Pondy Oxides and Chemicals Limited

ANNUAL REPORT 2022-23

POCL®

RESPONSIBLE GROWTH. SUSTAINABLE PROGRESS.

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For more investor-related information please visit:

https://www.pocl.com/portfolio/investor-relations/

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Investor Information

Market Capitalisation as at March 31, 2023:
NSE: ₹ 344.79 Crore
BSE: 345.08 Crore

CIN:
L24294TN1995PLC030586

NSE Symbol:
POCL

BSE Code:
532626

Dividend Proposed:
₹ 5.81 Crore (50%)

AGM Date:
Friday, 22nd September, 2023

AGM Venue:
Registered Office – Video Conferencing / Other Audio Visual Means (OAVM)

RESPONSIBLE GROWTH. SUSTAINABLE PROGRESS.

In a world where footprints echo louder than words, we stand committed to a voyage that harmonises prosperity with preservation. Like skilled artisans, we embrace the delicate dance of sustainability and circular economy, moulding our operations to reflect the intricate balance of the 3P framework - People, Planet, Profit. It's not just about economics; it's about nurturing the ecosystem that nurtures us.

For close to three decades, POCL has integrated its story into the foundation of the industry. Today, as the dawn of a new era beckons, we seize the reins of change with operational brilliance. Guided by a vision that transcends to bottom lines, we envision an environment where growth isn't just a statistic; it's a symbiotic relationship between aspirations and action.

As custodians of this planet's future, we pledge to optimise the symphony of recycling, orchestrating a harmonious melody that not only rejuvenates resources but also fuels India's economic crescendo. Fuelled by determination, we embark on this odyssey to leave a legacy that transcends generations.

With every innovation, every partnership, and every endeavour, we forge ahead, shaping a destiny where growth isn't just a destination; it's a journey of ethical choices and accountable actions. Together, let's script a tale of responsible growth, where progress becomes the compass that guides us towards a horizon of sustainable dreams.

Embarking on a journey that weaves threads of innovation and conscience, Pondy Oxides and Chemicals Limited (POCL) proudly presents a theme that resonates with the beating heart of our existence: **'Responsible Growth. Sustainable Progress.'**

REDEFINING PROGRESS: THE POCL CHRONICLE

Pondy Oxides and Chemicals Limited ('We' or 'POCL' or 'the Company') is the foremost secondary lead manufacturer in India, holding a leading position in lead and its alloys. Since 1995, the Company has solidified its reputation as a benchmark for quality, efficiency, and reliability, serving a diverse clientele across national and international borders. A remarkable feat, more than 60% of the premier products are sold to markets worldwide. POCL's dedication to operational brilliance finds its realisation through the perpetual assimilation of cutting-edge technology and a culture of relentless innovation, expertly crafted by the Company's unwavering Research and Development stalwarts.

Based in Chennai, POCL proudly stands as the exclusive holder distinguished 3N7 London Metal Exchange (LME) registered lead brand. The Company's illustrious array of accolades stands as a testament to its resounding success and unwavering commitment to excellence. Boasting state-of-the-art Lead manufacturing units strategically situated in both Tamil Nadu and Andhra Pradesh, in addition to a modern Aluminium and Plastic manufacturing Units located within Tamil Nadu, the Company's resolute aspiration is to ascend to the zenith of the metallic and non-metallic recycling industry. This fervent ambition is underpinned by the Company's formidable pillars of strength, unparalleled dedication, and unmatched proficiency.

OUR MISSION

To be amongst the top 5 global companies in recycling by 2027 and achieve a turnover of over USD 1 Billion before the end of this decade.

VISION 2030

Continue contributing to circular economy in recycling verticals viz. Lead, Aluminum,Copper and Plastics. Further, based on viability, in lithium-ion recycling, e-waste, rubber, oil, glass, paper, and value-added products having the following 3D approaches:

3D
- Diversification
- Dimensional Approach
- Dimensional Growth

Which shall be achieved by:

- Emphasising on the importance of circular economy as well as to support and focus on environmental responsibility
- Increase in financial metrics with 25%+ CAGR, 20% ROCE, 10%+ EBITDA margins
- Increase in share of business in other non-ferrous metals and plastics to 25% with a diversified portfolio
- Expand footprint overseas to capture the untapped non-ferrous metal segment and achieve USD 1.0 Billion top line before the end of this decade

Our Goals and Purpose

- To provide an outstanding level in terms of quality and continuous improvement and to provide customer satisfaction by ensuring that we do not fall behind customers expectations
- To ensure optimum recycling of metallic waste to conserve minerals of earth

POCL's plans for the future:

- Optimising the future of recycling and India's economic growth, POCL envisions a promising outlook
- Exploring diverse business domains within the POCL Group, including e-waste, lithium-ion recycling, rubber, oil, glass, paper, and value-added products, is actively underway
- Paving the way for strategic manoeuvres, the Company is gearing up to execute mergers and acquisitions, coupled with the setup of an R&D lab to facilitate commercialisation
- Fuelled by determination, POCL embarks on a mission to amplify its footprint in the recycling industry through these proactive initiatives

Our Potential

- India's leading lead smelter with a capacity of 132,000 tonnes p.a. of finished goods
- Strong procurement base and customer network across the globe
- One of the first companies in the lead manufacturing space to adopt the Green Technology in smelting process that release no GHG
- India's first and only 3N7 LME registered lead brand
- 270+ overseas supplier base
- Multi-sourcing procurement from 90+ countries

Corporate Highlights

Listed in

London Metal Exchange

Partners with

200+ Companies

3-Star Export House

Status given by Directorate General of Foreign Trade (DGFT), Ministry of Commerce & Industry, Govt. of India

500+

Total Employee Strength

Certified with

ISO 9001:2015 and 14001:2015

70,000 Metric Tonnes

Scrap Recycled

Received

Prestigious T3 Certification

From Indian Customs

CRISIL Rating

CRISIL A-/Stable (Reaffirmed)

₹ 100 Million

Exports Turnover Exceeded

4

Manufacturing Units

Exports to

20+ Countries

Business Divisions

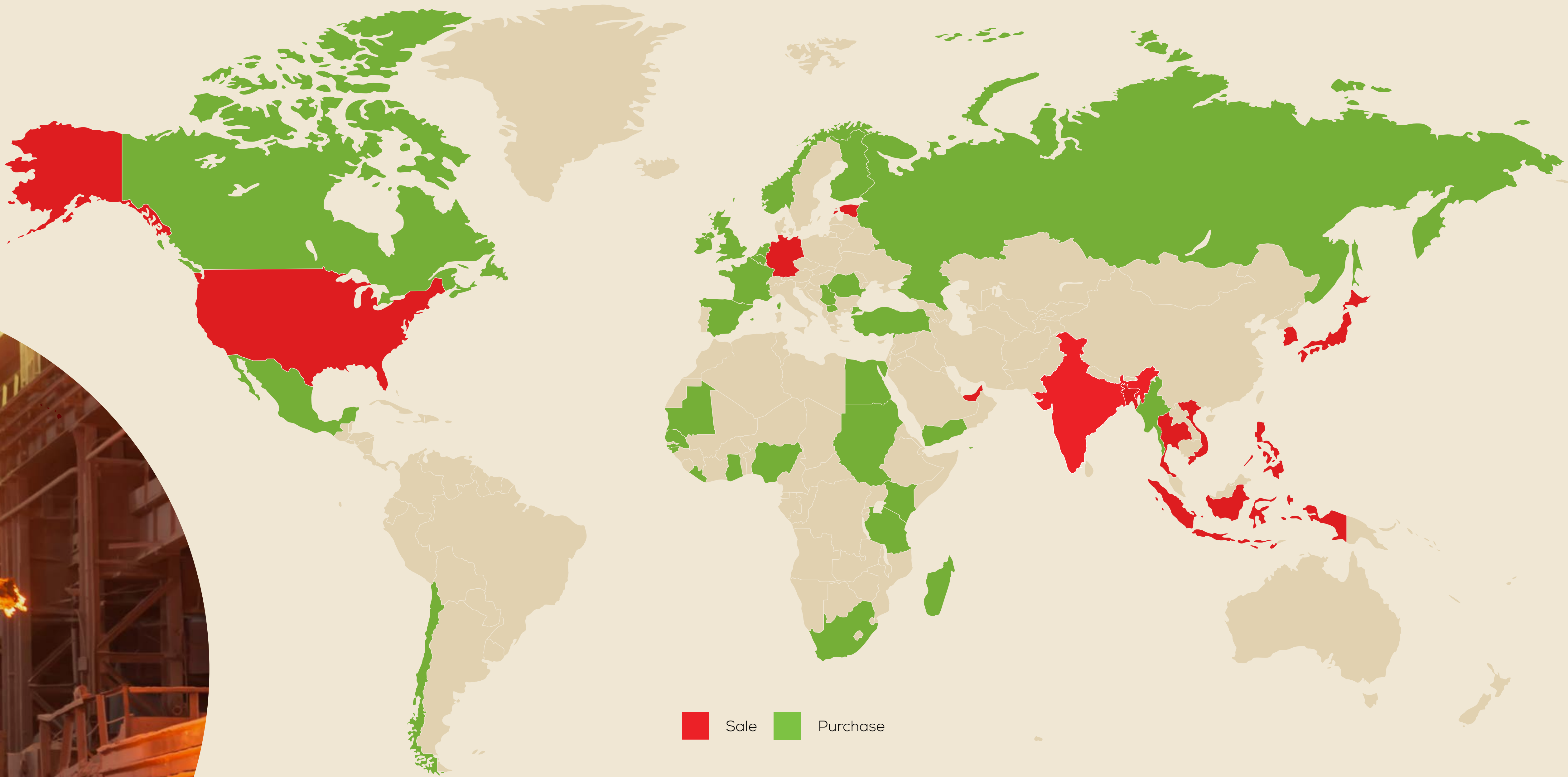
POCL is a leading manufacturer of Lead, Aluminium, Copper Alloys, and Plastics. The Company's products are used in a variety of industrial sectors, including batteries, construction, and electronics. The Company has a strong focus on research and development, and is constantly working to improve its products and processes.

Some of POCL's main products are:

- **Lead alloys:** Pure lead, lead calcium alloy, lead antimony alloy, lead master alloy, lead tin alloy, and other specialised value-added alloys
- **Copper alloys:** Copper billets, copper clove, copper cobra, and more
- **Aluminium alloys:** Aluminium and Aluminium Alloys
- **Plastics:** PPCP, Plastic-ABS, PVC, industrial and engineering plastics

FROM LOCAL ROOTS TO GLOBAL HORIZONS:
A SUSTAINABLE JOURNEY

Incorporating worldwide scrap procurement and product trading, the scope of POCL's operations nurture a varied supply base, effectively diminishing the vulnerabilities associated with dependence on a single origin. This astute strategy simultaneously empowers the Company to explore propitious avenues in global markets. Currently, a substantial 60% of POCL's production is channelled to international realms, fostering a determined aspiration to further elevate these export volumes. This strategic goal is pursued through meticulous evaluations of prospects within international markets, all the while upholding an unwavering dedication to sourcing from the domestic market.



Disclaimer: This map is a generalised illustration only for the ease of the reader to understand the locations and is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features/states do not necessarily reflect the actual position. The Company or any of its Directors, officers or employees cannot be held responsible for any misuse or misinterpretation of any information or design thereof.

SUSTAINABLE STEPS THROUGH THE SANDS OF TIME

Our Vision 2030 is to contribute to a circular economy by establishing recycling verticals in various areas, including lithium-ion recycling, e-waste, plastics, rubber, oil, glass, paper, and the creation of value-added products.

1995

Incorporated as a public limited Company in Tamil Nadu and listed on the Madras and Coimbatore Stock Exchanges (Regional)

1996

Set up Litharge, Red Lead and Zinc Oxide production plant in Pondicherry

1997

Started a joint venture in Malaysia for Zinc Oxide

1998

Set up second lead stabiliser unit in Pondicherry

2002

Completed disinvestment from the joint venture in Malaysia

2003

- Set up new unit in Tamil Nadu for lead acid batteries
- Registered highest growth rate in the metallic and PVC stabiliser market

2006

Inaugurated first lead smelter (SMD) capacity 18,000 MTPA in Tamil Nadu

2010

Capacity expansion of the lead smelter plant in Tamil Nadu from 18,000 to 28,200 MTPA

2012

Merged with Lohia metals and acquired 10,000 MTPA capacity expansion

2015

- Set up new SMD-II plant in Andhra Pradesh with 24,000 MTPA capacity
- Expanded the capacity of SMD-I from 28,800 to 36,000 MTPA

2017

Commencement of Zinc and Zinc Oxide plant 12,600 MTPA in Tamil Nadu

2018

Capacity expansion of SMD-II from 24,000 MTPA to 36,000 MTPA

2019

First Indian 99.97 lead brand registered on the London Metal Exchange

2020

Took over Meloy Metals Private Limited with the capacity of 48,000 MTPA to reach combined lead and lead alloy capacity to 120,000+ MTPA

2021

- Implemented SMD-I expansion from 36,000 to 48,000 MTPA, bringing total capacity to 132,000 MTPA
- Carried out further expansion in Copper and Plastic, increasing portfolio of metals by 2025

2022

Issued bonus shares in a 1:1 ratio to its shareholders. Moreover, the annual Profit After Tax shown a remarkable historical growth rate of 348% on a year-on-year basis. In line with its commitment to eco-friendly practices, the Company has formed a collaboration with Ace Green Recycling for the manufacturing of Lead using green technology processes. Furthermore, to expand its ventures into the recycling of Plastics, the Company established a wholly-owned subsidiary called 'POCL Future Tech Private Limited.'

2023

The Company successfully established and commenced operations of an Aluminium Recycling/Melting facility at its factory in Sriperumbudur, Tamil Nadu. Additionally, it listed and started trading its Equity Shares in the National Stock Exchange Capital Markets segment

GUIDING OUR SHIP OF RESPONSIBLE GROWTH: A MESSAGE FROM THE CHAIRMAN

I am pleased to present the insights and progress made in our Company for FY 2022-23. Our outlook remains robust and highly positive, backed by in- depth analysis of the industry and the categorisation of various recycling projects at different stages of development. Our dedicated team is relentlessly working towards realising the vision set by our Company, paving the way for a promising future.

Dear Shareholders,

As Chairman of Pondy Oxides and Chemicals Limited, I extend my warm greetings to you. Your unwavering commitment and dedication have been the driving force behind our Company's success, and I am immensely proud of the milestones we have achieved together so far. As we embark on new endeavours and embrace fresh challenges, I am confident that our collective efforts will lead us to even greater heights.

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The metal recycling market is witnessing significant growth, fuelled by rapid urbanisation, industrialisation, and the global shift towards effective resource utilisation. With industries around the world increasingly relying on recycled materials to protect our environment, recycling has evolved as a sustainable alternative for purchase of raw materials when compared to traditional mining.

For manufacturers, procuring recycled raw materials proves to be both cost-effective and energy-efficient, which is in turn contributes to the growth of the metal scrap market. While the Asia-Pacific region remains a prominent growth area, the Indian metal scrap market's growth potential presents substantial opportunities for POCL.

Our major focus lies in Lead and Speciality Lead Alloys, and we have recently ventured into Aluminium, Copper and Plastics. Our focus into recycled aluminium, engineered plastics and high-value added polymers addresses the demand supply mismatch within India, thereby enhancing our product portfolio in the near future.

To achieve our ambitious goal of reaching a Billion-dollar top line by 2030, we are exploring various verticals, with some projects in the feasibility stage and others in pre-feasibility stage.

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Green projects and strategic acquisitions are part of our growth strategy, aligning with our commitment to explore multiple recycling avenues and diversified products.

As we plan ahead, it is essential to consider production costs and future uncertainties. While some costs can be accounted for, unpredictable factors like fluctuations in metal prices necessitate re-negotiation with the customers at the end of contract term. Our strategic approach in pricing accommodates these scenarios, thereby allowing us to mitigate risks and adapt to dynamic market conditions.

With a remarkable presence spanning nearly three decades in the metal recycling industry, POCL has pursued its journey towards comprehensive development, firmly establishing itself as India's foremost secondary lead smelter and lead alloy manufacturer. Our unwavering commitment to growth as a quality-driven, highly efficient, and reliable brand has earned us the trust and loyalty of our valued customers.

A pivotal element that has significantly contributed to our brand image is the strong nurturing relationship we maintain with our customers and business partners. We take immense pride in serving a diverse range of industries, including lead acid batteries, electrical and electronics, chemicals and paints, metal die casters, plastic moulders and extruders. Catering to these industries, we also ensure quality of goods is not compromised, thereby delivering value to our customers.

Through long-term contracts with leading Original Equipment Manufacturers (OEMs) and largest traders across the globe, we have solidified our position as a reliable and preferred supplier in the global marketplace. This strategic collaboration further bolsters our commitment to delivering excellence and meeting the varied needs of our clientele.

Our unwavering focus on continuous improvement and innovation allows us to remain at the forefront of the industry, constantly adapting to evolving market dynamics and customer demands. We employ cutting-edge technologies and adhere to stringent quality standards to ensure that our products consistently surpass expectations, setting new industry benchmarks.

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As we continue to evolve, our vision is anchored in sustainable growth, environmental responsibility, and social impact. By embracing green initiatives and adhering to ethical practices, we actively contribute to the preservation of our environment and communities.

As a distinguished domestic and international brand, we take immense pride in exporting 60% of our production to numerous countries, a testament to our global reach and influence. Our operational excellence has been recognised with India's first and only 3N7 LME registered lead brand status, alongside the prestigious T3 certification as an Authorised Economic Operator Certificate bestowed upon us by the Ministry of Finance. Furthermore, the Government of India has honoured us with a 3-star export house status, further validating our commitment to achieving exceptional business standards. These eminent recognitions are the direct outcome of our dedication to achieving business prodigy. Our success is deeply rooted in constant engagement with our valued customers and esteemed business partners, backed by robust and exemplary business practices that set us apart from the competition. Emphasising the significance of research and development, we meticulously evaluate dynamic market trends, continuously upgrading our developmental processes to ensure we consistently deliver the very best.

At the core of our ethos lies our unyielding focus on adopting cutting-edge technologies, recognising their indispensable role in our line of business. Through our relentless pursuit of the latest mechanisms and innovations, we constantly enhance our capabilities, staying ahead of the curve and remaining conversant with the forefront of technology.

As we progress, our commitment to excellence and passion for advancement remain the driving forces behind our achievements, enabling us to not only maintain our position as a global leader but also to revolutionise the industry and forge an enduring legacy of success. Together, we embrace the future with enthusiasm, as we continue to pioneer new heights of growth and success.

Our journey to success has been guided by the seamless integration of our core values into every aspect of our business practices. Integrity forms the bedrock of our foundation, driving us to consistently deliver the best to our valued customers. Our achievements are a result of the collective efforts of a dedicated workforce, supported by a visionary management team. With a commitment to continuous learning and improvement, we strive to excel in all our endeavours. Our topmost priority is ensuring a safe work environment for our employees, taking every possible action to protect them both within and outside our premises.

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In conclusion, I extend my earnest gratitude to all our stakeholders for their untiring sustenance and pledge to our shared vision. Together, we have achieved remarkable milestones, and I am confident that our journey of togetherness will endure, leading us to even greater heights of success and excellence in the times to come. With your continued support, we are poised to embrace the future with confidence and enthusiasm, as we create a legacy of innovation and sustainable growth. Thank you for being an integral part of our success story.

With best regards,

Mr. Anil Kumar Bansal
Chairman & Whole-time Director

SCULPTING A FUTURE OF SUSTAINABILITY: DIRECTIVES FROM THE MANAGING DIRECTOR

It brings me immense joy and pride to stand before you today and share the remarkable achievements of POCL in the past year. The year has been nothing short of positive, filled with moments of growth, resilience, and unwavering determination. I am profoundly proud of each and every employee for their valuable contribution to the success and growth of the organisation.

Dear Stakeholders,

It brings me immense joy and pride to stand before you today and share the remarkable achievements of POCL in the past year. The year has been nothing short of positive, filled with moments of growth, resilience, and unwavering determination. I am profoundly proud of each and every employee for their valuable contribution to the success and growth of the organisation. Throughout the year, our team has demonstrated remarkable dedication, commitment, and resourcefulness in the face of various setbacks. They faced challenges head-on, exploring new territories with flexibility. Their combined efforts, strength, and unwavering determination were instrumental in our achievements.

Over the past year, we have achieved significant milestones, crossing a turnover of ₹ 100 Million in exports. Our financial ratios, including EBITDA and net profit margin, have remained stable compared to the previous year. Our current ratio is at an optimum level of 1.6, ensuring a healthy financial position. Despite instability in the global market during the year, POCL has achieved a annual result, with a YoY growth rate of 1.16% annually in our top line. Demonstrating our commitment to financial excellence, we delivered a substantial EBITDA of ₹ 82.66 Crore for FY 2022-23, showcasing an YoY growth rate of 1.07% compared to the previous year's ₹ 81.79 Crore. Moreover, we are delighted to announce that we have achieved an all-time highest top line of ₹ 1,472 Crore, in FY 2022-23. In addition, our exposure in international markets has resulted in crossing a turnover of ₹ 833 Crore in exports during FY 2022-23, marking a major milestone in our global presence and success.

Moreover, we are delighted to announce that we have achieved an all-time highest top line of ₹ 1,472 Crore, in FY 2022-23. In addition, our exposure in international markets has resulted in crossing a turnover of ₹ 833 Crore in exports during FY 2022-23, marking a major milestone in our global presence and success.

These remarkable achievements reflect the collective efforts and unwavering commitment of the entire POCL team. We hope and look forward to continue this trajectory of growth and excellence in the years to come.

Sales and Procurement

Our sales composition consists of 60% exports and 40% domestic proportion. In terms of procurement, we have a mix of 75% imports and 25% domestic sourcing. It's worth noting that our domestic sourcing has improved from 85% of imports to the current 75%, a trend that we expect to continue. This shift towards domestic procurement will lead to reduced costs in logistics and shipping.

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Industry Landscape and Prospects

The industry landscape in which we operate is exceptionally positive. Recycling has become an integral part of every economy, and we are proud to be a part of this sustainable practice. According to the International Lead Association, approximately 75% of the global lead demand is sourced from recycled lead. Our Company has a robust global outreach with over 270 overseas suppliers and a multi-sourcing strategy from 90-plus countries. We anticipate further growth in domestic procurement, further reducing our dependence on imports.

