 77.82 | 671.03 | 281.36 |
| 12 | Extraordinary items (Net of Tax expenses) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 13 | Net profit/Loss for the period (11+12) | 250.29 | 213.92 | 77.82 | 671.03 | 281.36 |
| 14 | Paid up Equity Share Capital (F.V. Rs 10/- each) | 557.60 | 557.60 | 1115.20 | 557.60 | 1115.20 |
| 15 | Reserves excluding Revaluation Reserve as per Balance sheet of previous accounting year | | | | 2623.10 | 2740.03 |
| 16 | a) Earning per share (Rs 10) (before Extra ordinary items) | | | | | |
| | Basic | 4.49 | 3.84 | 0.70 | 12.03 | 2.52 |
| | Diluted | 4.49 | 3.84 | 0.70 | 12.03 | 2.52 |
| | b) Earning per share (Rs 10) (after extra ordinary items) | | | | | |
| | Basic | 4.49 | 3.84 | 0.70 | 12.03 | 2.52 |
| | Diluted | 4.49 | 3.84 | 0.70 | 12.03 | 2.52 |
| 17 | PARTICULARS OF SHAREHOLDING | | | | | |
| i) | Public shareholding | | | | | |
| | Number of shares | 2677034 | 2677027 | 5354104 | 2677034 | 5354054 |
| | Percentage of shareholding | 48.01 | 48.01 | 48.01 | 48.01 | 48.01 |
| ii) | Promoter and Promoter group shareholding | | | | | |
| | a. Pledged / Encumbered | | | | | |
| | - number of shares | Nil | Nil | Nil | Nil | Nil |
| | - Percentage of shares | NA | NA | NA | NA | NA |
| | (as a % of shareholding of promoter & promoter group) | | | | | |
| | - Percentage of shares | | | | | |
| | (as a % of the total sharecapital of the company) | | | | | |

For PONDY OXIDES & CHEMICALS LTD.

| Sl No | Particulars | Rs in Lakhs | | | | |
|----------|---|--|---|----------------------|--|----------------------|
| | | Quarter Ended | | | Year ended | |
| | | 31.3.15 (Audited) (Refer Note b) | 31.12.14 (Unaudited) (Refer Note b) | 31.3.14 (Audited) | 31.3.15 (Audited) (Refer Note b) | 31.3.14 (Audited) |
| | b Non- encumbered | | | | | |
| | - number of shares | 2898959 | 2898966 | 5797881 | 2898959 | 5797931 |
| | - Percentage of shares (As a % of shareholding of promoter & promoter group) | 51.99 | 51.99 | 51.99 | 51.99 | 51.99 |
| | - Percentage of shares (as a % of the total sharecapital of the company) | | | | | |
| | INVESTOR COMPLAINTS | Quarter Ended 31.03.2015 | | | | |
| | Pending of the beginning of the Quarter | Nil | | | | |
| | Received during the Quarter | 2 | | | | |
| | Disposed of during the Quarter | 2 | | | | |
| | Remining unresolved at the end of the Quarter | Nil | | | | |