Future Targets and Growth Strategies

Looking ahead, we have set ambitious targets to continue our growth trajectory. For the current financial year, we are expecting an additional 10% revenue growth, which should lead to a 10% increase in the total turnover. Our aim is to exceed the industry standards on EBITDA margin in the lead segment, while the margin in the aluminium and copper segments will vary based on their respective market conditions.

Opportunities and Challenges

While we are optimistic about our prospects, we recognise certain challenges going ahead. One of the challenges is the presence of multiple lead recycling units with small capacities that have been authorised by pollution control boards. We are actively advocating for minimum quantity for such recyclers which in-turn support the growth of the organised sector.

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Diversification and Sustainability

We have vision set on the future potential, specifically in the automobile segment, which could provide inputs for lithium-ion batteries in next five to eight years. Therefore, as a part of our diversification, we had acquired Harsha Exito Engineering Private Limited, which would enable us to expand our portfolio and to venture into new verticals. Further, this acquisition, shall keep up the pace for us to meet the increased business opportunities.

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Key developments during FY 2022-23:

Raw Material

- Changed raw material mix. Focussed more on battery scrap
- Increased plant efficiency marginally
- Invested in technology to improve fuel efficiency and margins

New Subsidiary

- Incorporated subsidiary company, POCL Future Tech Private Limited
- Will focus on plastics, e-waste, lithium-ion, rubber, paper, and other recycling businesses

Export Recognition

- Awarded 'Three Star Export House' certification by DGFT
- Recognition for exceptional performance in international trade

Aluminium Recycling Facility

- Completed installation of plant and machinery
- Obtained regulatory approvals
- Commenced commercial production

Harsha Exito Acquisition

- Acquired Harsha Exito
- Expansion of portfolio and entry into new verticals
- Increased land bank and business opportunities

NSE Listing

- Equity shares listed on NSE

As we move forward, our paramount objective is not only to with stand the impact of prevailing macroeconomic forces affecting the entire sector but also to proactively address challenges facing non-ferrous metals and recycling. To achieve this, we will prioritise portfolio diversification in non-ferrous metals and explore opportunities in other recycling materials during the upcoming quarters. By doing so, we aim to bolster our resilience and position ourselves for sustained growth in these dynamic market conditions.

In conclusion, our Company has shown resilience and remarkable growth in the past year, achieving significant milestones in both revenue and sustainability. We are confident in our ability to meet future targets and overcome challenges, thanks to our strong global outreach, efficient procurement strategies, and sustainable practices. By staying focussed on our growth plans and embracing opportunities in new segments, we are well-positioned to continue making a positive impact on the industry and the environment.

With all my best wishes,

Ashish Bansal
Managing Director

BEYOND THE BALANCE SHEET: DIRECTOR-FINANCE'S INSIGHTS ON SUSTAINABLE PROGRESS

Amidst the current industry landscape, we observe a positive trend with recycling gaining prominence as an integral part of every economy. According to the International Lead Association, approximately 75% of the global lead demand is sourced from recycled lead. Additionally, we acknowledge the potential growth in aluminium and plastics, driven by increasing demand across various sectors of economy.

Dear Shareholders,

I am delighted to present our annual performance review for FY 2022-23, which showcases our achievements, challenges, and future outlook. Despite the prevailing market conditions, I am pleased to announce that POCL has delivered stable results, reflecting our commitment to excellence.

As a consistent dividend-paying Company, we take pride in recommending a final dividend of 50% this year, reaffirming our dedication to rewarding our stakeholders. Our listing and trading in the National Stock Exchange Capital Markets segment since March 6, 2023, have further solidified our position in the market.

We are optimistic about lead demand across the globe as will as in India. Our unwavering focus remains on four key verticals: lead, aluminium, copper, and plastics. In tandem, our internal R&D and projects teams are exploring opportunities in e-waste, lithium-ion, rubber, paper, and glass.

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As we continue our journey, we aim to build upon the positive momentum achieved in profitability during FY 2022-23. Our unwavering pursuit of excellence drives us to maintain consistent performance and adapt swiftly to market fluctuations and economic challenges.

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In FY 2023-24, we are focussed on strengthening our revenue streams and expanding our market presence. Our goal is to drive higher exports and domestic business, targeting 70% and 30%, respectively. To achieve this, we are investing in domestic sourcing to optimise raw material procurement, leading to substantial cost savings through logistics cost.

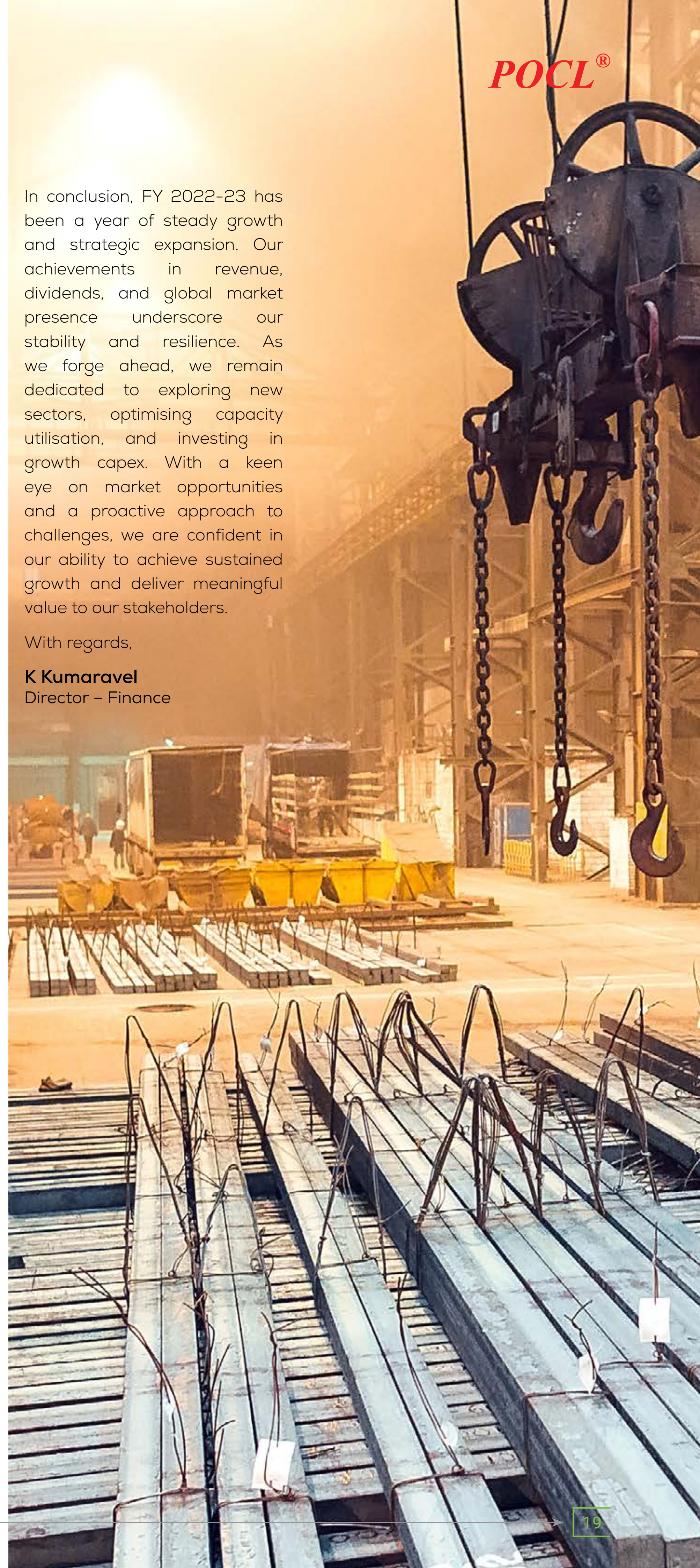
In FY 2023-24, we are focussed on strengthening our revenue streams and expanding our market presence. Our goal is to drive higher exports and domestic business, targeting 70% and 30%, respectively. To achieve this, we are investing in domestic sourcing to optimise raw material procurement, leading to substantial cost savings through logistics cost.

With continuous emphasis on cost savings and avoidance, we recognise the immense potential in the demand for recycled waste (both metal and non-metal). To capitalise on these opportunities, we are sharpening our execution across all aspects of the business. By committing to incremental investments in talent, modern facilities, and cutting-edge technologies, we are paving the way for robust growth and long-term profitability, creating sustainable value for all stakeholders.

In conclusion, FY 2022-23 has been a year of steady growth and strategic expansion. Our achievements in revenue, dividends, and global market presence underscore our stability and resilience. As we forge ahead, we remain dedicated to exploring new sectors, optimising capacity utilisation, and investing in growth capex. With a keen eye on market opportunities and a proactive approach to challenges, we are confident in our ability to achieve sustained growth and deliver meaningful value to our stakeholders.

With regards,

K Kumaravel
Director – Finance

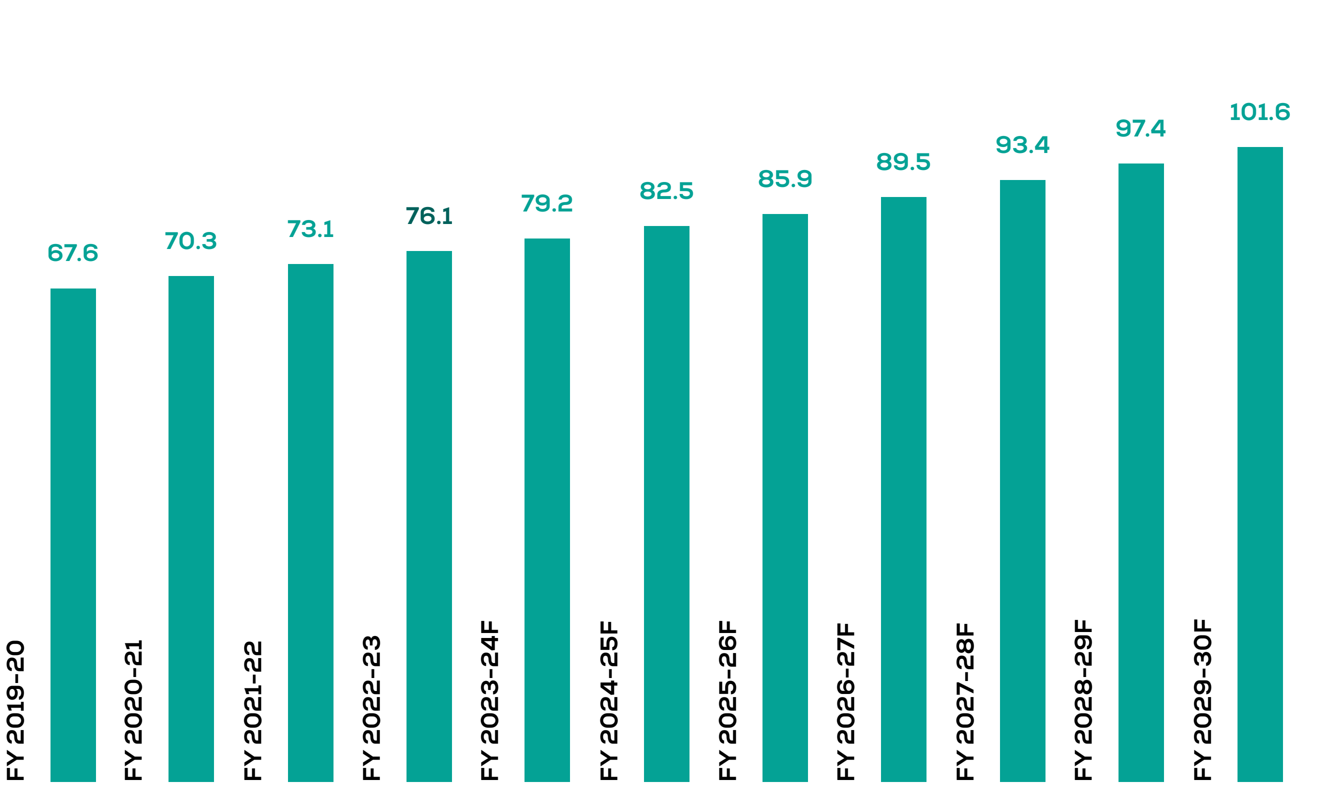


RESPONSIBLE SPLENDOUR: PORTRAITS OF SUSTAINABLE INDUSTRIAL PROGRESS

The recycling industry shows immense promise in today's landscape, integrated across economies. While its potential is vast, the sector remains in its nascent stages, necessitating further research and development for full maturity. Positive trends include increased use of recycled materials in manufacturing, following global norms with respect to climate change, and technological advancements enabling the creation of value-added products through innovative raw material applications. This commitment to recycling aligns with POCL's vision, as they strive to establish recycling verticals in diverse sectors, fostering a circular economy, efficient resource usage, and environmental sustainability.

POCL has strategically embraced recycling as an integral part of the 3R initiative; reduce, reuse, recycle; ensuring efficient waste management and resource utilisation. By adopting this approach, the Company actively contributes to a circular economy and fulfils its environmental responsibilities, promoting a sustainable legacy focussed on efficient resource use and waste reduction.

Recycled Metal Market Size, 2020 to 2030 (in USD Billion)



Source: https://www.precedenceresearch.com/recycled-metal-market

F: Forecast

RECYCLING MARKET – OUTLOOK

Global Recycling Market

The global waste and recycling market is projected to experience rapid growth in the coming years due to advancements in technology, new regulations, and increased demand for recycled content. The growth highlights the strong momentum of the circular economy, supported by policymakers, major manufacturers, and recycling and waste management firms. In the future, there is a strong likelihood of a shift towards greater utilisation of recycled materials and the adoption of waste prevention and reuse models.

The market was valued at **USD 60.41 Billion** at the end of 2022 and is anticipated to reach **USD 88.01 Billion by 2030.**

Indian Recycling Market

The concept of the circular economy is relatively new to India; slowly it is gaining prominence. The waste management industry in India holds significant potential, as currently, only 30% of the 75% recyclable waste is being recycled. The need for improvement in waste management arises due to the shortage of appropriate policies for collection, disposal, and recycling, along with the lack of efficient infrastructure in the country.

The Indian recycling market is estimated to grow **USD 35.87 Billion by 2028.**

LEAD MARKET – OUTLOOK

Global Lead Market

Evident by the surge in lead-acid battery consumption, the global lead market has been undergoing a palpable upswing. Furthermore, the global demand is forecasted to maintain its significance in the forthcoming years, driven by accelerated supply growth through capacity expansions and novel operations, surpassing the pace of demand.

Anticipated on this trajectory, the global lead market is poised to command a noteworthy valuation of **USD 59.6 Billion by the year 2032** with a **CAGR of 6.9%.**

In the preceding years, the battery sector dominated with an impressive revenue share, encompassing approximately 85%. Projections indicate that this prevailing pattern will persist throughout the projected timeline spanning from 2022 to 2032. The escalating appetite for batteries is compelling manufacturers to not only amplify their production capabilities but also to forge comprehensive integration across the entire value chain.

Indian Lead Market

The growth of Indian lead market is driven by applications in automotive, telecom, power backup, and renewables. It's set to exceed USD 7.6 Billion by 2023, fuelled by auto and telecom sectors, encouraging Make in India and smart city initiatives. Government allocations for smart cities, housing, hybrid telecom, and power infrastructure investments will increase demand. Particularly, Starting, Lighting and Ignition (SLI) batteries dominate, led by auto and two-wheelers production and demand.

ALUMINIUM MARKET – OUTLOOK

Global Aluminium Market

The demand for aluminium is propelled across key sectors including packaging, electrical, aerospace, and electric vehicles. However, growth has been impeded by supply disruptions and production constraints. Notably, the adaptability of non-toxic aluminium finds its application in a diverse array of industries such as food, packaging, pharmaceuticals, construction, transport, and electronics, with Government initiatives further bolstering industry expansion. The Asia-Pacific region emerges as the pillar of growth, driven by rapid industrialisation, urbanisation, and thriving auto industries of Japan, China, and India.

The global aluminium market, valued at approximately **USD 179 Billion in 2022,** is anticipated to reach around **USD 278 Billion by 2030,** reflecting a **steady CAGR of 5.61%.**

Indian Aluminium Outlook

The Indian aluminium industry is expected to register a CAGR of around 5.60% from 2023 to 2028. With the tremendous demand for infrastructure and the Government's initiatives, such as authorising Real Estate Investment Trusts (REITs) for foreign investors and establishing an Urban Infrastructure Development Fund, the Indian market presents a significant USD 19.65 Billion opportunity. These efforts are likely to drive growth in the Indian aluminium market, leading to a sustained high CAGR.

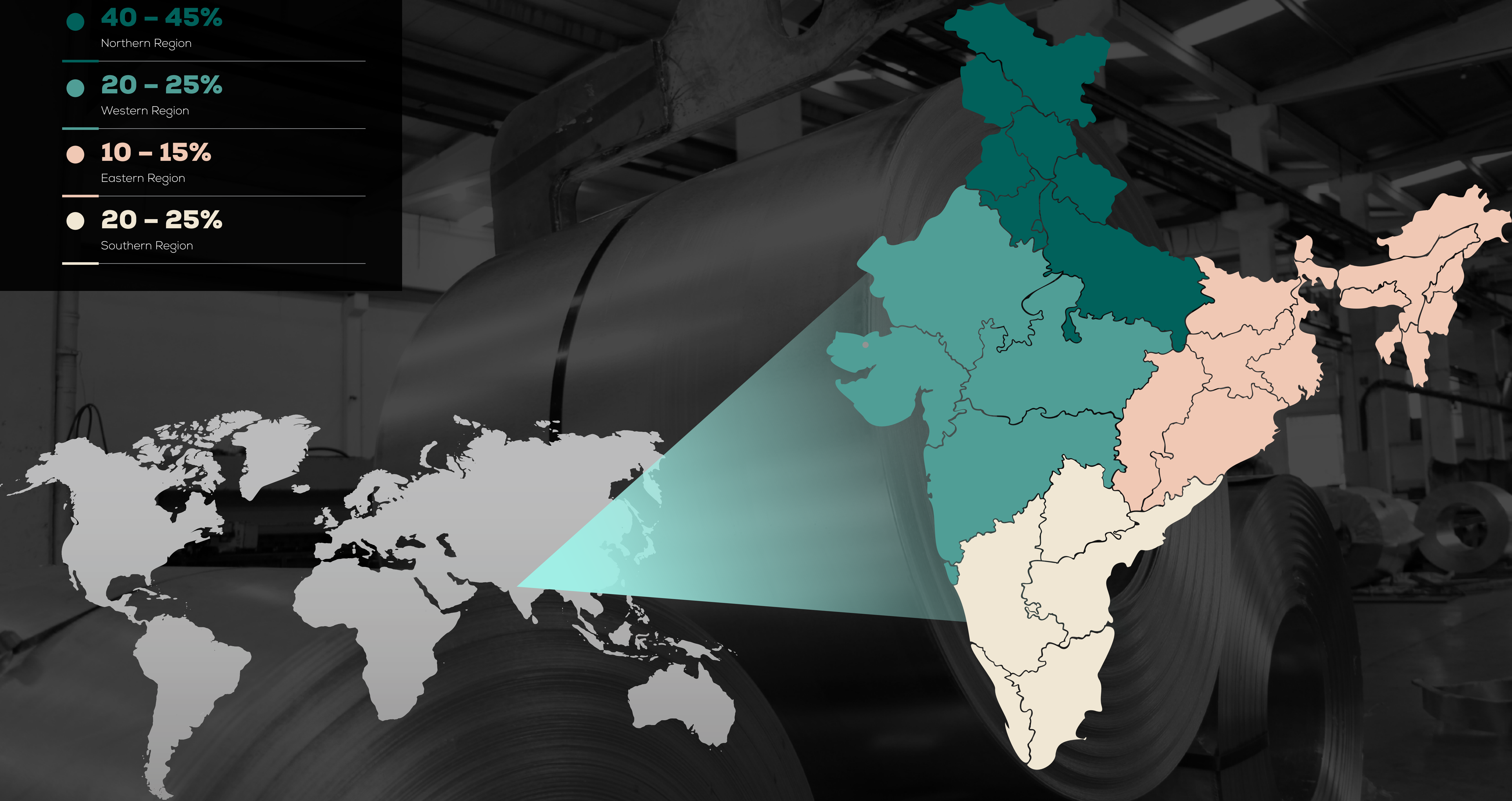
Region-wise India's aluminium demands break-up 2022:

40 – 45%
Northern Region

20 – 25%
Western Region

10 – 15%
Eastern Region

20 – 25%
Southern Region



Disclaimer: This map is a generalised illustration only for the ease of the reader to understand the locations and is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features/states do not necessarily reflect the actual position. The Company or any of its Directors, officers or employees cannot be held responsible for any misuse or misinterpretation of any information or design thereof.

FROM VISION TO VALUE: CRAFTING SUSTAINABLE PROGRESS THROUGH OUR MODEL

INPUTS → VALUE CREATION → PROCESS → OUTPUTS

INPUTS

Capitals		FY 2022-23 KPIs
Financial Capital	Sources of funds from Business Operations, Financing Activities and Investing Activities.	Equity share capital: ₹ 11.62 Crore Debt capital: ₹ 5.98 Crore Reserves and surplus: ₹ 242.52 Crore
Manufacturing Capital	State-of-the-art manufacturing facilities to produce the best products for our customers, while ensuring sustained quality outputs.	No. of manufacturing facilities: 4 Total CAPEX additions during the year: ₹ 46.31 Crore
Natural Capital	The Company's environmental outlook rests on: carbon footprint mitigation, water conservation and recycling, waste reduction and recycling, and preserving biodiversity through optimal resource utilisation and effective technology adoption.	Total no. of alternate energy sources: 2 Total proposed investment for greener technology adoption: ₹ 96.00 Crore
Human Capital	Skills, competencies, capabilities, knowledge and motivation of employees across operations, enabling us to grow.	Total no. of employees: 480 on payroll Additional indirect employment: 313
Social and Relationship Capital	Laying its focus on the various Corporate Social Responsible (CSR) activities in line with statute governing the CSR and for the benefit of all the stakeholders.	Total CSR expenditure: ₹ 0.66 Crore

VALUE CREATION

The strategic pillars that serves as the foundational framework guiding POCL towards sustainable growth, innovation, and impactful outcomes.

The 3P Framework

People

Cultivating a purpose-driven and dynamic workforce to uphold our leadership in the external market

Planet

Upholding ecological preservation by reducing waste deposits and maintaining the Earth's mineral equilibrium

Profit

Prioritising strategic capital allocation and reinvestment approaches to drive our Company's enduring growth ambitions

Strategic vision that guides the voyage towards 360-degree suitability

PROCESS

Resource Transformation for Circular Economy

Harnessing the potential of metal and non-metal waste as valuable resources, driving the principles of circularity and minimising waste

Stakeholder-Driven Value Creation

Enriching stakeholder value through the adoption of sustainable business practices that harmonise economic growth, social well-being, and environmental stewardship

Collaborative Expansion and Diversification

Fostering close collaboration with strategic business partners to unlock new territories and explore diverse opportunities, amplifying our sustainable impact

Success is fuelled by a set of pivotal key value drivers that underpin our commitment to innovation, sustainability, and excellence

Cutting-Edge Eco-Friendly Technology

Leveraging advanced, environmentally conscious technology within our efficient manufacturing units, optimising waste processing for sustainable outcomes

Emission Reduction and Environmental Responsibility

Prioritising emission reduction as a cornerstone of our operations, aligning with our commitment to environmental stewardship and reduced ecological impact

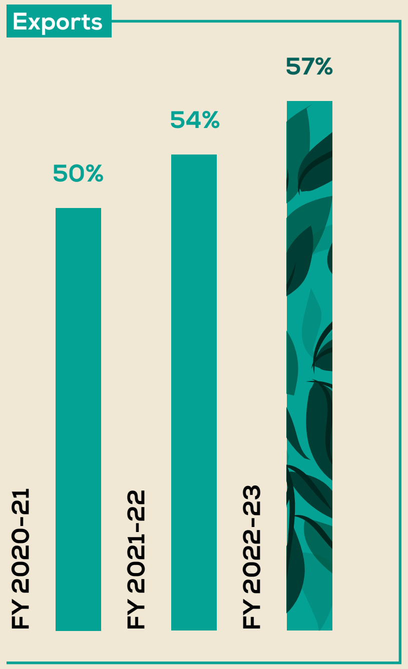
High-Quality Reproduction of By-Products

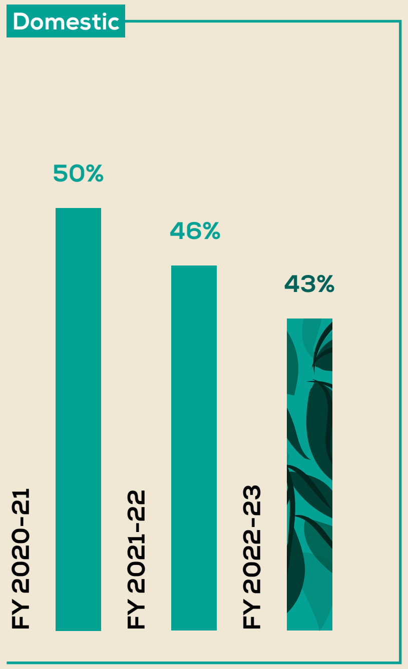
Achieving excellence in the production of premium metal and non-metal by-products through innovative processes, contributing to circular economy principles

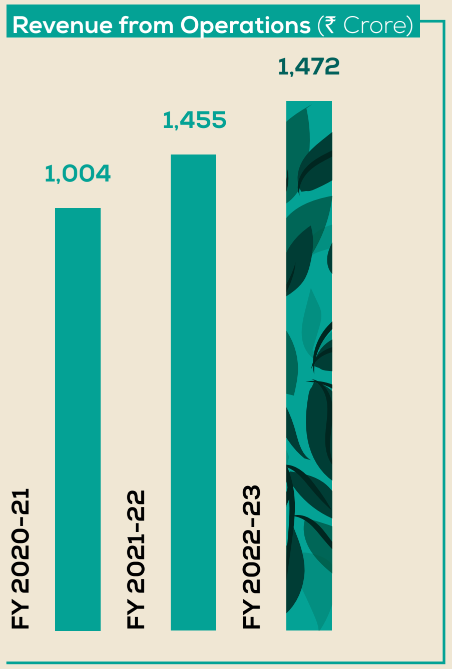
OUTPUTS

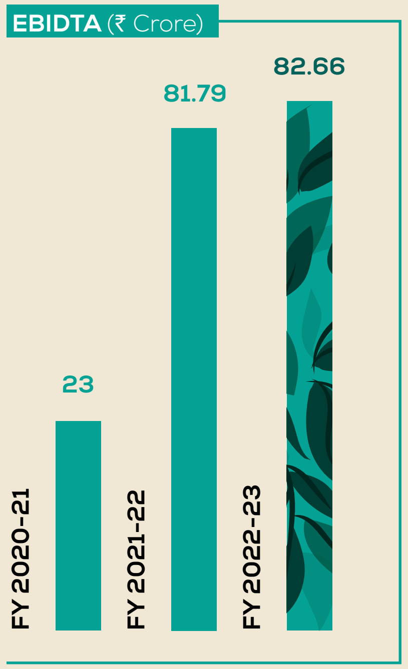
Capital	FY 2022-23 KPIs
Financial Capital	
Market capitalisation as on March 31, 2023	NSE: ₹ 344.79 Crore BSE: ₹ 345.08 Crore
Total sales	₹ 1,472 Crore
Net profit	₹ 49.20 Crore
Return on capital employed	28 %
Earnings per share	₹ 42.32
Intellectual Capital	
No. of prominent market leaders as customers	25
Legacy	28 Years
Manufacturing Capital	
Total scrap recycling capacity (Lead)	120,000 MTPA
Total scrap recycling capacity (Aluminium)	14,750 MTPA
Total scrap recycling capacity (Copper)	30,000 MTPA
Total scrap recycling capacity (Plastics)	9,000 MTPA
Human Capital	
Total hours for employee training	4,000 Hours
No. of women in the workforce	61
Social Capital	
No. of lives benefitted	3,416

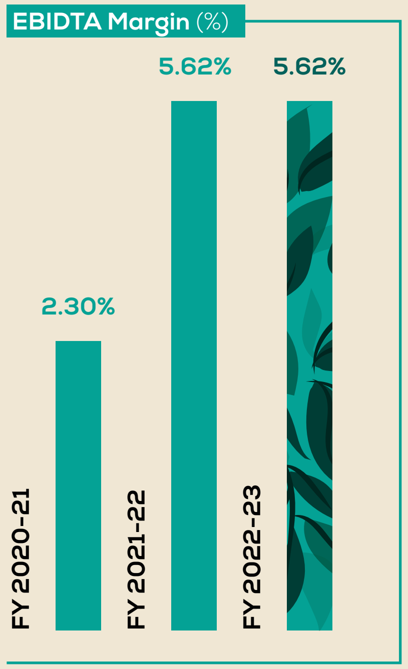
BALANCING PROFIT AND PURPOSE:
DISCOVERING OUR FINANCIAL STRENGTHS FOR SUSTAINABILITY

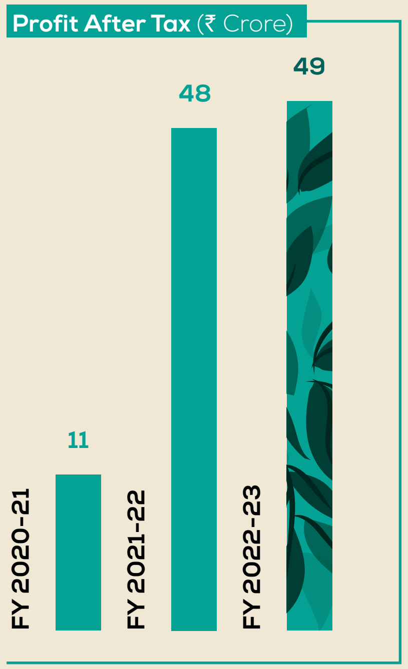


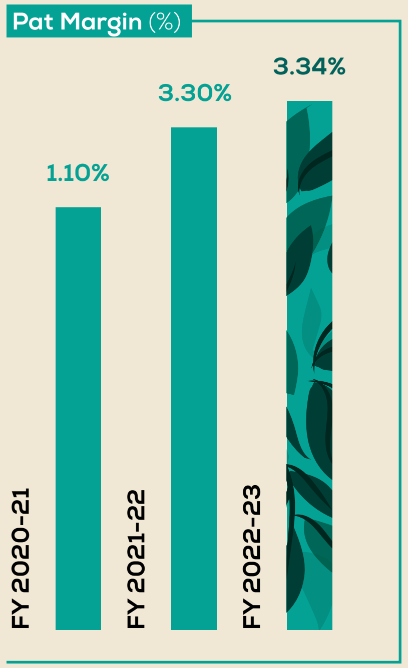


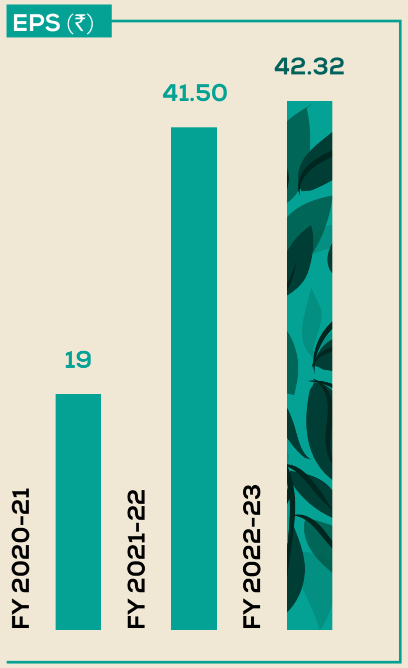


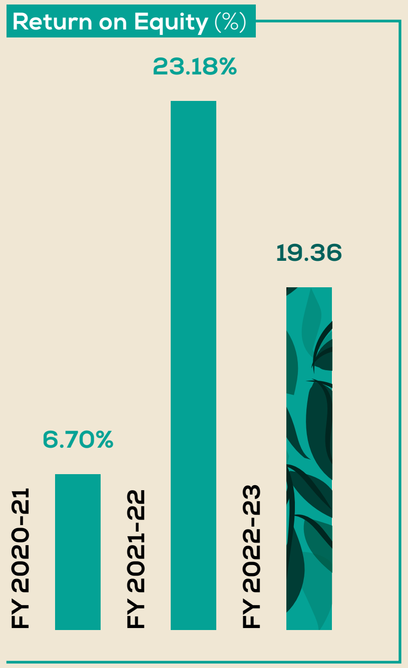












FROM COMMITMENT TO CONSERVATION: OUR ENVIRONMENTAL INITIATIVES FOR RESPONSIBLE GROWTH

POCL, as a responsible and forward-thinking business, recognises the vital link between business sustainability and the well-being of the planet. By adopting good environmental practices, the Company can achieve greater operational efficiency, leading to improved financial sustainability. As the business adapts to changing technology landscapes and embraces innovative solutions, it ensures sustainable profitability while staying relevant to its customers. This commitment to environmental initiatives not only fosters a financially strong and viable Company but also meets the expectations of stakeholders in the long run.

In line with this approach, POCL is actively engaged in supporting waste management startups and initiatives.

1

Paving the Path for Sustainability

Sustainability is a pivotal concern for both society and businesses. Exploring varied sustainable practices across nations, cultures, and industries unveils their impact and potential for the future. Technological adoption and innovative policies have revolutionised resource efficiency in metal recycling, curbing CO_2 emissions and advancing the circular economy. Pondy Oxides and Chemicals Limited (POCL) exemplifies waste recycling power, conserving energy, reducing landfill burden, and fostering raw material reuse. Recycling extends beyond waste management, embodying judicious resource utilisation for present and future generations, conserving water, energy, land, and precious materials.

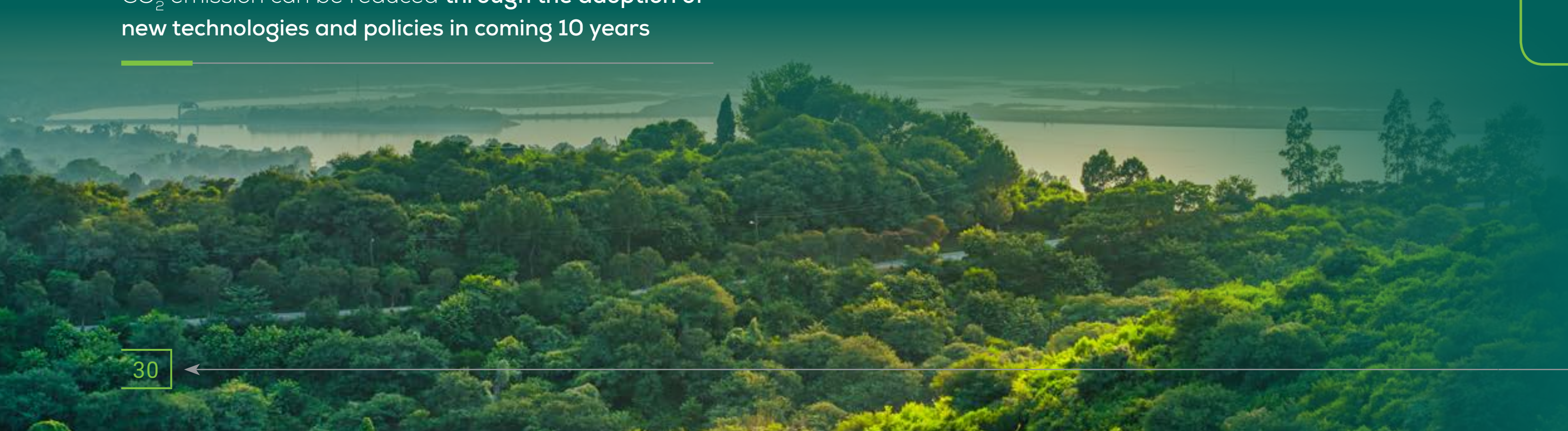
31%

CO_2 emission can be reduced **through the adoption of new technologies and policies in coming 10 years**

2

Green Lead Technology: A Landmark Partnership with ACE Green Recycling

In a ground-breaking alliance, POCL has joined hands with ACE Green Recycling to establish the world's largest GHG emission-free battery recycling facility in Chittoor, Andhra Pradesh, India. Valued at USD 12 Million, this visionary collaboration spans a decade, underlining POCL's steadfast commitment to sustainability. The facility's cutting-edge emission-free technology marks a monumental stride for POCL. Additionally, the consideration of solar power integration amplifies its environmental impact, fostering greater eco-friendliness. As the facility progresses through trial production, its imminent transition to full-scale commercial operations within months heralds a transformative milestone in green lead technology.



3

Air and Water Pollution Mitigation

POCL has ardently embraced proactive strategies to conscientiously counter any potential air and water pollution stemming from emissions and waste generated by its industrial operations. The Company remains steadfastly committed to relentless innovation, ceaselessly seeking novel approaches to elevate operational methodologies. At the heart of these endeavours lie state-of-the-art Air Pollution Control (APC) Systems and meticulously engineered Effluent Treatment Plants (ETPs), meticulously aligned with the stringent environmental directives articulated by both the State and Central Pollution Control Boards. Furthermore, a formidable risk management protocol has been meticulously woven into the fabric of our operations, expertly designed to pre-emptively mitigate any conceivable hazards linked to the handling of hazardous and toxic substances.

4

Waste Management

POCL places paramount importance on the implementation of efficient waste management practices, while rigorously adhering to all pertinent laws and regulations. The Company's comprehensive waste management approach encompasses a meticulous cycle of waste classification, strategic segregation, diligent minimisation, expert handling, vigilant monitoring, and rigorous regulatory compliance. The collaboration extends to authorised entities, ensuring the meticulous collection of waste for its safe and secure disposal, thereby reflecting POCL's unwavering commitment to responsible waste management.

5

Ensuring Efficient Energy Management

POCL monitors its energy usage patterns and adjust the energy-saving tactics as required. The Company has implemented a wide range of energy-efficient initiatives, including energy-efficient utility equipment across the plants, LED lighting solutions, and PV solar systems.

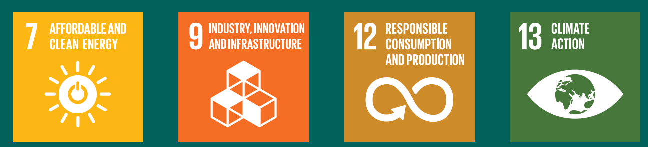
6

Increasing Green Coverage Around the Plants

POCL's endeavour to enhance environmental vitality embraces a proactive pursuit of greener horizons within the plant premises. Emanating from this commitment, the Company diligently initiated tree plantation programmes, resulting in the cultivation of lush green belts that envelop a substantial expanse of the facilities. These verdant enclaves are composed of meticulously selected trees, renowned for their robust contribution to the generation of fresh oxygen and the purification of the surrounding air. This conscientious cultivation amplifies the efforts to forge a harmonious coexistence with nature, enacting a meaningful stride towards ecological enrichment.

7

SDGs Impacted



HAND IN HAND FOR A BETTER WORLD: OUR SOCIAL COMMITMENT IN ACTION

POCL integrates corporate social obligations with a clear vision for inclusive growth. Rooted in people empowerment and community building, POCL advocates fairness, equity, and respect for human rights, especially for women, youth, and marginalised groups. Through focussed CSR initiatives and programmes, the Company invests in addressing critical community needs, with a special focus on education and skill development, in line with the UN Sustainable Development Goals (UN SDGs).

POCL is proud of its people well-being programmes, culture and diversity initiatives, employee engagement programmes, and social engagement initiatives. These programmes help to create a workplace where employees feel valued, respected, and supported. They also help to make a positive impact on the communities where POCL operates.

1

Employee Well-Being Programmes

POCL has well-defined comprehensive employee safety and well-being programmes that take care of the wellness of employees and the environment. These programmes include:

- Health and wellness initiatives, such as preventive health care, fitness programmes, and healthy eating options
- Safety programmes, such as training on safe work practices and procedures
- Environmental programmes, such as recycling and waste reduction initiatives

2

Culture and Diversity

POCL is an equal opportunity employer and has a well-defined and progressive diversity, equity and inclusion approach. The Company recognises that a diverse and inclusive workforce is necessary to drive innovation, foster creativity, and guide business strategies. POCL's culture and diversity initiatives include:

- Providing training on unconscious bias and diversity awareness
- Creating a supportive and inclusive workplace environment
- Promoting diversity in leadership positions

3

Employee Engagement

POCL is committed to employee engagement and has a number of initiatives in place to keep employees motivated and engaged. These initiatives include:

- Regular communication with employees
- Opportunities for employee feedback and input
- Recognition and rewards programmes
- Social events and activities

4

Social Engagements

POCL is committed to social responsibility and has a number of social engagement initiatives in place. These initiatives focus on improving the lives of people in the communities where POCL operates. They include:

- Eradicating hunger, poverty, and malnutrition
- Promoting education and employment
- Empowering women
- Supporting rural development

5

SDGs Impacted

VISIONARIES OF RESPONSIBLE GROWTH: UNVEILING OUR BOARD OF DIRECTORS

Mr. Anil Kumar Bansal
Chairman & Whole-time Director

- Mr. Anil Kumar Bansal, B.Sc., holds the position of Executive Chairman and Whole-time Promoter Director
- Assumed the role of Chairman in June 2015 after serving as the Managing Director from the Company's inception
- Instrumental in broadening the Company's product portfolio and spearheading the establishment of a Lead Metals and Alloys manufacturing unit in Tamil Nadu
- A prominent figure in the plastic industry, actively participating in committees and delivering presentations on PVC stabilizers and plastics
- Recognised with numerous awards for his remarkable contributions and outstanding achievements

Mr. Ashish Bansal
Managing Director

- Mr. Ashish Bansal holds an MBA degree and joined POCL in 2009
- Elevated to the position of Managing Director in 2015, showcasing his visionary leadership
- Successfully expanded the Company's horizons by establishing a new plant in Andhra Pradesh and venturing into international markets
- Instrumental in guiding POCL towards receiving esteemed awards and accomplishing remarkable performance milestones
- Actively contributes as a member of MCX's Product Advisory Committee, leveraging his expertise
- Holds the role of Director in MRAI, further showcasing his commitment to the industry's growth and development

Mr. K. Kumaravel
Director – Finance & Company Secretary

- Mr. K. Kumaravel is a distinguished member of the Institute of the Company Secretaries of India and the Institute of the Cost Accountants of India
- Boasting over three decades of comprehensive experience in Finance, Accounts, and Secretarial functions, spanning Public Sector Undertakings and Public Limited Companies
- Continuing his professional journey at POCL since the year 1996
- Holds an impressive track record in managing complex financial transactions, including IPOs, FPOs, and intricate Company restructuring involving mergers and demergers
- Renowned for his extensive proficiency in Finance and Secretarial domains, with key responsibilities encompassing Annual Accounts, Taxation, Corporate Governance, and Corporate Social Responsibility within the Company

Mr. A. Vijay Anand
Independent Director

- Mr. A. Vijay Anand has served as an Independent Director at POCL since 2018
- Culminated a stellar 36-year career in the Central Government as a civil servant, with a series of impactful roles
- Held pivotal positions focussed on revenue collection, adjudication, administration, and appeals in the realm of Indirect Taxes
- Notably served as the Executive Director at Hindustan Aeronautics Limited and assumed the role of Government Nominee Director on the Board of Antrix Corporation
- Honoured with the responsibility of being the Member Secretary of the Space Commission and fulfiling roles such as IT Secretary, Additional Secretary, and Financial Advisor in the Government of India
- Distinguished tenure as the Principal Chief Commissioner of Indirect Taxes and Customs, underscoring his significant contributions to public service and governance

Dr. Shoba Ramakrishnan
Independent Director

- Dr. Shoba Ramakrishnan has been a dedicated Independent Director at POCL since 2015
- Holds a distinguished Ph.D. degree awarded by the University of Madras, reflecting her academic prowess and commitment to knowledge
- Formerly held the esteemed position of Associate Professor and Department Head at Women's Christian College in Chennai, exemplifying her leadership and educational contributions
- Demonstrates a notable impact in the chemical sector through her scholarly achievements, including research papers and authored books
- Her rich academic and professional background underscores her vital role in guiding POCL as an Independent Director

Dr. M. Ramasubramani
Independent Director

- Dr. M. Ramasubramani, IPS, has been a valued Independent Director at POCL since March 2020
- Renowned as an accomplished Police Officer and esteemed Sports Administrator, he has held pivotal roles within diverse organisations
- Demonstrates a multifaceted background that encompasses significant positions in various sectors
- Actively contributes to the advancement of Virtual Reality (VR) and Augmented Reality (AR) technology through his private limited company, VReon Tech India, headquartered in Chennai
- Leads VReon in providing cutting-edge software solutions in VR and AR, aligning with global standards and innovation
- His dynamic engagement in technology and business adds a distinctive dimension to his role as an Independent Director at POCL

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Anil Kumar Bansal
Chairman & Whole-Time Director

Mr. Ashish Bansal
Managing Director

Mr. K. Kumaravel
Director – Finance
& Company Secretary

Independent Directors

Mr. A. Vijay Anand
Dr. Shoba Ramakrishnan
Dr. M. Ramasubramani

KEY MANAGERIAL PERSONNEL

Mr. Vijay Balakrishnan
Chief Financial Officer

FACTORY DIVISIONS

Smelter Division [SMD] – I

G-17 to G-19 & G-30 to G-32,
SIPCOT Industrial Park,
Mambakkam Village,
Pondur Post, Sriperumbudur,
Kancheepuram - 602 105,
Tamil Nadu

Smelter Division [SMD] – II

Plot # 78 B & C, Industrial Park,
Gajulamandyam Village,
Renigunta Mandal,
Chittoor - 517 520,
Andhra Pradesh

Aluminum Division

G-1SIPCOT Industrial Park,
Pondur Post, Sriperumbudur,
Kancheepuram - 602 105,
Tamil Nadu

AUDITORS

Statutory Auditors

M/s L. Mukundan & Associates,
Chartered Accountants,
Flat No. 1, 2 Kamala Arcade,
669 Mount Road, Thousand lights,
Chennai – 600 006
Phone No: +91-044-28291328

Secretarial Auditors

KSM Associates,
Company Secretaries,
Office No. 40, TNHB Complex,
No. 180, Luz Church Road,
Chennai - 600 004.
Phone No.: +91-044 – 43535195

Cost Auditors

M/s Vivekanandan Unni &
Associates
1-A, Vedammal Avenue, Dr.
Subaraya Nagar, Main Road
Behind Petrol Bunk,
Kodambakkam,
Chennai - 600024
Phone No: +91 - 044 - 2472 1760

BANKERS

HDFC Bank - R K Salai Branch,
Chennai
Axis Bank - Anna Salai Branch,
Chennai
HSBC Bank – Cathedral Road
Branch, Chennai
DBS Bank - Anna Salai Branch,
Chennai
Kotak Mahindra Bank – Anna Salai
Branch, Chennai

REGISTRAR AND SHARE TRANSFER AGENT (RTA)

Cameo Corporate Services
Limited
Subramanian Building,
#1, Club House Road,
Chennai - 600 002
Phone: +91-044-28460718
Fax: +91-044-28460129
E-mail: murali@cameoindia.com

LISTING

National Stock Exchange of India
Limited
Bombay Stock Exchange Limited

POCL®

BOARD'S REPORT

Dear Members,

Your Directors are pleased to present herewith the 28th Annual Report on the Operations of your Company along with the Audited Standalone and Consolidated Financial Statements for the Financial Year ended March 31, 2023 together with Auditors' Report thereon.