otes

- a) The figures of quarter ending 31st March are the balancing figure between audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the said financial year.
- b) The Board of Directors of the Company at its meeting held on March 20, 2014, had approved a Scheme of Arrangement (Demerger) between Pondy Oxides and Chemicals Limited and POCL Enterprises Limited, a wholly owned subsidiary of the Company and with their respective shareholders *inter alia* envisaged Demerger of Metallic Oxides, Plastic Additives, Zinc Refining, and Alloying & Refining Division along with related assets and liabilities with effect from 1st April 2013 in accordance with the provisions of Companies Act, 1956. The above Scheme has received the sanction of Madras High Court on December 4, 2014. **Consequently, the financial results for the year and quarter ended March 31, 2015 and for the quarter ended December 31, 2014 does not include the results of four Demerged Undertakings.**
- c) Net assets of Rs. 1162.77 lakhs relating to four divisions in accordance with the scheme of arrangement have been transferred to POCL Enterprises Limited with effect from April 1, 2013 representing corresponding reduction in share capital of Rs. 557.60 Lakhs, securities premium of Rs. 85.21 Lakhs, General Reserve of Rs.14.08 Lakhs and Surplus Surplus in profit and loss account of Rs. 505.87 Lakhs of the Company.
- d) In view of the Scheme of Demerger as mentioned above, the figures of the current period (comprising the year and quarter ended March 31, 2015 and quarter ended December 31, 2014) are not comparable with the corresponding figures disclosed for the year and quarter ended March 31, 2014.
- e) The Board of Directors recommended a dividend of Rs. 2 / Share (20%) for the Financial Year 2014-15, subject to the approval of the shareholders in the ensuing Annual General Meeting.
- f) The useful life of fixed assets is revised in accordance with Companies Act 2013. The depreciaiton for the year ended March 31, 2015 is computed as per Companies Act, 2013. Further had the Company continued with the previously assessed useful life, charge for depreciation for the year ended March 31, 2015 would have been lower by Rs. 69.58 Lakhs and the profit before tax would have been higher by such amount. The Assets whose life is already exhausted as on 01.04.2014, yearly depreciation amounting to Rs.23.23 Lakhs (net of tax) have been adjusted in Reserves & Surplus of Balance in Statement of Profit & Loss Account.
- g) The company is engaged in only one business segment. i.e. Metal.
- h) Previous period figures have been regrouped and recasted wherever necessary.
- i) The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 27.05.2015 and the audit of the same has been carried out by the Statutory Auditors of the company vide their report of even date

Place : Chennai

Date : 27.05.2015

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For PONDY OXIDES & CHEMICALS LTD.


GM Finance & Company Secretary

M/s. Pondy Oxides and Chemicals Ltd.,

| Statement of assets and liabilities | | (Rs. In lacs) | |
|--|------------------|------------------------|--|
| | | As at | |
| Particulars | 31.3.2015 | 31.3.2014 | |
| | Audited | Audited | |
| A. Equity And Liabilities | | | |
| 1. Shareholder's funds | | | |
| (a) Share Capital | 557.60 | 1115.20 | |
| (b) Reserve & Surplus | 2623.09 | 2740.03 | |
| Sub-total - Share Holder's Fund | 3180.69 | 3855.23 | |
| 2. Non- Current liabilities | | | |
| (a) Long term borrowings | 491.57 | 968.44 | |
| (b) Deferred tax liabilities (Net) | 17.45 | 72.48 | |
| (c) Other long-term liabilities | 20.00 | 20.00 | |
| (d) Long-term Provisions | 68.90 | 108.10 | |
| Sub-total - Non-Current liabilities | 597.92 | 1169.02 | |
| 3. Current liabilities | | | |
| (a) Short term borrowings | 5166.68 | 6414.76 | |
| (b) Trade Payables | 1488.69 | 1483.30 | |
| (c) Other Current liabilities | 235.79 | 466.74 | |
| (d) Short-term Provisions | 480.54 | 304.03 | |
| Sub-total - Current liabilities | 7371.70 | 8668.83 | |
| TOTAL - EQUITES AND LIABILITIES | 11150.31 | 13693.08 | |
| B. ASSETS | | | |
| 1. Non - Current assets | | | |
| (a) Fixed Assets | 2066.21 | 2493.46 | |
| (b) Non- Current Investments | 5.00 | 112.33 | |
| (c) Long term- Loans and Advances | 599.88 | 36.83 | |
| (d) Other Non-Current Assets | 14.52 | 11.59 | |
| Sub-total - Non-Current Assets | 2685.61 | 2654.21 | |
| 2. Current assets | | | |
| (a) Current Investments | | | |
| (b) Inventories | 3048.36 | 3892.23 | |
| (c) Trade Receivables | 3002.83 | 4840.49 | |
| (d) Cash and Cash equivalents | 605.68 | 536.29 | |
| (e) Short -term loans and advances | 1443.56 | 1276.75 | |
| (f) Other Current assets | 364.27 | 493.11 | |
| Sub-total - Current Assets | 8464.70 | 11038.87 | |
| TOTAL ASSETS | 11150.31 | 13693.08 | |

For PONDY OXIDES & CHEMICALS LTD.