FINANCIAL HIGHLIGHTS:

The Company's financial performance for the year ended March 31, 2023, and the comparative figures for the previous year are summarised below:

(₹ in Lakhs)

Particulars	Standalone		Consolidated
	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023
Revenue from Operations	1,47,166.84	1,45,480.10	1,47,618.09
Other Income	425.33	463.17	427.28
TOTAL REVENUE	**1,47,592.17**	**1,45,943.27**	**1,48,045.37**
Profit Before Depreciation, Interest and Tax (PBDIT)	**8,266.12**	**8,178.63**	**11,037.74**
Depreciation and Interest	1,690.45	1,742.98	1,793.42
PROFIT BEFORE TAX (PBT)	**6,575.67**	**6,435.65**	**9,244.32**
Tax	1,655.55	1,610.89	1,682.48
Profit for the Year	**4,920.12**	**4,824.76**	**7,561.84**
Other Comprehensive Income	(4.60)	11.27	(4.60)
TOTAL INCOME	**4,915.52**	**4,836.03**	**7,557.24**

The Comparison on Consolidated Financial highlights of the Company is not presented in the above table as the Company's Wholly Owned Subsidiaries namely, M/s. POCL Future Tech Private Limited and M/s. Harsha Exito Engineering Private Limited were incorporated and acquired, respectively, during the financial year 2022-23.

OPERATIONS AND PERFORMANCE OVERVIEW:

As you are aware that during the year under review, there were several macro-economic uncertainties, as the economy faces severe inflation, disruption in the overall supply chain network. However, the Company dealt with these uncertainties by continuing to focus on operational excellence, marketing strategies, and keeping its Stakeholders at the core of it. Also, there has been a significant increase in the cost of smelting, refining along with the cost of utility such as power, fuel, which has further added to the overall cost of production.

Despite the abovementioned macro-economic and geo-political issues, the Company was able to maintain a slightly higher margin with a net profit of ₹ 49.20 Crore as against ₹ 48.25 Crore in the previous year. On the similar note, the Company's revenue from Operations was ₹ 1,471.66 Crore as against ₹ 1,454.80 Crore in the previous year.

TRANSFER TO RESERVES:

The Board of Directors have decided to retain the entire amount of profit for Financial Year 2022-23, except an amount of ₹ 4.90 Crore, which has been transferred to General Reserve as at March 31, 2023.

MATERIAL CHANGES & COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year to which the financial statements relate and the date of this report.

BUSINESS DEVELOPMENTS PROPOSED

During the Financial year 2022-23, Your company has recognised an opportunity to recycle Aluminum and has set up Aluminum Recycling / Melting Facility at our existing premises located in Sriperumbudur, Tamil Nadu with a view to enhance the portfolio of other non-ferrous metals apart from Lead and Copper. The Company has completed the installation of Plant and Machineries and obtained the necessary regulatory approvals and commenced its commercial production on December 14, 2022.

Further, on March 6, 2023, the Equity Shares of the Company was listed and traded in National Stock Exchange of India Limited (NSE) under Capital Market Segment vide NSE Circular Ref no. 0268/2023 in addition to the existing listing of Equity Shares of the Company in BSE.

BOARD'S REPORT (Contd.)

Also, during the FY 2022-23, the Company had acquired two subsidiaries and the details of the same mentioned in this Board's Report under the heading **"Subsidiaries, Associates and Joint Venture Companies"**

Your Company is constantly striving to emphasise Circular Economy and the importance of Environmental Responsibility and will continue to introduce more environment friendly projects and further contribute to circular economy.

DIVIDEND:

The Board of Directors in their meeting held on May 29, 2023 have recommended a Final Dividend at 50% i.e. ₹ 5/- per share [Previous Year: 50%] on Face Value of ₹ 10/- each for the Financial Year ended March 31, 2023. The total Dividend outgo amounts to ₹ 5.81 Crore [Previous Year: ₹ 2.91 Crore].

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF):

a) Transfer of Unclaimed / Unpaid Dividend to IEPF

In accordance with the provisions of Section 124 of Companies Act, 2013 read with Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has transferred unpaid and unclaimed dividends amounting to ₹ 1.38 Lakhs to the Investor Education and Protection Fund (IEPF) during the Financial Year 2022-23.

b) Transfer of Shares to IEPF

In accordance with the provisions of Section 124 of Companies Act, 2013 read with Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has transferred 755 equity shares, in respect of which dividend has not been claimed by the members for seven consecutive years or more, have been transferred by the Company to the Investor Education and Protection Fund Authority (IEPF) during the financial year 2022-23. Details of shares transferred to IEPF have been uploaded on the website of the Company.

ANNUAL RETURN:

In terms of Section 134(3)(a) and Section 92(3) of the Companies Act, 2013, a copy of the annual return in Form MGT-7 is to be placed on the website of the Company. The same is available on the website of the Company https://www.pocl.com/annual-returns/

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

In terms of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Anil Kumar Bansal, Chairman and Whole-time Director, who has been longest in the office is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his re-appointment and the same has been included in the agenda of the 28th Annual General Meeting for approval of the Shareholders.

During the Financial Year 2022-23, the following were the changes in the composition of the Board of Directors and Key Managerial Personnel of the Company:

(a) As informed in the previous Annual Report, Mr. K Kumaravel who had been appointed as an Additional Director has been regularised by the Shareholders in the 27th Annual General Meeting dated September 21, 2022.

(b) Pursuant to the recommendation of Nomination & Remuneration Committee, the Board of Directors in its Meeting held on August 10, 2022 approved the appointment of Mr. B Vijay as the Chief Financial Officer and Key Managerial Personnel of the Company with effect from August 10, 2022 in place of Mrs. Usha Sankar, who retired from the services of the Company due to Superannuation.

Pursuant to the recommendations of Nomination and Remuneration Committee and the consent of the Board of Directors, the proposal for re-appointment of Mr. Ashish Bansal, Managing Director and Mr. Anil Kumar Bansal, Chairman and Whole-time Director for a period of 3 years with effect from April 1, 2024 has been placed before the Shareholders in the 28th Annual General Meeting for their approval.

Brief profile of the Directors seeking appointment/re-appointment along with the disclosures required pursuant to provisions of Listing Regulations and the Companies Act, 2013 are given in the Notice of the Annual General Meeting, forming part of the Annual Report.

During the year, four (4) meetings of the Board of Directors were held. The particulars of the meetings held and attendance by each Director are detailed in the Corporate Governance Report, which forms a part of this Report. The Company has complied with the applicable Secretarial Standards as issued by the Institute of Company Secretaries of India in compliance with Section 118 (10) of the Companies Act, 2013.

INDEPENDENT DIRECTORS AND FAMILIARISATION PROGRAMME:

In terms of the provisions of Section 149(7) of the Companies Act, 2013, all the Independent Directors of the Company have furnished a declaration to the Company stating that they fulfill the criteria of Independence as prescribed under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and are not disqualified to act as Independent Directors.

In compliance with Regulation 16(1)(b) and 25(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Board has adopted a policy on familiarisation programme for Independent Directors of the Company. The policy familiarises the Independent Directors with the nature of industry in which the Company operates, business model of the Company, their roles, rights and responsibilities in the Company.

The details of familiarisation programme during the Financial Year 2022-23 are available on the website of the Company at https://www.pocl.com/wp-content/uploads/2023/03/Details-of-Familiarisation-programme-imparted-to-independent-directors.pdf

KEY MANAGERIAL PERSONNEL:

Mr. Anil Kumar Bansal - Chairman and Whole Time Director, Mr. Ashish Bansal - Managing Director, Mr. K. Kumaravel - Director Finance & Company Secretary and Mr. B. Vijay - Chief Financial Officer are the Key Managerial Personnel (KMP) of the Company in terms of provisions of Section 203 of the Companies Act 2013 for the Financial Year ended March 31, 2023.

As informed in the previous Annual Report, in the Board Meeting held on August 10, 2022, Mr. Vijay Balakrishnan was appointed as Chief Financial Officer of the Company in place of Mrs. Usha Sankar who retired from services due to superannuation.

BOARD COMMITTEES:

The Company has constituted various Committees of the Board in compliance with the provisions of the Companies Act, 2013 and the SEBI Listing Regulations. Details of scope, constitution, terms of reference, number of meetings held during the year under review along with the attendance of the Committee Members and re-constitution therein forms part of the Report on Corporate Governance, which is annexed to this report. Details of the constitution of these Committees is also available on the website of the Company https://www.pocl.com/composition-of-board-and-committees/

BOARD EVALUATION:

As required under the Companies Act, 2013 and the Listing Regulations, an annual performance evaluation of the Board is undertaken where the Board formally assesses its own performance with an aim to improve the effectiveness of the Board and the Committees. The Company has devised a policy for performance evaluation of the Board, its Committees and Directors which include criteria for performance evaluation of Non-executive and Executive Directors.

The Company carried out the evaluation process internally which included the evaluation of the Board as a whole, its Committees and Peer evaluation of the Directors. The evaluation process focused on various aspects of the functioning of the Board and the Committees such as composition of the Board and the Committees, experience and competencies, performance of specific duties and obligations, governance issues, etc. The report on performance evaluation of the Individual Directors was reviewed by the Chairman of the Board and feedback was given to Directors.

Details of performance evaluation of Independent Directors as required under Schedule IV to the Companies Act, 2013 is provided in the Report on Corporate Governance.

The Directors have expressed their satisfaction with the evaluation process and its results.

REMUNERATION POLICY OF THE COMPANY:

In terms of the provisions of Section 178 of the Companies Act, 2013 read with Regulation 19 of SEBI Listing Regulations, a policy relating to remuneration of the Directors, Key Managerial Personnel and other employees has been adopted by the Board of Directors thereby analyzing the criteria for determining qualifications, positive attributes and independence of a Director. The said policy is available on the website of the Company at https://pocl.com/wp-content/uploads/2016/02/4-Nomination-and-Remuneration-Policy.pdf

There has been no change in the policy since the last financial year.

PARTICULARS OF REMUNERATION OF DIRECTORS AND EMPLOYEES:

Disclosures relating to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report as Annexure - I.

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names of the top ten employees in terms of remuneration drawn and names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules forms part of this Report. Having regard to the provisions of the second proviso to Section 136(1) of the Act, the Annual Report excluding the aforesaid information is being sent to the members of the Company.

Any member interested in obtaining such information may address their email to kk@pocl.com.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

(A) Conservation of Energy -

(i) Steps taken on conservation of energy:

The Company continues to use its focused energy conservation efforts, effective production scheduling and efficient energy equipment's by the following measures:

- VFD with feedback system wherever possible in equipment
- Automatic power control panels with hybrid filters for improving power quality
- Replacement of conventional lights with LED lights
- Improving heater control system for lead pots

(ii) Steps taken for utilising alternate source of energy

The company would explore the possibility of usage of Gas instead of Furnace Oil as a fuel to substantially save the energy cost.

(iii) The capital investment on energy conservation equipment's

The company has made sizeable investment in capital equipment's mainly energy conservation equipment in all its facilities wherever required.

(B) Technology absorption:

As stated in the previous Annual Report, our Company has partnered with Ace Green Recycling Inc., a Delaware Corporation in the United States, for set up the world's largest greenhouse gas (GHG) emission-free battery recycling facility in our Andhra Plant (SMD – II). This has gone live in terms of the entire commissioning and being a new technology the company shall ensure that the commercial production which we realise is concrete, is futuristic which will give us the required output for the years to come. Currently, it's at the trial stage of production and in the coming months, the company would go live with commercial production.

(C) Foreign Exchange Earnings and Outgo:

Foreign Exchange Earnings and Outgo	(₹ in Lakhs) 2022-23	(₹ in Lakhs) 2021-22
Foreign Exchange Earnings	98,836.90	81,286.16
Foreign Exchange Outgo	85,988.52	95,656.40

PARTICULARS OF CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES:

Pursuant to the provisions of Section 188 of the Companies Act 2013 and necessary rules framed thereunder, all contracts / arrangements / transactions entered by the Company during the financial year with related parties were in its ordinary course of business and on arms' length basis. All Related Party Transactions are placed before the Audit Committee for their review and approval. The Audit Committee has provided omnibus approval for transactions which are of repetitive nature and/or entered in the Ordinary Course of business and are at Arm's Length and the Audit Committee also reviews the transactions periodically on quarterly basis. Accordingly, the disclosure required under Section 134(3)(h) of the Companies Act, 2013, in Form AOC-2 is annexed to this Report as **Annexure - II**.

During the year, the Company had not entered into any contract / arrangement / transaction any person belonging to the Promoter/Promoter group which holds 10% or more shareholding in the listed entity or any other contract / arrangement / transaction which could be considered material in accordance with the policy of the Company on materiality of related party transactions and Listing Regulations.

The Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions as approved by the Board may be accessed on the Company's website at: https://pocl.com/wp-content/uploads/2021/04/2-Related-Party-Transaction.pdf

PARTICULARS OF LOANS, GUARANTEE AND INVESTMENTS:

The details of the loans, investments and guarantees or securities made by the Company under the provision of Section 186 of the Act are given under the Note No. 6 (Non-Current Investments) of the financial statements forming part of the Annual Report.

DEPOSITS:

During the year, your Company did not accept any deposits under Chapter V of the Companies Act, 2013. The Company has however received loans from Directors namely Mr. Anil Kumar Bansal and Mr. Ashish Bansal of ₹ 368.00 Lakhs and ₹ 199.00 Lakhs respectively, which are not considered under the definition of "Deposits" in accordance with the provisions of Rule 2(c)(viii) of the Companies (Acceptance of Deposits) Rules, 2014 and the full details of the Loans is given under Note No. 44 (Related Party Disclosure) forming part of the financial statements.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES:

As at March 31, 2023, the Company has not entered into any joint ventures nor did not have any associate Company. As informed in the previous Annual Report, During the Financial Year 2022-23, the Company had incorporated a subsidiary Company on May 27, 2022 in the name ***"POCL Future***

BOARD'S REPORT (Contd.)

Tech Private Limited" bearing Corporate Identity Number: U37200TN2022PTC152661 with the object of entering into the business segment of Plastics, E-waste, Lithium-ion, Rubber, Paper and other forms of forward-looking recycling businesses. Later, On September 30, 2022, it became the Wholly owned subsidiary of the Company.

Further, during the financial year 2022-23, the Company has acquired M/s. Harsha Exito Engineering Private Limited vide Hon'ble National Company Law Tribunal (NCLT) Order IA/248/CHE/2022 dated January 12, 2023 through successful Corporate Insolvency Resolution Process (CIRP). Post this acquisition, the management of POCL is planning to carry out complete re-assessment of the existing business of Glass Manufacturing and in addition to that planning to Recycle various non-ferrous metals, and Plastics to effectively utilise the available infrastructure facilities in the unit.

None of the Companies ceased to be Subsidiaries during the year.

PERFORMANCE HIGHLIGHTS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES:

Financial Statements in respect of each of the subsidiaries shall be available for inspection at the Registered Office of the Company.

Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements of subsidiaries is given in Form AOC-1 **(enclosed as Annexure – III)** and forms integral part of financial statements of the Company.

CORPORATE SOCIAL RESPONSIBILITY:

The Company has constituted Corporate Social Responsibility Committee with the following Committee Members:

(a) Mr. A Vijay Anand as the Chairman of the Committee,

(b) Mr. Ashish Bansal, Member and

(c) Dr. Shoba Ramakrishnan, Member

The CSR policy of the Company is available on the Company's website https://pocl.com/wp-content/uploads/2021/04/7-CSR_Policy.pdf

As part of its initiatives under "Corporate Social Responsibility" (CSR), the company has contributed funds for the schemes which are detailed in the prescribed format in **Annexure IV** of this Report.

SHARE CAPITAL AND STATEMENT PURSUANT TO LISTING AGREEMENT:

The Paid-up Equity Share Capital of the Company as on March 31, 2023 was ₹ 11.62/- Crore comprising of 1,16,24,780 equity shares of ₹ 10/- each.

As informed in the previous Annual Report, at the Board of Directors meeting held on August 10, 2022, has recommended issue of bonus shares subject to the approval of Shareholders at the forthcoming 27th Annual General Meeting. The Bonus Shares were approved by the Members in the 27th AGM and were issued in the ratio of 1:1. Therefore, the post-paid-up equity share capital of the Company has increased to ₹ 1,16,24,780/- Equity Shares of ₹ 10/- each.

During the year under review, your Company has neither issued any shares with differential voting rights nor granted any stock options or sweat equity. Your Company's shares are listed with the BSE Limited and National Stock Exchange of India Limited (NSE). The Company has paid the Annual Listing fees and there are no arrears.

WHISTLE BLOWER POLICY / VIGIL MECHANISM:

POCL has adopted a Whistle Blower Policy establishing vigil mechanism, to provide a formal mechanism to the Directors and employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. The Policy provides for adequate safeguards against victimisation of employees who avail of the mechanism.

The Vigil Mechanism is supervised by the Audit Committee and the whistle blower has direct access to the Chairman of the Audit Committee. The vigil mechanism and whistle blower policy is available on the Company's website at https://pocl.com/wp-content/uploads/2021/04/5-Whistle-Blower-Policy.pdf

RISK MANAGEMENT POLICY:

The Board has adopted and implemented a suitable Risk Management Policy for the company which identifies, assesses and mitigates therein different elements of risk which may threaten the existence of the company viz. strategic, financial, liquidity, security, regulatory, legal, reputational and other risks.

SECRETARIAL STANDARDS:

The Company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) and approved by the Central Government under Section 118 (10) of the Act.

INTERNAL FINANCIAL CONTROLS AND ITS ADEQUACY :

The Company has Internal Control Systems commensurate with the size, scale and complexity of its operations. The Board has devised systems, policies, procedures and frameworks for the internal control which includes adherence to company's policy, safeguarding assets, prevention and detection of frauds and errors, accuracy and completeness

BOARD'S REPORT (Contd.)

of the accounting records and timely preparation of reliable financial information. In line with best practices, the Audit Committee and the Board reviews these internal control systems to ensure they remain effective and are achieving their intended purpose.

The Auditors of the Company have verified the internal financial control systems prevailing in the organisation and confirmed the effectiveness of the same in their report for the Financial Year 2022-23.

MAINTENANCE OF COST RECORDS:

The Company is duly maintaining the cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, such accounts and records are made available for the Cost Auditors of the Company for Audit purposes.

AUDIT COMMITTEE:

All the recommendations of the Audit Committee during the Financial Year 2022-23 have been accepted by the Board of Directors. The details of composition of Audit Committee as required under Section 177 to the Companies Act, 2013 is mentioned in the Report on Corporate Governance (as a part of this Annual Report).

AUDITORS AND AUDITORS' REPORT:

Statutory Auditors:

The Report given by M/s. L Mukundan & Associates, Statutory Auditors, on the Financial Statements of the Company for the Financial Year 2022-23 is part of this Report. There are no qualifications, reservations, adverse remarks or disclaimers given by the Auditors in their said Report.

Cost Auditors:

M/s. K. R. Vivekanandan Unni & Associates, Cost Accountants (having Firm Registration Number: 102179) were appointed as the Cost Auditors of the Company for the Financial Year 2022-23 for conducting audit of the cost accounts maintained by the Company relating to inorganic chemicals and base metals.

The Board of Directors, on the recommendation of the Audit Committee has approved a remuneration of ₹ 40,000/- (Rupees Forty Thousand Only) in addition to the applicable taxes and out of pocket expenses. As per the provisions of Section 148 of the Companies Act, 2013, the remuneration of the Cost Auditors is required to be ratified by the shareholders of the Company.

In respect of the cost audit for FY 2021-22 which was duly submitted in the Financial Year 2022-23, the Cost Audit Report does not contain any qualification, reservation or adverse remark.

A resolution seeking Shareholders ratification for the remuneration payable to the Cost Auditor forms part of the Notice of this 28th Annual General Meeting and the same is recommended for your consideration and ratification.

Secretarial Auditors:

The Board had appointed M/s. KSM Associates, Practicing Company Secretaries (Firm Registration No: P2006TN058500), to conduct Secretarial Audit for the Financial Year 2022-23. The Secretarial Audit Report is annexed herewith marked as Annexure – V to this Report. The Secretarial Audit Report does not contain any qualifications, reservations, adverse remarks or disclaimers.

REPORTING OF FRAUD(S) BY THE AUDITORS:

During the Financial Year 2022-23, the Statutory Auditors, Cost Auditors or Secretarial Auditors have not reported any fraud to the Audit Committee under Section 143(12) of the Companies Act, 2013.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:

There are no significant material orders passed by the Regulators or Courts which would impact the going concern status of the Company and its future operations.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34(3) of the Listing Regulations, is presented in a separate section forming part of the Annual Report.

CORPORATE GOVERNANCE:

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI. The report on Corporate Governance as stipulated under the Listing Regulations forms an integral part of this Report. The requisite certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance is attached to the report on Corporate Governance.

DISCLOSURE UNDER THE SEXUAL HARASSMENT AT WORKPLACE:

The Company has in place an Anti Sexual Harassment Policy in line with the requirement of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('POSH Act'). Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees of the Company are covered under this policy. During the year, there were no complaints received pursuant to the provisions of the POSH Act.

BOARD'S REPORT (Contd.)

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to provisions of Section 134 of the Companies Act, 2013, with respect to Directors' responsibility statement it is hereby confirmed that:

1. in the preparation of the annual accounts applicable accounting standards has been followed and there is no material departure from the same;
2. the Directors selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year i.e., March 31, 2023 and of the profit of the Company for that period;
3. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the Company's assets and for preventing and detecting fraud and other irregularities;
4. the Directors have prepared the annual accounts on a going concern basis;
5. the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
6. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

AWARDS AND RECOGNITION:

During the year, Mr. Ashish Bansal, Managing Director received an award on behalf of the Company with the Certificate of recognition as "Three Star Export House" from Director General of Foreign Trade, Ministry of Commerce & Industry, Govt. of India based on an exceptional performance in international trade and successful achievement of desired export performance.

ANY APPLICATION MADE OR PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 DURING THE FINANCIAL YEAR ENDED 31ST MARCH 2023:

There was no such direct application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) in respect of the Company during the financial year ended March 31, 2023.

THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE-TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS:

There were no such instances of One-time Settlement with any Bank or Financial Institutions during the Financial Year ended March 31, 2023.

ACKNOWLEDGEMENT:

Your Directors take this opportunity to place on record their sincere appreciation for the continued trust and confidence reposed in the Company by the bankers, business associates, regulatory authorities, customers, dealers, vendors, shareholders and other stakeholders. Your Directors recognise and appreciate the services rendered by the officers, staff and employees of the Company at all levels for their dedicated efforts to improve the performance of the Company.

For and on behalf of the Board of Directors

	Anil Kumar Bansal	**Ashish Bansal**
Date: August 11,2023	Chairman & Whole-Time Director	Managing Director
Place: Chennai	DIN: 00232223	DIN: 01543967

ANNEXURE I

Disclosure under Section 197(12) of Companies Act 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2022-23:

Name of the Director(s)	Category	Ratio
Mr. Anil Kumar Bansal	Chairman and Whole-time Director	43:1
Mr. Ashish Bansal	Managing Director	86:1
Mr. K Kumaravel	Director Finance	15:1

2. The Percentage increase/(decrease) in remuneration of Directors and Key Managerial Personnel's in the financial year 2022-23:

Name of the Director(s)	Category	% Increase or (decrease)
Mr. Anil Kumar Bansal	Chairman and Whole-time Director	(1.18)
Mr. Ashish Bansal	Managing Director	(0.23)
Mr. K. Kumaravel	Director Finance & Company Secretary	2.57
Mr. B Vijay	Chief Financial Officer	NA*
Mrs. Usha Sankar	Chief Financial Officer	

*During the year 2022-23, Mr. B Vijay appointed as Chief Financial Officer with effect from August 10, 2023 as Ms. Usha Sankar retired from her services due to superannuation and hence the percentage increase / decrease in remuneration does not arise.

3. The Percentage increase/(decrease) in the median remuneration of employees in the financial year 2022-23: 23.53%
4. The Number of permanent employees on the rolls of company as on March 31, 2023: 503
5. The average annual increase/(decrease) in the salaries of employees other than the Managerial Personnel during the last financial year was around 15.05% as compared to increase/(decrease) in managerial remuneration of 1.17%.
6. Affirmation:

   It is hereby affirmed that the remuneration paid during the year is as per the remuneration policy of the Company.

For and on behalf of the Board of Directors
Pondy Oxides and Chemicals Limited

Anil Kumar Bansal
Chairman
DIN: 00232223

Ashish Bansal
Managing Director
DIN: 01543967

Date: August 11, 2023
Place: Chennai

ANNEXURE – II

FORM NO. AOC -2

Particulars of Contracts or Arrangements with Related Parties referred to in sub section (1) of section 188 of the Companies Act, 2013

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

1. Details of contracts or arrangements or transactions not at Arm's length basis:

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	The Transactions entered into with the related parties were on an Arm's length basis only
b)	Nature of contracts/arrangements/transaction	
c)	Duration of the contracts/arrangements/transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions'	
f)	Date of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

2. Details of contracts or arrangements or transactions on an Arm's length basis:

SL. No.	Particulars	Details
a)	Name (s) of the related party	POCL Future Tech Private Limited – Wholly Owned Subsidiary
b)	Nature of Relationship	Mr. Ashish Bansal and Mr. K Kumaravel (Directors)
c)	Nature of contracts/arrangements/transaction	Purchase/Sale of Materials, Resources, Services and/or Obligations
d)	Duration of the contracts/arrangements/transaction	One year
e)	Salient terms of the contracts or arrangements or transaction including the value, if any	The value of the Transactions taken individually or together shall not exceed ₹ 2.00 crores each (Two Crore Rupees) for POCL Future Tech Private Limited
f)	Date of approval by the Board	August 10, 2022
g)	Amount paid as advances, if any	---

For and on behalf of the Board of Directors

Date: August 11, 2023	**Anil Kumar Bansal**	**Ashish Bansal**
Place: Chennai	Chairman & Whole-Time Director	Managing Director
	DIN: 00232223	DIN: 01543967

ANNEXURE - III

FORM NO. AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of Subsidiaries / Associate companies / Joint Ventures

PART A: SUBSIDIARIES

(₹ in Lakhs)

S. No.	Particulars	Name of the Subsidiary	
		POCL Future Tech Private Limited	Harsha Exito Engineering Private Limited
1	Share Capital	99.99	5000
2	Reserves and Surplus	450.37	(511.62)
3	Total Assets	3382.99	4495.56
4	Total Liabilities	2832.62	7.18
5	Investments	-	-
6	Turnover	612.38	-
7	Profit before exceptional item and taxation	(146.12)	(93.24)
8	Exceptional Item	-	2908.01
9	Profit before taxation	(146.12)	2814.77
10	Provision for taxation	-	-
11	Profit after taxation	(144.59)	2786.31
12	Proposed Dividend	-	-
13	% of Shareholding	100	100
14	Reporting Period of the Subsidiary concerned	FY 2022-23	FY 2022-23
15	Reporting Currency	₹ in Lakhs	₹ in Lakhs

Notes:

1. The numbers reported above are based on the standalone financial statements prepared in accordance with the IND-AS
2. Part B of the Annexure is not applicable as there are no associates / joint ventures of the Company as on March 31, 2023.

ANNEXURE IV

ANNUAL REPORT ON CSR ACTIVITIES

1. **A brief outline of the Company's CSR Policy:**

   POCL has framed a Corporate Social Responsibility policy (CSR policy) in compliance with the provisions of the Companies Act 2013 along with necessary Rules.

   Our key focus area of CSR includes:

   - Contribution towards reducing inequalities faced by socially and economically backward groups;
   - Promoting Health care and Education;

2. **Composition of the CSR Committee:**

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of CSR Meetings held during the Year	Number of meetings of CSR Committee attended during the year
1.	Mr. Vijay Anand	Chairman and Independent Director	2	1
2.	Mr. Ashish Bansal	Member and Managing Director	2	2
3.	Dr. Shoba Ramakrishnan	Member and Independent Director	2	2

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company:

   https://pocl.com/wp-content/uploads/2021/04/7-CSR_Policy.pdf

4. The Executive summary along with web-link(s) of Impact Assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable:

   Not Applicable

5. (a) Average Net Profit of the Company as per Section 135(5) of the Act: ₹ **3,308.30 Lakhs**

   (b) Two percent of average net profit of the Company as per Section 135(5) of the Act for the Financial Year 2022-23: ₹ **66.17 Lakhs**

   (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **Nil**

   (d) Amount required to be set off for the Financial Year, if any: ₹ **0.49 Lakhs**

   (e) Total CSR obligation for the Financial Year 2022-23 [b) + (c) – (d)] :₹ **65.68 Lakhs**

6. (a) Amount spent on CSR Projects (both ongoing and other than Ongoing Project).: **NA**

   (b) Amount spent in Administrative Overheads: **NA**

   (c) Amount spent on Impact Assessment, if applicable: **NA**

   (d) Total amount spent for the financial year [(a) + (b) + (c)]: **NA**

   (e) Total amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (₹ In lakhs)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
65.70	---	---	---	---	---

ANNEXURE IV (Contd.)

(f) Excess amount for set-off, if any:

Sl. No	Particulars	Amount (₹ In Lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	66.17
(ii)	Excess amount spent in the previous Financial year	0.49
(iii)	Total amount to be spent during the Financial year	65.68
(iv)	Total amount spent for the Financial year	65.70
(v)	Excess amount spent for the financial year [(iv)-(iii)]	0.02
(vi)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(vii)	Amount available for set off in succeeding financial years [(iv)-(iii)]	0.02

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

Sl. No	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under Section 135(6)	Balance Amount in Unspent CSR Account under Section 135(6)	Amount spent in the financial year	Amount transferred to a Fund as specified under Schedule VII as per second proviso to Section 135(5)		Amount remaining to be spent in succeeding financial years	Deficiency, if any
					Amount (in ₹)	Date of Transfer		
1	FY-1	NA	NA	NA	NA	NA	NA	NA
2	FY-2							
3	FY-3							

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: **No**

   If yes, enter the number of Capital assets created / acquired: **NA**

   Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year: **NA**

9. Specify the reason(s), if the Company has failed to spent two per cent of the average net profit as per section 135(5): **NA**

For and on behalf of
Pondy Oxides and Chemicals Limited

A Vijay Anand
Chairman - CSR Committee
DIN:06431219

Ashish Bansal
Managing Director
DIN: 01543967

Date: August 11, 2023
Place: Chennai

ANNEXURE V

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

[Pursuant to section 204(1) of the Companies Act, 2013 and rule no.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members,

Pondy Oxides and Chemicals Limited

CIN: L24294TN1995PLC030586

4th Floor, KRM Centre

No. 2, Harrington Road, Chetpet

Chennai-600 031

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Pondy Oxides and Chemicals Limited** (CIN: L24294TN1995PLC030586) (hereinafter called the Company) for the year 2022-23. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of Pondy Oxides and Chemicals Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2023** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Pondy Oxides and Chemicals Limited (the Company) for the financial year ended on March 31, 2023 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(iii) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

d) Securities and Excha nge Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021[1];

e) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021[2];

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021[3]; and

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018[4];

(iv) Following other laws applicable specifically to the Company:

a) The Factories Act, 1948 & respective State Factories rules

b) Industrial Disputes Act,1947

(Footnotes)

[1]Not applicable to the Company, as the Company does not have any Employee stock option scheme.

[2]Not applicable to the Company, as the Company does not have any Non-convertible Securities listed.

[3]Not applicable to the Company, as there was no delisting done during the year.

[4]Not applicable to the Company, as there was no buy-back by the Company during the year.

ANNEXURE V (Contd.)

c) Air (Prevention & Control of Pollution) Act, 1981 and The Air (Prevention & Control of Pollution) Rules, 1982

d) The Legal Metrology Act, 2009 and rules made thereunder

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.

(ii) The Uniform Listing Agreement entered into by the Company with National Stock Exchange of India Limited and BSE Limited pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors for the year under review.

The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent, at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, wherever there is any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there were no events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc except the following:

1. The Company has issued and allotted 58,12,390 number of equity shares of 10/- each as Bonus shares during the year under review.
2. The Company has incorporated a subsidiary POCL Future Tech Private Limited, during the year under review, which subsequently became wholly owned subsidiary.
3. The Company has also acquired, during the year under review, Harsha Exito Engineering Private Limited by way of a Resolution Plan submitted in the Corporate Insolvency Resolution Process under Insolvency and Bankruptcy Code, 2016.
4. During the year under review, the Equity Shares of the Company were listed and traded in National Stock Exchange of India Limited (NSE) from March 6, 2023

This Report is to be read along with Annexure A of even date which forms integral part of this Report.

For KSM Associates, Company Secretaries

Krishna Sharan Mishra
Partner
FCS 6447; CP 7039

Place: Chennai
UDIN: F006447E000780550
Date: August 11, 2023
Peer review cert no. 627/2019

ANNEXURE V (Contd.)

ANNEXURE – A

To,

The Members,

Pondy Oxides and Chemicals Limited

CIN: L24294TN1995PLC030586

4th Floor, KRM Centre, No. 2, Harrington Road

Chetpet, Chennai-600 031

Our secretarial audit report of even date is to be read along with this letter.

a. Maintenance of secretarial and other records is the responsibility of the management of the Company. Our responsibility is to express an opinion on the relevant records based on our audit.

b. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the relevant records and compliances. The verification was done on test basis to verify that correct facts are reflected in secretarial and other relevant records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.

c. We have not verified the correctness and appropriateness of financial, Cost and tax records and books of accounts of the Company.

d. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.

e. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of the procedures on test/ sample basis.

f. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For KSM Associates, Company Secretaries

Krishna Sharan Mishra

Partner

FCS 6447; CP 7039

Place: Chennai

Date: August 11, 2023

UDIN: F006447E000780550

Peer review cert no. 627/2019

MANAGEMENT DISCUSSION & ANALYSIS

INDUSTRY STRUCTURE, DEVELOPMENTS AND ITS OUTLOOK

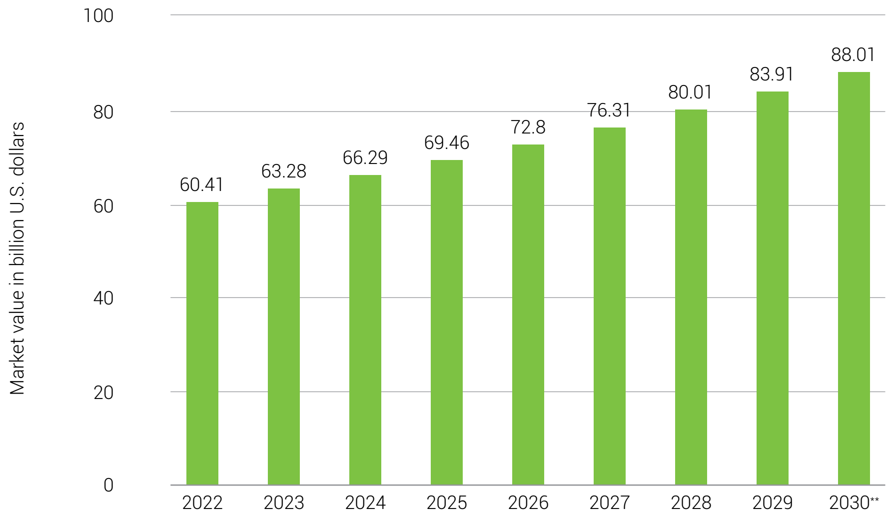
(A) RECYCLING MARKET:

(1) Global Recycling Market

(a) Trends in the Global Recycling Market

The global recycling market is set to grow rapidly due to improved technology, new regulations, and increased demand for recycled content. It was valued at USD 60.41 Billion by the end of 2022 and is projected to reach USD 88.01 Billion by 2030.

Global waste recycling services market size forecast to 2030 *(in billion U.S. dollars)*



(b) A Changing World and a Circular Economy

Urbanisation is a trend that is likely to continue, with two-thirds of the world population expected to reside in towns and cities by 2050. Living standards in cities tend to rise as people shift from rural to urban regions (at least in developing economies). This suggests that an increasing global population that is more urbanised leads to increased consumption. As a result, more waste would be produced, providing more opportunities to collect, process, and recycle this waste.

(c) World Markets

There are several factors that are making the global trading of recycled materials increasingly difficult like new Basel Convention standards for export of hazardous wastes to non-OECD nations with prior notification. Despite this fact, there are still a significant amount of materials being exported to manufacturing centres across the world with the help of recycling and trash trade organisations along with the Recycling Association, who are working hard to keep markets accessible.

MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

(2) Indian Recycling Market

(a) India Recycling and Waste Management Market Analysis

The Indian waste management market size is estimated at USD 32.09 Billion in 2023, and is expected to reach USD 35.87 Billion by 2028, registering a CAGR of 2.25% during the forecast period (FY 2023-28). The Indian waste management market is witnessing a healthy growth rate, owing to the high population density and increased industrial activity, which is generating high amounts of wastes, both hazardous and non-hazardous.

(b) India Waste Management Market Trends

Landfill is one of the most popular methods of waste disposal in India, as more than 50% of the total solid waste generated is untreated and dumped into landfills, primarily due to inefficient waste management systems in India. Private players are receiving huge impetus, especially in the municipal authorities of certain states in India, wherein waste management is not up to the mark, due to inadequate planning and lower spending than desired by the respective state governments.

(c) The Waste Management Startups/Initiatives

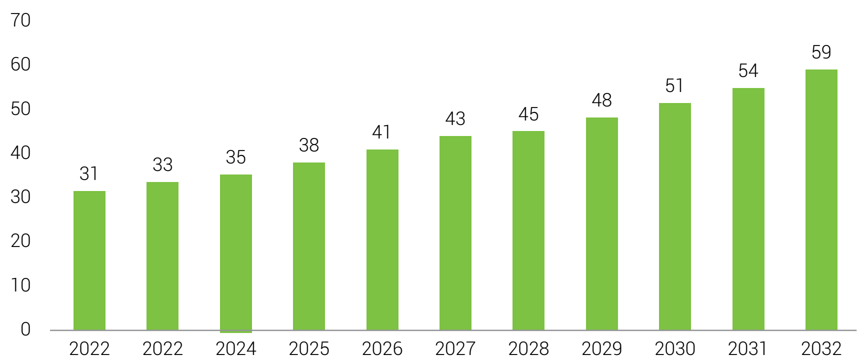
Swatch Bharat Initiative, the Indian government's flagship programme to deal with waste collection and its effective management, is expected to provide immense growth opportunities to various upcoming startups that are focussing on providing innovative solutions. Electronic and biomedical wastes are the primary focus of these startups. They are focussing on finding creative scientific procedures to deal with the generated waste, while aiming for safer disposal. Each player has a unique style in terms of collection and treatment of waste. The Ministry of Environment, Forest and Climate Change, Government of India, published the Battery Waste Management Rules, 2022 on August 24, 2022, to ensure environmentally sound management of waste batteries. The said rules is based on 'Polluter Pays Principle' were the responsibility vests with Extended Producer Responsibility (EPR) who are the producers (including importers) of batteries and further they are responsible for collection and recycling/refurbishment of waste batteries and use of recovered materials from wastes into new batteries.

(B) LEAD MARKET

(1) Global Lead Market

(a) The lead market is projected to register a CAGR around 7% during the forecast period. The following graph shows the global lead acid battery market from the year 2022 till 2032 (value in USD Billion). Further based on the market demand it is forecasted in the year 2032 to reach size around USD 60 Billion.

Global Lead Acid Battery Market
2022-2032 (USD Billion)



The Market will Grow At the the CAGR of: **6.9%**

The forecasted market size for 2032 in USD: **$ 59.6B**

MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

(b) The Adoption Scenario of Lead Market

High public awareness of the benefits of employing lead batteries in sophisticated cars, such as stop-start and hybrid vehicles, as well as renewable energy generation, is expected to boost demand for lead in the future years. According to Government sources of various developed and developing economies, their nationwide demand for energy is expected to be doubled within the next decade. Owing to this, various countries, such as China and India have started making huge investments in smart grid technology in order to meet the huge demand for power.

(c) Utilisation of Lead Market's Growth Opportunities by Different Countries

The market is predicted to increase steadily due to rising demand for lead-acid batteries for automotive applications as the vehicle industry grows. North America was the largest consumer of lead owing to its vast construction and automobile industry. The demand in Europe is expected to rise moderately on account of declining automobile sales. However, future market growth is expected to be from the Asia-Pacific region on account of the rising demand for energy in smart grid technology, which includes electric vehicles operated on lead batteries.

(d) Lead Market Dynamics and Future Analytics

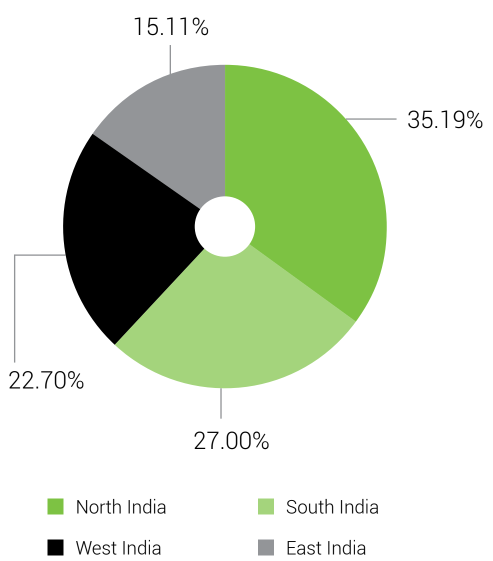
The developed, derived, intermediaries, raw material, and substitute market are all evaluated to better prospect the lead market outlook. Geopolitical analysis, demographic analysis, and porters' five forces analysis are prudently assessed to estimate the best lead market projections. Other metrics analysed include the threat of new entrants, threat of new substitutes, product differentiation, degree of competition, number of suppliers, distribution channel, capital needed, entry barriers, govt. regulations, beneficial alternative, and cost of substitute in lead market.