S. S. S. S. S.

GM Finance & Company Secretary

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 31st March, 2015, the Statement of Profit and Loss, and the 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:

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation 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 the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. 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 financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the

purpose expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, 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 on the financial statements.

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015 and its profit and its 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, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

2. As required by section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of written representations received from the directors as on 31 March, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015, from being appointed as a director in terms of Section 164(2) of the Act; and
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rule, 2014, in our opinion and to the best of our information and according to the explanations given to us :
 - i. The Company does not have any pending litigation which would impact its financial position.



- ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the investor Education and Protection Fund by the Company.

for **JEERAVLA & Co.,**
Chartered Accountants
FRNo.001323S

Sohan C J Parmar



SOHAN C J PARMAR
Proprietor
Membership No.: 022321

Place: Chennai
Date: 27th May, 2015.

Annexure to the Independent Auditor's Report

The annexure referred to in Para 1 under the heading of "Report on other Legal and Regulatory Requirements" of our report to the members of the Company for the year ended 31st March, 2015.

- 1)
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of 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.
- 2)
 - (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)
 - (a) During the year, the company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
 - (b) In view of our comment in paragraph (a) above, Clause III of the aforesaid order are not applicable to 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 with regard to purchase 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) The company has accepted Deposits from Directors and Inter Corporate. 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 73 to 76 or any other relevant provisions of the Companies Act 2013, and the 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 court or any Other Tribunal on the Company.



6) We have broadly reviewed the cost records maintained by the Company specified by the Central Government under sub Section (1) of section 148 of the Companies Act, 2013 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have however not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

7)

(a) According to the information and explanation given to us and on the basis of our examination of the records of the company, amount deducted/accrued in the books of accounts in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Value Added Tax, Excise Duty, Cess and other material statutory dues applicable have been regularly deposited with the appropriate authorities.

(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, Value Added Tax, Cess and other material statutory dues were in arrears as at 31st March, 2015 for a period of more than six months from the date they became payable.

(c) According to the information and explanation given to us, the dues of Income Tax, Sales Tax, Custom Duty, Wealth Tax, Service Tax, Excise Duty and Cess which have not been deposited on account of dispute are as follows:

| 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 2009-10 | Commissioner of Income Tax (Appeals) |

(d) According to the information and explanation given to us the amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under has been transferred to such fund within the time.

8) The company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.

9) 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.

10) According to the information & explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.



- 11) 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.
- 12) 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
FRNo.001323S

Sohan C J Parmar



SOHAN C J PARMAR
Proprietor
Membership No.: 022321

Place: Chennai
Date: 27th May, 2015.



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

POCL:KS:2015-16

May 27, 2015

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 31st March 2015

Ref : Our Letter dated 16.05.2015

With reference to the above and as per Clause 20 of the Listing Agreement, we would like to inform that the Board of Directors in their meeting held on 27.05.2015 approved the accounts for the year 2014-15 and recommended dividend of 20% for the year ended 31.03.15 for the amount paid-up on the equity shares at Rs.2/- per share, the details of which are given below:

(Rs. in lacs)

| <u>PARTICULARS</u> | <u>2014-2015</u> | <u>2013-2014</u> |
|--------------------------------------|------------------|------------------|
| Operational Income | 37503.33 | 44959.95 |
| EBIDAT | 1908.71 | 1479.64 |
| Other Income | 207.24 | 135.59 |
| Interest and Financial Charges | 698.60 | 832.02 |
| Depreciation and Amortization | 239.56 | 224.55 |
| Profit Before Taxation | 970.55 | 423.07 |
| Provision for taxes | 299.52 | 141.71 |
| Net Profit for the year | 671.03 | 281.36 |
| Appropriations | | |
| General Reserve | 60.00 | 15.00 |
| Proposed Dividend on equity shares | 111.52 | 111.52 |
| Tax on proposed dividend | 22.70 | 18.14 |
| Surplus carried forward to next year | 476.81 | 136.70 |

For your information, please.

Thanking you,

Yours faithfully,
For **Pondy Oxides & Chemicals Ltd.,**



K.Kumaravel,
GM Finance & Company Secretary



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