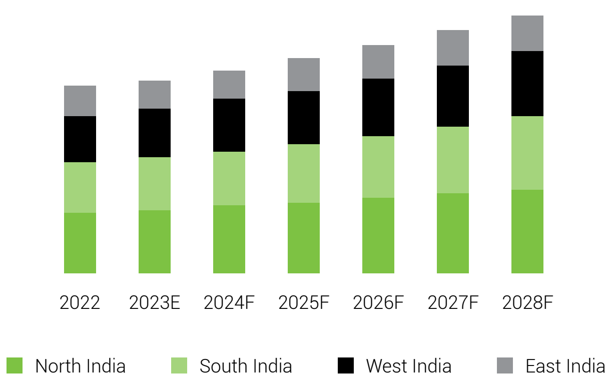
(2) Indian Lead Market

(a) Outlook on Indian Lead Market

Starting, lighting and ignition (SLI) type of lead acid batteries account for the largest market share in India, as these batteries are extensively used in passenger cars and two-wheeler vehicles. A large demand for lead acid battery emanates from North India, which can be attributed to increasing sales of automobiles, rise in power backup solutions, and growing telecommunication and solar infrastructure in the region. The following data explains India's lead acid battery market size region-wise from the year 2022 till 2028 (forecasted).

By Region





India Lead Acid Battery Market Size, By Region, By Value, 2022-2028F

Source: TechSci Research

(b) SWOT Analysis

- **Strengths**
  - Established technology with a long history of use
  - Reliability and robustness of lead-acid batteries
  - Cost-effectiveness compared to alternative battery technologies
- **Weaknesses**
  - Limited energy density compared to lithium-ion batteries
  - Environmental concerns related to lead content and recycling
  - Relatively shorter lifespan compared to some alternative battery technologies
- **Opportunities**
  - Growing demand for energy storage solutions
  - Increasing adoption of electric vehicles and renewable energy sources
  - Government initiatives and policies promoting sustainable energy
- **Threats**
  - Competition from alternative battery technologies such as lithium-ion batteries
  - Strict environmental regulations and disposal requirements
  - Volatility in raw material prices

(c) Key Indian Lead Market Insights

- The India lead-acid battery market is expected to witness a CAGR of 9% during the forecast period (FY 2022-32)
- The automotive sector is the largest consumer of lead-acid batteries in India, accounting for a significant market share
- The market is driven by the increasing demand for uninterrupted power supply and energy storage solutions
- Key players in the market are focussing on product innovation, research and development and strategic partnerships to gain a competitive edge

(d) Recent Trends in Lead Market

- Shift towards advanced lead-acid batteries
- Increased focus on battery recycling
- Integration of IoT and battery management systems
- Growing demand for lithium-ion alternatives

(C) ALUMINUM MARKET

(1) Global Aluminum Market

(a) Aluminum Market Size, Growth Report, Trends

The global aluminum market size was estimated around USD 179 Billion at end of the year 2022 and is expected to hit around USD 278 Billion by 2030, growing at a compound annual growth rate (CAGR) of 5.61% from 2022 to 2030. The following graph shows the global aluminum market size from the year 2022 till 2023 (value in USD Billion)

MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

Aluminium Market Size, 2022 to 2030 (USD Billion)

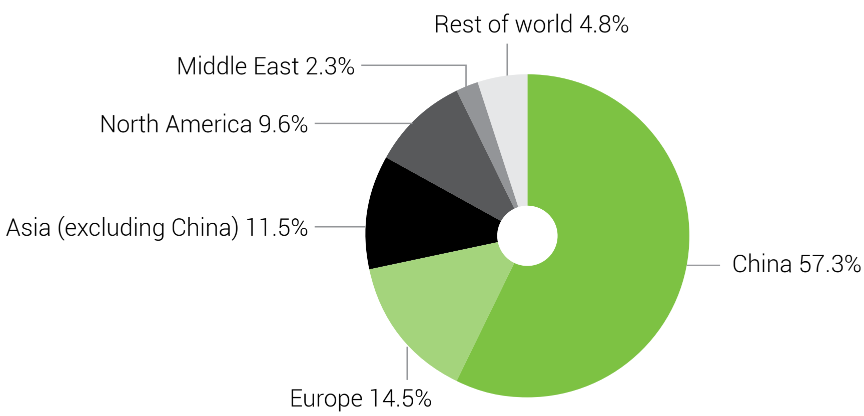
Source: www.precedenceresearch.com

(b) Growth Factors

Because of its harmless nature, it is widely employed in the food and packaging industries as well as the pharmaceutical industry. Aluminum is widely used in construction, transportation, packaging, and electrical sectors, to name a few. These four businesses collectively use the majority of the aluminum that the industry uses annually. Government officials are working very hard to improve industrialists' accessibility to aluminum. Its outcomes are anticipated to have a substantial impact on the growth of the global aluminum industry.

(c) Region-Wise Usage of Aluminum

The following pie-chart (based on the statistics of the year 2023) represents the global usage of aluminum:



MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

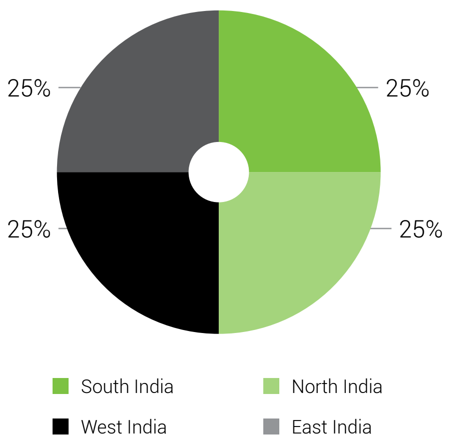
(2) Indian Aluminum Market

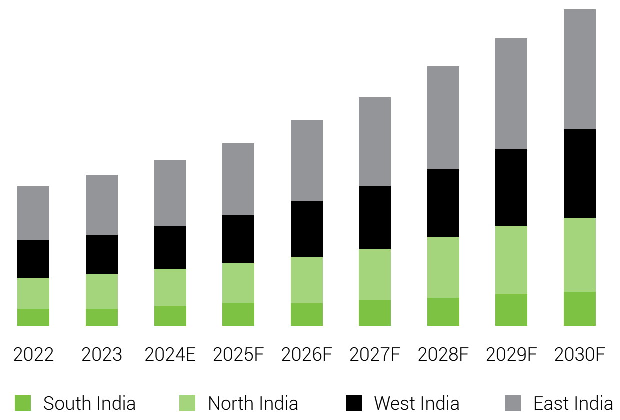
(a) Aluminum Market Size

The following data explains in the India's Aluminum Market size region-wise from the year 2022 till 2030 (forecasted):

India Aluminum Market, By Country, By Value, 2022-2030F

By Region



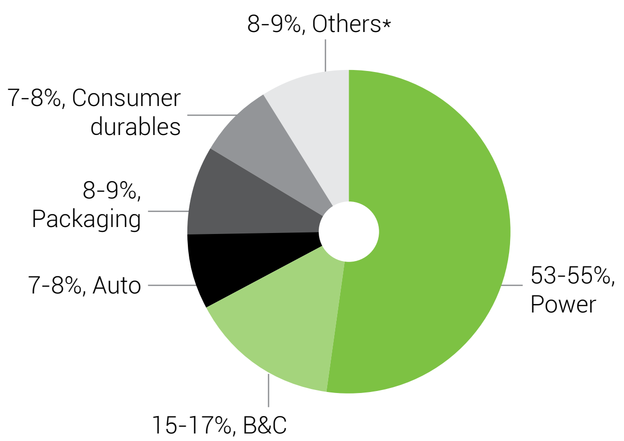


By Respondent Category

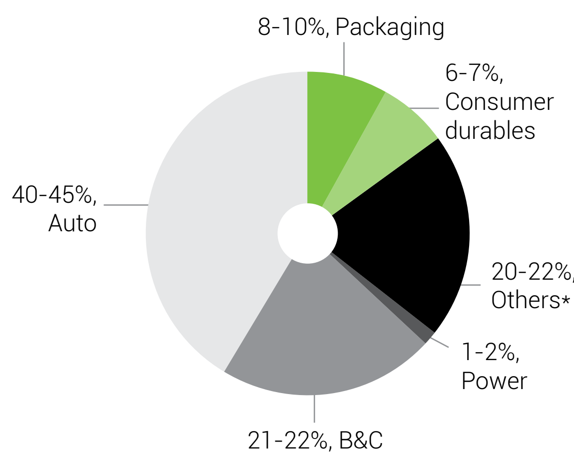
Source: TechSci Research

(b) Key End-User Segments for Usage of Aluminum (Primary and Secondary Aluminum) at the End of Fiscal Year 2022

Primary alumimium



Secondary alumimium



**Others include defence, aerospace, machinery and equipment amongst others; B&C: Building and construction*

Source: Industry, CRISIL Research

(c) Key Risk Factors

- Heavy dependence on imports
- High material cost
- Lack of automation
- Fragmented nature of the industry
- Risk of impurities

(D) COPPER MARKET

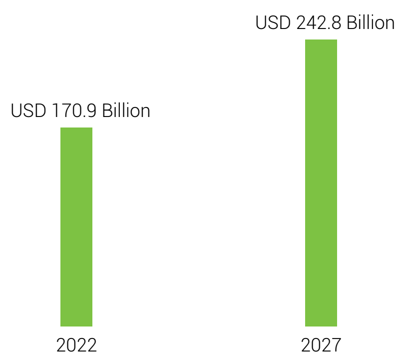
(1) Global Copper Market

(a) Overview

The global market for copper estimated at USD170.9 Billion in the year 2022, is projected to reach a revised size of USD 242.8 Billion by 2027, registering a CAGR of 6.2% over the analysis period FY 2022-27. The growth of the copper market in various regions across the globe has been supported by an increase in end-user sectors such as automotive and electronics, as well as increasing per capita income. According to the International Energy Agency (IEA), after a decade of tremendous growth, there were 10 Million electric cars on the road around the world by the end of 2022.

Global Market for Copper

Market forecast to grow at CAGR of 6.2%



Source: https://www.researchandmarkets.com/reports/338726

(b) Market Drivers

Global recycle copper market growth is driven by an increasing emphasis on secondary metal production due to environmental concerns such as energy consumption and waste disposal. Demand for copper in energy transition applications is expected to climb about 8.2% over the next decade, outstripping a projected 2.9% increase in copper demand in that period for traditional uses such as construction, infrastructure, machinery, and transportation.

(c) Key Copper Market Challenge

Since copper is the world's third-largest consumed metal after iron and aluminum, its fluctuation in prices is affecting the global market demand. Some other factors that are affecting global prices are changing rate of the US dollar, volatility in oil prices, and collateral demand for copper in China. The increasing cost of copper has resulted in fluctuation in the demand-supply gap, negatively impacting the end-user industries. In addition, ineffective pricing strategies impact the sales volume and revenue of the global copper market. Also, the impact of fluctuating costs of copper is high on the manufacturers of copper derivatives such as wire rods, pipes and tubes, and other copper products.

(2) Indian Copper Market

(a) Overview and Synopsis

India's copper imports, are anticipated to grow 3.4% yearly to reach USD 6.9 Billion by 2026. In India, copper is an essential metal that has been widely used in various industries for centuries due its superior properties such as electrical conductivity, thermal conductivity, ductility, malleability, corrosion resistance and toughness among others. The utilisation of copper has increased significantly over the past few decades driven by advancements in manufacturing technology and increased industrialisation across many emerging economies including India, which are further expected to fuel industry demand going forward. According to a study commissioned by the (International Copper) Association, copper usage in India is likely to witness a substantial jump in till 2030 led by growth in building and construction, the manufacturing industry, transport, consumer durables and diversified sectors.

(b) Demand Prospects of Copper

Beyond medium term by when the low base effect on current demand has worn thin, the use of copper in India is to see an annual growth rate of 8% or more enabled by rising demand from traditional sectors such electrical applications, building and construction and white goods such as air-conditioners, refrigerators and washing machines and also from growing official focus on decarbonising the economy.

Further, as the country progressively steps up production of electrical vehicles (EVs), a major copper use area will open up. EVs will require five times more copper than vehicles made with internal combustion engine (ICE). A good amount of red metal will be used in making batteries for EVs, cables and charging stations.

(c) Usage of Copper for Sustainable Development

As India pursues the target of achieving non-fossil fuel-based energy resources constituting around 40% of cumulative electric power installed capacity, a major demand avenue for copper will open up. In the Indian basket of sustainable clean energy, solar power will have pride of place since this tropical country has the potential to draw a vast amount of electricity from the blazing sun. The National Institute of Solar Energy estimates India's solar power potential at 748 gw. But the immediate target of Hon'ble Prime Minister solar mission is to achieve a solar capacity of 100 gigawatt.

The country seen as the fourth most attractive renewable energy market in the world is placed fifth in global solar power pecking order. Growing demand of copper will also be seen say for a creation of 1 mw of solar cell capacity, there will be requirement of 6 tonnes of copper. Similarly, in renewable wind energy, considerable amount of copper is used in the generator, cabling and transformer of a turbine.

RISKS, OPPORTUNITIES AND THREATS

The metal industry has been on an uptick, underpinned by supply-demand deficit, backed by bullish global growth indicators and supply related reforms. The long-term trends in the industry, the demand for the metals and our strong balance sheet provides us many opportunities to create value for stakeholders. POCL's success as an organisation depends on our ability to identify opportunities and leverage them, while mitigating the risks that arise while conducting our business. Pricing, growing demand and ongoing market volatility are the major challenges faced by the Company. POCL seeks to maintain balance sheet liquidity and implement plans to boost operational cash flow for long-term profitability. Cash generation and preservation remain a key focus.

The Company is subject to the risk that changes in foreign currency values impact the Company's export revenues and import of raw materials. The Company is exposed to foreign exchange risk arising from currency exposures, primarily with respect to US Dollars. POCL has in place a robust risk management framework for identification and monitoring and mitigation of commodity

MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

price and foreign exchange risks. The risks are tracked and monitored on a regular basis and mitigation strategies are adopted in line with the risk management framework. POCL primarily use forward exchange contracts to hedge the effects of movement in exchange rates.

SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

Lead & Lead Alloys

During the year 2022-23, your Company had achieved the good capacity utilisation and the Company's annual production of lead metal and alloys was 69,914 MT against 69,158 MT for the previous year showing marginal increase in the production despite certain macro-economic and geopolitical issues. The overall lead manufacturing capacity of all units together is at 1,32,000 MT per annum.

Aluminum & Aluminum Alloys

During the year 2022-23, the Company had obtained consent for operations from Tamil Nadu Pollution Control Board (TNPCB) for the total capacity at 14,750 MT for manufacture of 'aluminum and aluminum alloys'. The Company is in the initial stages of production of aluminum & aluminum alloys and during the previous year there was production of 284 MT and the Company is looking for viable opportunities for increase in its capacity going forward.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Board has devised systems, policies and procedures/frameworks, which are currently operational within your Company for ensuring the orderly and efficient conduct of its business, which includes adherence to policies, safeguarding its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial information. In line with best practices, the Audit Committee and the Board reviews these internal control systems to ensure they remain effective and are achieving their intended purpose. Where weaknesses, if any, are identified as a result of the reviews, new procedures are put in place to strengthen controls. These controls are in turn reviewed at regular intervals.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

(₹ in Crore except for EPS)

Performance Metrics	FY 2022-23	FY 2021-22	Change %
Revenue from Operations	1,471.67	1,454.80	1.16
Earnings Before Interest, Tax, Depreciation & Amortisation (EBITDA)	82.66	81.79	1.06
Depreciation and Amortisation Expense	10.06	8.99	11.90
Earnings Before Interest and Tax (EBIT)	72.59	72.79	(0.27)
Finance Costs (Interest)	6.84	8.44	(18.96)
Earnings After Tax (EAT)	49.20	48.25	1.97
Shareholders Fund	254.15	208.15	22.09
Earnings Per Share (EPS)	42.32	41.50	1.98
Dividend * (Previous and Current Year – 50%)	5.81	2.91	100.00
Net Fixed Assets	85.60	50.09	70.89
Capital Work in Progress	7.03	3.47	102.59

*Due to an increase in the share capital

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

The employees of the Company are our best assets and their commitment towards work is directly proportional to our inherent strength. At POCL, we encourage our people to discover and realise their valuable potential. Having varied experiences and exposures, implementing challenging tasks along with continuous learning enables the employees of POCL deliver optimum results. Acculturing new employees through physical interactions with senior colleagues and leaders, by observing and

MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

following their behaviours and ways of thinking have been crucial keeping the employees in momentum. POCL being an equal opportunity employer and has a well-defined and progressive diversity, equity and inclusion approach embracing all diversity parameters which includes gender, marital status, religion, race/caste, colour, age, ancestry, nationality, language, ethnic origin, socio-economic status, physical appearance, disability, gender identity and/or expression and any other category protected by applicable law.

DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS, ALONG-WITH DETAILED EXPLANATION INCLUDING

Key Financial Ratios	FY 2022-23	FY 2021-22	Change %	Remarks
Debtors' Turnover (in times)	15.78	14.83	6.41	Marginal increase in sales and decrease in trade receivables
Inventory Turnover (in times)	9.80	10.61	(7.63)	Due to marginal increase in inventory
Interest Coverage Ratio (in times)	10.61	8.62	23.09	Due to effective financial management
Current Ratio (in times)	1.64	2.34	(29.91)	Due to utilisation of funds
Debt Equity Ratio (in times)	0.02	0.04	(50.00)	Due to repayment of debt
Operating Profit Margin (%)	5.62	5.62	---	No change
Net Profit Margin (%)	3.34	3.32	0.60	Marginal increase in profit
Return on Networth (%)	21.29	26.12	(18.49)	Due to decrease in profit

CAUTIONARY STATEMENT

Statements in this Annual Report on describing our objective, projections, estimates and expectations may be 'forward-looking statements' within the meaning of applicable laws, rules, regulations, etc. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to our operations include, among others, economic conditions affecting demand/ supply and price conditions in the domestic and overseas markets, in which we operate, in addition to changes in government regulations, tax laws and other statutes and incidental factors.

For and on behalf of the Board of Directors
Pondy Oxides and Chemicals Limited

Anil Kumar Bansal
Chairman & Whole-Time Director
DIN: 00232223

Ashish Bansal
Managing Director
DIN: 01543967

Date: August 11, 2023
Place: Chennai

CORPORATE GOVERNANCE REPORT

In accordance with the Regulation 34(3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), as applicable, the report containing the details of Corporate Governance systems and processes at Pondy Oxides and Chemicals Limited (POCL) is as follows:

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Corporate Governance encompasses a set of systems and practices to ensure that the Company's affairs are being managed in a manner that ensures transparency, accountability and disclosure. Your Company's Corporate Governance philosophy is based on transparency, accountability, values, and ethics, which forms an integral part of the Management's initiative in its ongoing pursuit towards achieving excellence, growth, and value creation. Your Company is committed to highest standards of Corporate Governance and disclosure practices to ensure that its affairs are managed in the best interest of all stakeholders involves the balancing of interests of the stakeholders of a Company, Management, Customers, Suppliers, financiers, the Government and the Community.

Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. Corporate governance encompasses practically every sphere of management, from action plans and internal controls to performance measurement and corporate disclosure. At POCL, with a strong legacy of fair, transparent and ethical governance practices we ensure that the balance is maintained at all levels. We strive to enhance shareholder's value and protect the interest of the stakeholders by improving the corporate performance and accountability.

The Corporate Governance philosophy of your Company ensures transparency in all dealings and in the functioning of the management and the Board. These policies seek to focus on enhancement of long-term shareholder value without compromising on integrity, social obligations and regulatory compliances. The Company operates within accepted standards of propriety, fair play and justice and aims at creating a culture of openness in relationships between itself and its stakeholders. POCL follows a traditional and holistic approach in delivering accountability to all its stakeholders. The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI Listing Regulations, as applicable, with regard to Corporate Governance.

II. BOARD OF DIRECTORS:

The Board of Directors along with its Committees, provides leadership and guidance to the Management and directs and supervises the performance of the Company, thereby enhancing stakeholder value. The Board has a fiduciary relationship in ensuring that the rights of all stakeholders are protected. POCL has ensured the presence of an active and Independent Board to ensure the highest standards of Corporate Governance. The Company, as on the date of this report has in all 6 Directors with considerable professional experience in divergent areas connected with corporate functioning.

The Board comprises of 3 Executive Directors and 3 Non-Executive Independent Directors. The Independent Directors in the Board are competent and highly respected professionals from their respective fields and have vast experience, which enables them to contribute effectively to the Company. The Company's Board has an optimum combination of Executive and Non-Executive Directors including a Woman Independent Director.

A. Board Composition and Category of Directors as on March 31, 2023:

Name of the Director(s)	DIN	Designation	Category
Mr. Anil Kumar Bansal	00232223	Chairman and Whole-Time Director	Promoter – Executive
Mr. Ashish Bansal	01543967	Managing Director	Promoter – Executive
Mr. K Kumaravel	00664405	Director Finance & Company Secretary	Executive
Mr. A Vijay Anand	06431219	Independent Director	Non-Executive
Dr. Shoba Ramakrishnan	02773030	Independent Director	Non-Executive
Dr. M Ramasubramani	07999117	Independent Director	Non-Executive

Mr. Ashish Bansal is the son of Mr. Anil Kumar Bansal. None of the other Directors are related inter-se.

The details of the shareholding of the Directors are provided in the Annual Return in Form MGT - 7 in the weblink https://www.pocl.com/annual-returns/. The Composition of the Board and the number of Directorships is in conformity with Regulation 17, and 26(1) of SEBI Listing Regulations and as per the provisions of Companies Act, 2013 and the limits of the Directorships of the Directors are within the stipulated requirements as per SEBI Listing Regulations.

Pursuant to the provisions of SEBI Listing Regulations read with Schedule V, Part C (2) (i), the Board of Directors of the Company hereby confirm that in the opinion of the Board, the Independent Directors fulfils the conditions specified under Regulation 16 (1)(b) of SEBI Listing Regulations and are independent of the Management. A formal letter of appointment has been issued to the Independent Directors and the same is also hosted on the website of the Company.

B. Board Meetings:

The Board meets at regular intervals to discuss and decide on the Company/ Business Policy and Strategy apart from other Board businesses. The Notice along with the Agenda of the Board meetings are given well in advance to all the Directors and the Board Meetings held during the Financial Year were held through Video Conferencing & other Audio Visual means.

The Agenda for the Meeting covers items set out as per the guidelines in SEBI Listing Regulations to the extent it is relevant and applicable. The Agenda includes detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision. Wherever if it is not practicable to attach any document to the agenda, the same is placed before the meeting with specific reference to this effect.

During the financial year ended March 31, 2023, four (4) Board Meetings were held and the maximum interval between any two meetings was well within the maximum allowed gap of 120 days. The details of the Board Meetings held are given below:

Date	Board Strength	No. of Directors Present
May 27, 2022	6	6
August 10, 2022	6	6
November 10, 2022	6	6
January 30, 2023	6	6

C. Attendance of Directors at Board Meetings, last Annual General Meeting and number of other Directorship(s) and Chairmanship(s) / Membership(s) of Committees of each Director in various Companies:

Name of Director(s)	Attendance at Meetings during the Financial Year 2022-23		Number of Directorships in other Companies as on March 31, 2023	No. of Membership(s)/ Chairmanship(s) of Board Committee(s) in other Public Companies as on March 31, 2023	
	Board Meeting	Last AGM		Chairman	Member
Mr. Anil Kumar Bansal	4	Yes	-	-	-
Mr. Ashish Bansal	4	Yes	3	-	-
Mr. K Kumaravel	4	Yes	2	-	-
Mr. A Vijay Anand	4	Yes	1	-	-
Dr. Shoba Ramakrishnan	4	Yes	1	-	-
Dr. M Ramasubramani	4	Yes	1	-	-

None of the Directors are holding any position as Directors/ Committee members in any other Listed Entity.

D. Number of Shares and Convertible Instruments held by Non-Executive Directors as on March 31, 2023:

Name of Non-Executive Director(s)	No. of Shares held
Mr. A Vijay Anand	8,474
Dr. Shoba Ramakrishnan	1,030
Dr. M Ramasubramani	---

E. Separate Independent Directors' Meeting

The Company's Independent Directors met on January 30, 2023 without the presence of the Executive Directors. During the meeting, the Independent Directors inter-alia reviewed the performance of the non- Independent Directors, Board as a whole, and the Chairman after taking into the views of executive and non-executive Directors. They also assessed the quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

Attendance of Independent Directors at the meeting held on January 30, 2023 is given hereunder:

Name of the Independent Director(s)	Whether Present or not
Mr. A Vijay Anand	No
Dr. Shoba Ramakrishnan	Yes
Dr. M Ramasubramani	Yes

F. Familiarisation Programme:

The Company has a familiarisation programme for the Independent Directors. At the time of appointing new Non-Executive Independent Directors, a formal letter of appointment is given to them, which explains their role, function, duties and responsibilities in the Company. The Executive Directors provide an overview of the Company's business operations to the new Non-Executive Directors/ Independent Directors. The New Director is also explained in detail the compliance required from him under the Companies Act, the Listing Regulations and other various statutes. Further on an ongoing basis as a part of the Agenda of the Board meeting and the Committee meeting, presentations are regularly made to the Independent Directors on various matters inter alia covering the Company's business and operations, industry strategy, finance and other relevant matters. The details of the Familiarisation program for directors is available on the website link: https://www.pocl.com/wp-content/uploads/2023/03/Details-of-Familiarisation-programme-imparted-to-independent-directors.pdf

G. Skills/Expertise/Competencies of the Board of Directors:

The Board Members are equipped with varied experience and also possess the required skills that allows them to make effective contribution to the Board and its Committees.

Skill	Description
Leadership/Strategy	Experience in Leadership roles and industry expertise which help in strategic planning, effective decision making and risk management.
Global Business	Experience in driving business success/ dynamics in markets around the world, understanding of various Geographical Markets, Industry verticals and regulatory jurisdictions.
Metal/ Chemical Industry	Widespread knowledge in Metal / Chemical Industry and technical knowledge of the manufacturing process.
Sales and Marketing	Well versed in developing strategies to grow sales and increase the market share and enhance the Organisation's reputation.
Finance	Financial expertise resulting in proficiency in complex financial management and capital allocation and a strong ability to assess financial impact of decision making and ensure profitable and sustainable growth.
Technology	Technology expertise resulting in knowledge of creation of new business models.
Regulatory	Strong Knowledge and expertise in Corporate Law and other regulatory compliances including Industry specific Laws.

Name of Director(s)	Leadership/ Strategy	Global Business	Metal/ Chemical Industry	Sales and Marketing	Finance	Tech-nology	Regu-latory
Mr. Anil Kumar Bansal	✓	✓	✓	✓	✓	✓	✓
Mr. Ashish Bansal	✓	✓	✓	✓	✓	✓	✓
Mr. K Kumaravel	✓	✓	✓	-	✓	✓	✓
Mr. A Vijay Anand	✓	✓	-	✓	✓	✓	✓
Dr. Shoba Ramakrishnan	✓	-	✓	✓	✓	-	✓
Dr. M Ramasubramani	✓	-	-	✓	✓	✓	✓

III. COMMITTEES OF THE BOARD

The Board of Directors have set up Committees as applicable to the Company to deal with specific areas/ activities as mandated by the applicable regulations. The Board clearly defines the role of each Committee, and the Chairman of the respective Committee informs the Board about the summary of the discussions held in the Committee Meetings. The minutes of the meetings of all Committees are placed before the Board for review. The Board has established the following committees -

(i) Audit Committee: The constitution and terms of reference of the Audit Committee are in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI Listing Regulations.

The Company has a qualified and independent Audit Committee comprising of Non-Executive Independent Directors and an Executive Director. The Chairman of the Committee is an Independent Director.

Terms of Reference in brief:

The terms of reference of the Audit Committee covers the areas mentioned in Section 177 of the Act and Regulation 18 read with Part C of Schedule II to the Listing Regulations. The terms of reference of the Audit Committee, inter-alia are as follows:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommendation for appointment, remuneration and terms of appointment of statutory auditors including cost auditors of the Company.
- Review of quarterly/half-yearly/annual financial statements with reference to changes, if any in accounting policies and reasons for the same.
- Major accounting entries involving estimates based on exercise of judgment by management, and significant adjustments made in the financial statements, if any arising out of audit findings.
- Reviewing and monitoring the auditor's independence, performance and effectiveness of audit process.
- Reviewing, with the management, the performance of statutory auditors and internal auditors, and adequacy of internal control systems.
- Formulating the scope, functioning, periodicity and methodology for conducting internal audit.
- To review the functioning of the Whistle Blower Mechanism.
- Approval of appointment of Chief Financial Officer after assessing qualifications, experience, background, etc. of the candidate.
- Scrutiny of inter-corporate loans and investments.
- Evaluation of internal financial controls and risk management systems.

The Audit Committee also looks into the matters as are specifically referred to it by the Board of Directors besides looking into the mandatory requirements of SEBI Listing Regulations and provisions of Section 177 of the Companies Act, 2013.

Composition and Attendance:

The composition of the committee and Chairman and the Members of the Committee as on March 31, 2023 are as under:

Name of Director(s)	Designation	Attendance
Mr. A Vijay Anand	Chairman - Independent Director	4
Dr. M. Ramasubramani	Member - Independent Director	4
Mr. K Kumaravel	Member – Director Finance & Company Secretary	4

During the Financial Year 2022-23, Four (4) meetings of the Audit Committee were held on May 27, 2022, August 10, 2022, November 10, 2022 and January 30, 2023. The maximum time gap between any of the two consecutive meetings was not more than 120 days. The necessary quorum was present in all the meetings.

Mr. K Kumaravel, Director - Finance and Company Secretary of the Company also acts as the Secretary to the Committee.

(ii) Nomination and Remuneration Committee:

The Nomination and Remuneration Committee of the Company is constituted as per the provisions of Regulation 19 of SEBI Listing Regulations and Section 178 of the Companies Act, 2013.

CORPORATE GOVERNANCE REPORT (Contd.)

Terms of Reference in brief:

The terms of reference of the NRC covers the areas mentioned in Section 178 of the Act and Regulation 19 read with Part D (A) of Schedule II to the Listing Regulations. The terms of reference of the NRC, inter-alia are as follows:

- Identification of persons who are qualified to become Directors and who may be appointed to Senior Management in accordance with the criteria laid down and recommend to the Board their appointment and renewal.
- Evaluation of Balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepares a description of the roles and capabilities required of an Independent Director.
- Evaluating the performance of the Directors and providing necessary reports to the Board for further evaluation and consideration.
- Recommending to the Board on remuneration to the Directors, KMP's and SMP's of the Company.
- Retaining, motivating and promoting talent amongst the employees and ensuring long term sustainability of talented personnel by creation of competitive advantage through a structured talent review.

During the Financial year 2022-23, the Nomination and Remuneration Committee met once on August 10, 2022. The composition of the Nomination and Remuneration Committee and attendance of members are given below:

Composition and Attendance:

The Chairman and the Members of the Committee as on March 31, 2023 are as under:

Name of Director(s)	Designation	Attendance
Mr. A Vijay Anand	Chairman - Independent Director	---
Dr. Shoba Ramakrishnan	Member - Independent Director	1
Dr. M. Ramasubramani	Member - Independent Director	1

Mr. K Kumaravel, Director - Finance and Company Secretary of the Company also acts as the Secretary to the Committee.

Performance Evaluation

The Nomination and Remuneration Committee has devised criteria for evaluation of the performance of the Directors including the Independent Directors. The criteria for Board evaluation cover the areas relevant to their functioning and is in compliance with the applicable laws and regulations.

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of SEBI Listing Regulations, the Board had carried out an annual evaluation of its own performance, the directors individually and of the committees of the Board.

Remuneration Policy

The policy on directors' appointment and remuneration, including criteria for determining qualifications and making payments, positive attributes, independence of a director and other matters, as required under Section 178(3) of the Companies Act, 2013, can be viewed on the Company's website at https://www.pocl.com/portfolio/investor-relations/. There has been no change in the policy since the last financial year. We affirm that the remuneration paid to the directors is as per the terms laid down in the remuneration policy of the Company. The Committee has also devised a Board Diversity policy vide https://pocl.com/wp-content/uploads/2020/09/Board-Diversity-Policy.pdf which has been approved by the Board.

Directors Remuneration:

Details of remuneration paid to the Executive Directors of the Company during the Financial Year 2022-23 are detailed in the table below:

(₹ in Lakhs)

Name of the Executive Director(s)	Salary	Perquisites / Bonus / PF	Total
Mr. Ashish Bansal	216.00	18.57	234.57
Mr. Anil Kumar Bansal	108.00	0.71	108.71
Mr. K Kumaravel	38.60	2.34	40.94

The remuneration to the above directors is paid in accordance with Schedule V to the Companies Act, 2013. The tenure of office of the Chairman, Managing Director and Whole Time Directors is for a period of three years from the date of their respective appointments. The Company is not paying any Performance linked incentives to its Directors. The service contract and the notice period of the Executive Directors are as per the terms of appointment. There is no separate provision for payment of severance fees. The Company has not allotted any Shares through Stock option.

The Non-Executive Independent Directors are entitled to sitting fees for attending the Board meetings.

Sitting fees paid to the Non-Executive Directors during FY 2022-23:

(₹ in Lakhs)

Name of the Non-Executive Director(s)	Sitting Fee
Mr. A Vijay Anand	1.40
Dr. Shoba Ramakrishnan	1.00
Dr. M Ramasubramani	1.40

The payment of sittings fees to the Non-Executive Directors is within the limits as prescribed under the Companies Act, 2013.

(iii) Stakeholders Relationship Committee:

The constitution and terms of reference of the Stakeholders Relationship Committee are in accordance with and covers all the matters specified under section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations. The said committee consists of Non-executive/Independent Directors and the Committee redresses the Shareholders' grievances.

During the Financial year 2022-23, Three (3) meetings of Stakeholders' Relationship Committee held on November 10, 2022, December 1, 2022 and February 21, 2023.

Composition and Attendance:

The Chairman and the Members of the Committee as on March 31, 2023 are as under:

Name of Director(s)	Designation	Attendance
Mr. A Vijay Anand	Chairman – Independent Director	---
Dr. Shoba Ramakrishnan	Member – Independent Director	3
Mr. K Kumaravel	Member – Director Finance & Company Secretary	3

As required by the SEBI Listing Regulations, Mr. K Kumaravel is the Compliance Officer of the Company, who oversees the redressal of Investor grievances.

The Company received and resolved 1 complaint during the year. There are no pending complaints as on March 31, 2023.

(iv) Corporate Social Responsibility Committee

In compliance with Section 135 of the Companies Act 2013, (Act) the Board has constituted the Corporate Social Responsibility Committee. The terms of reference of the Committee inter alia consists of framing the CSR policy of the Company and reviewing it from time to time and ensuring effective implementation and monitoring of CSR activities as per the approved policy, plans and budget.

During the financial year 2022-23, there were 2 (two) Corporate Social Responsibility Committee meeting held on May 25, 2022 and March 30, 2023.

The composition of the Corporate Social Responsibility Committee as on March 31, 2023 and the attendance of members are given below:

Name of Director	Designation	Attendance
Mr. A Vijay Anand	Chairman - Independent Director	1
Dr. Shoba Ramakrishnan	Member - Independent Director	2
Mr. Ashish Bansal	Member - Managing Director	2

IV. SENIOR MANAGEMENT:

The Senior Management comprises of the Officers and personnel of the Company who are the members of its Core Management Team entrusted with implementing the strategies and decisions taken by the Board of Directors. The Senior Management shall include the members of the management one level below the Managing Director or Whole time Director and the functional heads of the Company.

Details of Senior Management Personnel(s) as on March 31, 2023:

Names of SMP	Designation
Mr. B Vijay*	Chief Financial Officer
Mrs. Usha Sankar*	
Mr. Mayank Sharma	President – Operations
Mr. Piyush Dhawan	President – Commercials & Strategy
Mrs. Anuradha Nagarajan	General Manager – HR
Mr. D Karthikeyan	Senior Manager - Procurement
Mr. K N Mohan Reddy	General Manager - EXIM
Mr. Premji George	General Manager - Production
Mr. Johnson David Raja	Works Manager
Mr. Rajendra Kumar Rai	Plant Head
Mr. Prabhakar	IT Head

* Mr. B Vijay was appointed as Chief Financial Officer with effect from August 10, 2022 in place of Mrs. Usha Sankar, who retired from the services of the Company as Chief Financial Officer due to Superannuation on August 9, 2023

CORPORATE GOVERNANCE REPORT (Contd.)

IV. GENERAL BODY MEETINGS:

(i) Annual General Meeting:

Year	Date	Time	Venue	Special Resolution(s)
FY 2021-22	27th AGM – September 21, 2022	3.00 PM IST	Held through Video Conferencing/ Other Audio-Visual Means	• Adoption of revised set of Articles of Association (AOA) in line with the requirements of Companies Act 2013 ("the Act") and necessary rules framed thereunder • To approve remuneration payable to Mr. Ashish Bansal (DIN: 01543967) Managing Director of the Company by way of Commission or otherwise from the Net Profits of the Company • To appoint Mr. K Kumaravel (DIN: 00664405) as Whole-Time Director in the capacity of Director Finance of the Company
FY 2020-21	26th AGM – September 18, 2021	03:00 PM IST	Held through Video Conferencing/ Other Audio-Visual Means	• To increase the Borrowing powers and power to mortgage the properties of the Company. • To amend and adopt the Main Objects Clause of the Memorandum of Association of the Company
FY 2019-20	25th AGM – September 28, 2020	03:00 PM IST	Held through Video Conferencing/ Other Audio Visual Means	• To Re-appoint Mr. Ashish Bansal (DIN: 01543967) as Managing Director and fixing his remuneration. • To Re-appoint Mr. Anil Kumar Bansal (DIN: 00232223) as Whole-Time Director and fixing his remuneration • To Re-appoint Mr. R P Bansal (DIN: 00232708) as Whole-Time Director and fixing His remuneration

(i) Other General Meeting(s):

There were no other General Meeting(s) during the Financial Year 2022-23.

(ii) Postal Ballot:

During the Financial Year 2022-23, no resolutions were passed through Postal Ballot.

V. MEANS OF COMMUNICATION:

The Company promptly reports all material information including quarterly/half year and annual audited financial results to the Stock Exchange. All disclosures and communications to the NSE and BSE are filed electronically through the designated portal.

The quarterly results are published in a leading Tamil (Makkal Kural) & English (Trinity Mirror) Newspaper having wide circulation. Quarterly results are also hosted in the Company's website https://www.pocl.com/. The Company has not given any other official news release or presentation to institutional investors or the analysts apart from the one which are informed to Stock Exchange.

The Company maintains a functional website https://www.pocl.com/. The website contains a separate dedicated section "Investor Relations" where all shareholders' information is made available. The Company also has a designated exclusive e-mail id complaints@pocl.com for investor services.

VI. GENERAL SHAREHOLDERS INFORMATION:

(a) Company Registration Details

Pondy Oxides and Chemicals Limited was incorporated on March 21, 1995. The Corporate Identity Number allotted to the Company by the Ministry of Corporate Affairs is L24294TN1995PLC030586. The Registered Office of the Company is situated at KRM Centre, 4th Floor, # 2, Harrington Road, Chetpet, Chennai – 600 031.

(b) Annual General Meeting

The 28th Annual General Meeting (AGM) of the Company will be held on Friday, September 22, 2023, at 03:00 P.M. through Video Conferencing / Other Audio-Visual Means.

CORPORATE GOVERNANCE REPORT (Contd.)

(c) Financial Year

The Company's Financial Year commences from April 1 and closes on March 31, and the Financial Statements of the Company from April 1 2022 till March 31, 2023 forms part of this Annual Report.

(d) Book Closure

The Transfer books of the Company shall be closed from Saturday, September 16, 2023 to Friday, September 22, 2023 (both days inclusive).

(e) Dividend Payment Date

Since the approval of the Final Dividend is placed before the Shareholders at the 28th AGM dated September 22, 2023, the Final Dividend will be paid to Shareholders of the Company on or before October 21, 2023, subject to approval by the Shareholders.

(f) Listing on Stock Exchange and Stock Code

Equity Shares of the Company are listed in BSE Limited having its registered office at 25th Floor, P J Towers, Dalal Street, Mumbai- 400 001

The Company's shares are listed and traded in National Stock Exchange of India Limited (NSE) on March 6, 2023 vide NSE Circular Ref No. 0268/2023. The Registered Office of NSE is situated at Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051

Particulars	BSE Limited	NSE
Stock Code	532626	POCL
ISIN	INE063E01046	INE063E01046

(g) Payment of Annual Listing Fees/Custodian Fees

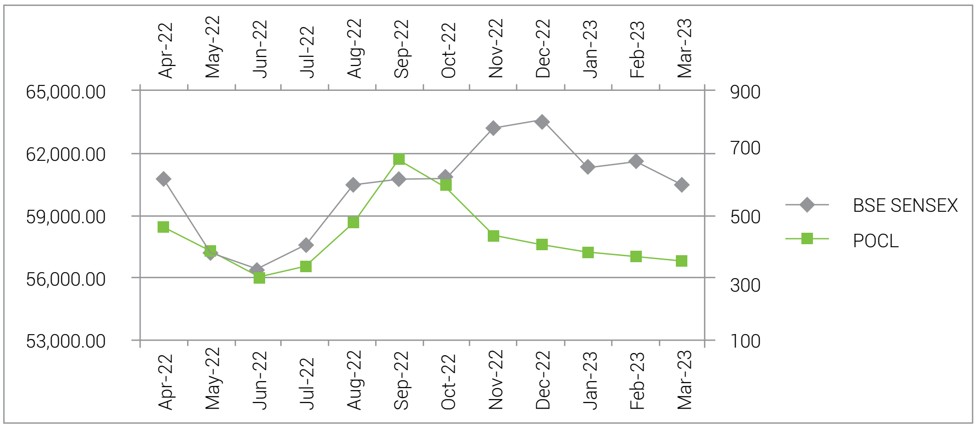
Annual Listing Fee for the Financial Year 2022-23 has been paid by the Company to BSE and NSE. Annual Custody fee for the Financial Year 2022-23 has been paid by the Company to NSDL and CDSL on receipt of invoices.

(h) Share Market data:

The Market price data for the Financial Year 2022-23 is as follows-

Month	BSE SENSEX		POCL Shares in BSE		POCL Shares in NSE	
	High price	Low Price	High price	Low Price	High price	Low Price
April' 22	60,845.10	56,009.07	464.78	362.95	---	---
May' 22	57,184.21	52,632.48	392.50	299.55	---	---
June' 22	56,432.65	50,921.22	305.00	275.98	---	---
July' 22	57,619.27	52,094.25	336.50	325.13	---	---
Aug' 22	60,411.20	57,367.47	475.00	468.85	---	---
Sept' 22	60,676.12	56,147.23	684.40	586.05	---	---
Oct' 22	60,786.70	56,683.40	590.00	434.20	---	---
Nov' 22	63,303.01	60,425.47	436.00	368.40	---	---
Dec' 22	63.583.07	59,754.10	408.90	362.35	---	---
Jan' 23	61,343.96	58,699.20	384.95	360.30	---	---
Feb' 23	61,682.25	58.795.97	370.85	306.35	---	---
Mar' 23	60,498.48	57,084.91	357.00	296.85	356.55	296.60

(i) Performance of the Company's Share Price vis-à-vis BSE Sensex during the financial year 2022-23 (High price of BSE and POCL taken as base):



CORPORATE GOVERNANCE REPORT (Contd.)

(j) Performance of the Company's Share Price vis-à-vis NSE Sensex during the financial year 2022-23:

Since the Equity Shares of the Company were listed and traded in National Stock Exchange of India Limited from March 6, 2023, hence the performance of the Company's Share Price vis-à-vis NSE Sensex is not comparable and shall be provided from the subsequent Annual Report.

(k) Registrar and Share Transfer Agents:

Cameo Corporate Services Limited

Subramanian Building, No.1, Club House Road

Chennai – 600 002

Tel: 044-2846 0390; Fax: 044 2846 0129

Email: cameo@cameoindia.com

Website: www.cameoindia.com

(l) Share Transfer System

As on March 31, 2023, 99.36% of the equity shares of the Company are held in electronic form (for previous year i.e., March 31, 2022 it was 99.27%). Transfers of these shares are done through the depositories with no involvement of the Company.

SEBI, effective April 1, 2019, prohibited physical transfer of shares of listed companies and transfer only through Demat mode is allowed. The Board has delegated the authority to Stakeholders Relationship Committee for approving transfer, transmission, etc. which approves the transfer. The same is taken note of at the subsequent Board Meeting. During the year the Company has not received any physical Share transfer requests.

(m) Dematerialisation of shares and liquidity

The Company's shares are compulsorily traded in the Bombay Stock Exchange (BSE) and National Stock Exchange of India Limited (NSE) in dematerialised form. 99.36% of the Company's equity share capital is in dematerialised form as on March 31, 2023. The Company's equity shares are regularly traded in BSE and NSE.

The details of mode of holding are as follows:

Mode of Holding	Number of Shares held as on March 31, 2023	% of total Number of Shares as on March 31, 2023
NSDL	91,47,488	78.69
CDSL	24,02,462	20.67
Physical	74,830	0.64
Total	1,16,24,780	100.00

(n) Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion date and likely impact on equity

The Company has not issued any GDRs/ADRs/Warrants or any Convertible Instruments in the past and hence as on March 31, 2023, the Company does not have any Outstanding GDRs/ADRs/Warrants or any Convertible Instruments.

(o) Categories of Shareholders as on March 31, 2023

Category Code	Category	No. of Shareholders	Shares	%
A(1)	Shareholding of Promoters	6	56,82,756	48.88
B (4) (b)	Directors and their relatives (Excluding Independent and Nominee Directors)	2	21,610	0.19
B (4) (f)	IEPF	1	29,535	0.25
B (4) [(g) and (h)	Resident Individuals	21181	51,92,357	44.67
B (4) (i)	Non – Resident Individuals	321	3,41,297	2.94
B (4) (l)	Body Corporates	91	1,59,614	1.37
B (4) (m) (1) to (3)	Others	470	1,97,611	1.70
TOTAL [(A) + (B)]			1,16,24,780	100.00

(p) Distribution of Shareholding by Size as on March 31, 2023

No. of Shares held	No. of Shareholders	% of total Shareholders	No. of Shares held (in ₹)	% of total Shares held
Up to 5000	21060	92.33	1,73,20,850	14.90
5001-10000	947	4.15	71,79,530	6.18
10001-20000	449	1.97	66,17,840	5.69
20001-30000	131	0.57	32,75,500	2.82
30001-40000	70	0.31	25,09,820	2.16
40001-50000	41	0.18	19,20,000	1.65
50001-100000	56	0.25	39,48,510	3.39
Above 100000	56	0.24	7,34,75,750	63.21
TOTAL	22810	100.00	11,62,47,800	100.00

(q) Plant Locations

- **Smelter Division [SMD] - I**
  G-17 to G-19 & G-30 to G-32,
  SIPCOT Industrial Park, Mambakkam Village,
  Pondur Post, Sriperumbudur,
  District – Kancheepuram,
  Tamil Nadu – 602 105
- **Smelter Division [SMD] – II**
  Plot # 78 B&C, Industrial Park,
  Gajulamandyam Village ,
  Renigunta Mandal,
  Chittoor,
  Andhra Pradesh – 517 520.
- **Aluminum Division**
  G-1, SIPCOT Industrial Park,
  Pondur Post, Sriperumbudur,
  District – Kancheepuram,
  Tamil Nadu – 602 105

(r) Address for correspondence

- Shareholder's correspondence should be addressed to the Company's Registrar and Share Transfer Agents at the address mentioned above.
- Shareholders may also contact Mr. K. Kumaravel, Director Finance & Company Secretary, at the Registered Office of the Company at KRM Centre, 4th Floor, # 2, Harrington Road, Chetpet, Chennai- 600031 for any assistance. He can also be contacted at kk@pocl.com
- Investors can also contact the Company at the designated exclusive e-mail id complaints@pocl.com for quick responses and resolution to their queries and grievances.
- Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participant

(s) List of Credit Rating

The Company has got ratings from CRISIL as "CRISIL A- Stable (Assigned)" for Long term (Fund Based) borrowings and "CRISIL A2+ (Assigned)" for Short term (Non-Fund based) borrowings vide CRISIL letter dated January 14, 2022. During the year, CRISIL Ratings reviewed the Company's bank facilities and reaffirmed the same ratings for the enhanced long-term borrowings of ₹ 240 Crore.

VII. OTHER DISCLOSURES

(a) Related Party Transactions:

During the year under review, there were no materially significant related party transactions that has potential conflict of the Company. Transactions entered into with related parties during the financial year were in the ordinary course of business and at Arm's length basis and were approved by the Audit Committee. The Company has adopted a policy on determining the material related party transactions and dealing with the related party transactions and the same is available on the website of the Company and it can be viewed at https://pocl.com/wp-content/uploads/2021/04/2-Related-Party-Transaction.pdf

(b) Compliance(s) of matters relating to Capital Market

The Company has complied with all applicable rules and regulations prescribed by Securities and Exchange Board of India (SEBI), stock exchanges (BSE and NSE), or any other statutory authority relating to the capital markets. No penalties or strictures have been imposed on the Company in the last 3 years.

CORPORATE GOVERNANCE REPORT (Contd.)

(c) Whistle Blower Policy/Vigil Mechanism

The Company has established a Whistle Blower Policy/ Vigil Mechanism to provide an avenue to raise concerns. The mechanism provides for adequate safeguards against victimisation of employees who avail of it, to which employees of the Company can raise their concerns relating to fraud, malpractice or any other activity or event which is against the interest of the Company. The existence of the mechanism was appropriately communicated within the organisation. No personnel of the Company have been denied access to the Audit Committee. The said policy has been posted on the Company's website at the following link: https://pocl.com/wp-content/uploads/2021/04/5-Whistle-Blower-Policy.pdf

(d) Disclosure in relation to the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act 2013

Pursuant to para 10(l) of Para C of Schedule V to the SEBI Listing Regulations, details of complaints received and disposed off during the year is as follows:

- Number of complaints filed during the year – Nil
- Number of complaints disposed off during the year – N.A.
- Number of complaints pending at the end of the year – N.A.

(e) Code of conduct for prevention of insider trading

The Company has adopted a code of conduct for prevention of Insider Trading (Insider Trading Code) in accordance with the requirements of SEBI (Prohibition of insider trading) Regulations, 2015 and the same is available in the website of the Company at https://pocl.com/wp-content/uploads/2020/06/Code-of-conduct-for-prevention-of-Insider-Trading.pdf

The insider Trading code which is applicable to all directors and designated employees lays down guidelines and procedures to be followed and disclosures to be made while dealing in the securities of the Company and non-consequences of violation. Mr. K. Kumaravel, Company Secretary is the Compliance Officer by the Board for ensuring compliance and effective implementation of the Insider Trading Code.

(f) Commodity price risk/Foreign exchange risk and Hedging activities.

(i) Fluctuation in commodity prices:

Impact: Prices of the Company's finished goods are linked to international benchmark i.e., LME and are strongly influenced by global economic conditions and global demand supply for the products. Volatility in commodity prices and demand may adversely affect our earnings, cash flow and reserves.

Mitigation: We consider exposure to commodity price fluctuations to be an integral part of company's business and its usual policy is to sell its products at monthly average prices linked with London Metal Exchange (LME). However, to minimise price risk involved in procurement of major raw materials for the manufacture of finished goods and to achieve monthly average hedging is done. In exceptional circumstances, we may enter into strategic hedging with prior approval of the Company Management. The Company monitors the commodity markets closely to determine the effect of price fluctuations on earnings.

(ii) Currency Exchange rate Fluctuation:

Impact: Movement in functional currency of the Company against major foreign currencies may impact the Company's revenue. Any weakening of the functional currency may impact the Company's cost of imports and cost of borrowings. Our assets, earnings and cash flows are influenced by fluctuation in those foreign currencies, mainly US Dollars.

Mitigation: We have developed a module for forex management to monitor, measure and hedge currency risk liabilities. The Treasury team reviews our forex-related matters periodically and suggests necessary courses of action as may be needed by businesses from time to time and within the overall framework of our forex policy taking into account the natural hedging due to Export. The Company strives to achieve asset liability offset of foreign currency exposures and only the net position is hedged. The Company uses forward exchange contracts to hedge the effects of movements in exchange rates on foreign currency denominated assets and liabilities. The sources of foreign exchange risk are outstanding amounts payable for imported raw materials, capital goods and other supplies as well as financing transactions denominated in foreign currencies. The hedge mechanisms are reviewed periodically to ensure that the risk from fluctuating currency exchange rates is appropriately managed.

(iii) Exposure to Commodity and Commodity risks faced by the Company during the Financial Year 2022-23:

- Total Exposure to commodities: ₹ 2,55,741 Lakhs
- Exposure to various commodities:

Commodity Name	Exposure (₹ In Lakhs)	Units	Exposure in Quantity terms	% of such exposure hedged through commodity derivatives				
				Domestic Market		International Market		Total
				OTC	Exchange	OTC	Exchange	
Lead	2,55,741	MT	1,57,907	---	3%	---	23%	26%

- Commodity means a commodity whose price is fixed by an international benchmark and having material effect on the financial statements.
- Exposure for Lead includes Purchases and Sales and are reported without netting off and therefore the natural hedge of imports meant for exports not considered for the above table.

(g) Certificate from a Company Secretary in Practice

The Company has received a certificate from a Company Secretary in Practice stating that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/Ministry of Corporate Affairs or any such statutory authority. The certificate from the Company Secretary in Practice is annexed to this report.

(h) Details of non-acceptance of recommendation of any Committee by the Board.

The Board has accepted the recommendations of all the Committees of the Board during the financial year 2022-23.

(i) Fees paid to Statutory Auditors

During the Financial Year 2022-23, the Company and its wholly owned subsidiary has paid ₹ 19.94 Lakhs and ₹ 2.00 Lakhs respectively to the Statutory Auditors for all services received by them and they are detailed below:

Type of Service	Amount (₹ In Lakhs)
Pondy Oxides and Chemicals Limited:	
Statutory Audit fees	14.00
Taxation fee	3.00
Limited Review	1.30
Other Certifications	1.64
Total	**19.94**

Type of Service	Amount (₹ In Lakhs)
Wholly- Owned Subsidiaries:	
POCL Future Tech Private Limited	1.00
Harsha Exito Engineering Private Limited	1.00

(j) Discretionary Requirements

The Company has adopted the discretionary requirements as specified in Part E of Schedule II to the extent of the Unmodified audit opinions/ reporting.

(k) Compliance

The Company has complied with all the mandatory requirements and with the requirements of Corporate Governance report given under sub-paras (2) to (10) of the Schedule V of SEBI Listing Regulations.

The quarterly compliance report has been submitted to the Stock Exchanges where the Company's equity shares are listed in the requisite format duly signed by the Company Secretary. Pursuant to Schedule V of SEBI Listing Regulations. The Chartered Accountant's Certificate regarding compliance of conditions of Corporate Governance is annexed to this report.

(l) Compliance with Governance Framework

The Company has complied with all mandatory requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI Listing Regulations.

CORPORATE GOVERNANCE REPORT (Contd.)

(m) Risk Management

During the year, the risk assessment parameters were reviewed and modified, wherever needed. The audit committee reviewed the elements of risk and the steps taken to mitigate the risks. In the opinion of the Board, there are no major elements of risk which has the potential of threatening the existence of the Company.

The Risk Management Policy can be viewed on the website of the Company at https://pocl.com/wp-content/uploads/2020/09/Risk-Management-Policy.pdf

(n) Details of utilisation of funds raised through preferential allotment or qualified institutional placement

During the year under review, the Company has not raised any money from public issue, rights issue or any preferential issue except for the issue of securities mentioned below.

(o) Issue of Securities

During the year, the Company has not issued any Securities.

(p) Unclaimed Suspense account:

During the Financial Year 2022-23, the following are the details of the Shares lying in the said Account pursuant to Part F to Schedule V of SEBI Listing Regulations:

Particulars	Details
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year (i.e. April 1, 2022)	2,781
Number of shareholders who approached listed entity for transfer of shares from suspense account during the Financial Year 2022-23	Nil
Number of shareholders to whom shares were transferred from suspense account during the Financial Year 2022-23	Nil
Aggregate number of shareholders at the end of the year (i.e. March 31, 2023)	6
Outstanding shares in the suspense account lying at the end of the year (i.e. March 31, 2023)	2,781

The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

(q) Transfer of Unpaid/ Unclaimed Amounts and Shares to the Investor Education and Protection Fund

Pursuant to the provisions of Section 124(5) of the Act, if the Dividend transferred to the unpaid dividend account of the Company, remains unpaid or unclaimed for a period of seven years from the date of such transfer then such unclaimed or unpaid dividend shall be transferred by the Company to the Investor Education and Protection Fund (IEPF), a fund established under subsection (1) of Section 125 of the Act. Accordingly, the Company has credited the unpaid dividend amount pertaining to the Financial year 2014-15 of ₹ 1,38,376 (Rupees One Lakh Thirty-Eight thousand three hundred and seventy six) to the Investor Education and Protection Fund (IEPF) during the Financial Year 2022-23.

In terms of Section 124(6) of the Act read with rule 6 of the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, (as amended from time to time) the shares on which dividend has not been paid or claimed by a shareholder for a period of 7 consecutive years or more shall be credited to the demat account of the Investor Education and Protection Fund (IEPF) Authority within a period of 30 days of such shares becoming due to be so transferred. Accordingly, the Company has transferred 755 equity shares of ₹ 10/- each which is pertaining to the Financial Year 2014-15, to the credit of IEPF Authority during the Financial Year 2022-23. Upon the transfer of such shares, all benefits like Dividend, Bonus etc. if any, accruing on such shares shall also be credited to such demat account and the voting rights on such shares shall remain frozen till the rightful owner claims the shares.

The members who have a claim on Unclaimed Dividend/ Shares may claim the same from IEPF by submitting an online application in the prescribed Form No. IEPF-5 available on the website www.iepf.gov.in and sending a physical copy of the same, duly signed , to the Company along with requisite documents as mentioned in Form IEPF-5. No claims shall lie against the Company in respect of the Unclaimed Dividend/Shares so transferred.

The Company sends periodical communication to the concerned Shareholders to claim their Dividends in order to avoid transfer of Dividends/ Shares to IEPF authority. Notices in this regard are also published in the newspapers and the details of unclaimed dividends by shareholders are uploaded on the website of the Company at https://www.pocl.com/transfer-of-shares/

(r) Loans and Advances to Companies in which Directors were interested:

During the Financial year 2022-23, Mr. Ashish Bansal, Managing Director and Mr. Anil Kumar Bansal, Chairman and Whole-time Director has advanced loan amount of ₹ 199.00 Lakhs and ₹ 368.00 Lakhs respectively to the Company.

(s) Details of material subsidiary(ies) of the Company including the date and place of incorporation and the name and date of appointment of Statutory Auditors of such subsidiaries

There are no material subsidiaries for the Company. The details of Wholly Owned Subsidiaries (WOS) of the Company and their Statutory Auditor details are as follows:

Name of the WOS	Date of Incorporation	Place of Incor-poration	Statutory Auditors	Date of Appointment
POCL Future Tech Private Limited	May 27, 2022	Chennai	L Mukundan & Associates, Chartered Accountants	June 25, 2022
Harsha Exito Engineering Private Limited	January 12, 2023 Acquired through Hon'ble NCLT Order vide No. IA/248/CHE/2022 in ABA/471/2020 dated January 12, 2023	Chennai		May 11, 2023

For and on behalf of the Board of Directors
Pondy Oxides and Chemicals Limited

Anil Kumar Bansal
Chairman & Whole-Time Director
DIN: 00232223

Ashish Bansal
Managing Director
DIN: 01543967

Date: August 11, 2023
Place: Chennai

CORPORATE GOVERNANCE REPORT (Contd.)

DECLARATION PURSUANT TO CLAUSE D OF SCHEDULE V TO SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

I, Ashish Bansal, Managing Director of Pondy Oxides and Chemicals Limited, declare that all the Members of the Board of Directors and Senior Management have affirmed compliance with the POCL Code of Conduct for the Financial Year ended March 31, 2023.

For **Pondy Oxides and Chemicals Limited**

Ashish Bansal
Managing Director
DIN: 01543967

Date: August 11, 2023
Place: Chennai

CORPORATE GOVERNANCE REPORT (Contd.)

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34 (3) read with Schedule V Para-C Sub clause (10) (i) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To
The Members,
Pondy Oxides and Chemicals Limited
CIN: L24294TN1995PLC030586
4th Floor, KRM Centre
No. 2, Harrington Road, Chetpet
Chennai-600 031

We have examined the relevant registers, records, minute books, forms, returns declarations/disclosures received from the Directors and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives of Pondy Oxides and Chemicals Limited (CIN: L24294TN1995PLC030586), having its Registered Office at 4th Floor, KRM Centre, No. 2, Harrington Road, Chetpet, Chennai-600 031, Tamil Nadu, India (hereinafter referred to as "the Company") for the purpose of issue of this certificate pursuant to regulation 34(3) read with para C(10)(i) of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our knowledge and based on such examination/verifications including Directors Identification Number (DIN) status at the portal www.mca.gov.in as well as information and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors as stated below on the Board of the Company during the financial year 2022-23 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India (SEBI)/ Ministry of Corporate Affairs or any such other statutory authority.

SN	DIN	Name	Designation
1.	00232223	Mr. Anil Kumar Bansal	Chairman and Whole-Time Director
2.	01543967	Mr. Ashish Bansal	Managing Director
3.	00664405	Mr. Kumaravel Krishnamoorthi	Director Finance
4.	06431219	Mr. A Vijay Anand	Independent Director
5.	02773030	Dr. Shoba Ramakrishnan	Independent Director
6.	07999117	Dr. M Ramasubramani	Independent Director

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these, based on our verification. We further state that this certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For KSM Associates, Company Secretaries

Krishna Sharan Mishra
Partner
FCS 6447; CP 7039
UDIN: F006447E000780550
Peer review cert no. 627/2019

Place: Chennai
Date: August 11, 2023

CORPORATE GOVERNANCE REPORT (Contd.)

INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Pondy Oxides and Chemicals Limited

1. We have examined the compliance of conditions of Corporate Governance by Pondy Oxides and Chemicals Limited ("the Company"), for the year ended on March 31, 2023, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations')

Management's Responsibility

2. The compliance of conditions of corporate governance is the responsibility of the Company's management Including the preparation and maintenance of all the relevant records and documents. This responsibility includes the designing, implementing and maintaining operating effectiveness of internal control to ensure compliance with the conditions of corporate governance as stipulated in the Listing Regulations.

Auditor's Responsibility

3. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion as to whether the Company has complied with the conditions of corporate governance as stated in paragraph 1 above. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the relevant records of the Company in accordance with the applicable Generally Accepted Auditing Standards in India, the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India ('ICAI'), and Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
5. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

6. Based on the procedures performed by us and to the best of our information and according to the explanations provided to us, in our opinion, the Company has complied, in all material respects, with the conditions of corporate governance as stipulated in the Listing Regulations during the year ended March 31, 2023.
7. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

8. This certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose. Accordingly, we do not accept or assume any liabilities. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **L Mukundan and Associates**
Chartered Accountants
Firm Registration No.010283S

L Mukundan
Partner
Membership No: 204372
UDIN: 23204372BGWBYA6969

Place : Chennai
Date : May 29, 2023

CEO & CFO CERTIFICATE

UNDER REGULATION 17(8) OF SEBI (LODR) REGULATIONS, 2015

To The Board of Directors
Pondy Oxides and Chemicals Limited

We, the undersigned, hereby certify the following:

1. We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2023 and that to the best of our knowledge and belief:
    (a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
    (b) These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
2. To the best of our knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining the internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting, and we have not noticed any deficiency in the design of operation of internal controls, or of which we are aware that needs to be rectified or informed to the auditors and the Audit Committee.
4. During the year it was disclosed to the Auditors and the Audit Committee that:
    (a) There were no significant changes in internal control over financial reporting;
    (b) No significant changes in accounting policies were made during the year that require disclosure in the notes to the financial statements; and
    (c) No instances of significant fraud and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting, has come to our notice.

Place: Chennai	**Ashish Bansal**	**B Vijay**
Date: May 29, 2023	Managing Director	Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

To the Members of Pondy Oxides and Chemicals Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the standalone financial statements of **Pondy Oxides And Chemicals Limited** ("the Company"), which comprise the standalone balance sheet as at 31stMarch 2023, and the standalone statement of Profit and Loss (including Other Comprehensive Income), the statement of cash flows and the standalone Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as standalone financial statements).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31st March 2023, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone Financial Statements 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 financial statements under the provisions of the Act and the rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Based on the examination of books of accounts and explanation provided to us, we are of the opinion that there are no materially significant key audit matters that requires disclosure in this report.

Information Other than the Financials Statements and Auditor's Report thereon (Other Information)

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Corporate Governance and Shareholders Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other Information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR'S REPORT (Contd.)

In preparing the standalone financial statements, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

That Board of Directors is also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements.

Our objectives are to obtain reasonable assurance about whether the standalone financial statements 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 Standards of Auditing 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 these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. 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 system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 standalone financial statements 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.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("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", a statement on the matters specified in paragraphs 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.

INDEPENDENT AUDITOR'S REPORT (Contd.)

(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 standalone Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on 31stMarch, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31stMarch, 2023 from being appointed as a director in terms of Section 164 (2) of the Act

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

(h) 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) Rules, 2014 (as amended), 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 materially significant pending litigations which would impact its financial position.

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in note 47(f) to standalone financial statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in note 47(e) to standalone financial statements, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

INDEPENDENT AUDITOR'S REPORT (Contd.)

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) above, contain any material misstatement.

v. The dividend paid by the Company during the year ended 31 March 2023 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 1 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

For **L Mukundan and Associates**
Chartered Accountants
Firm Registration No: 010283S

L Mukundan
Partner
Membership No. 204372
UDIN: 23204372BGWBXY4511

Place: Chennai
Date: 29.05.2023

ANNEXURE – A

TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS

Statement of matters specified in Para 3 & 4 of the order referred to in sub-section (11) of 143.

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 **PONDY OXIDES AND CHEMICALS LIMITED** of even date:

I. In respect of company's fixed assets:

a) (i) The Company has maintained proper records showing full particulars, including quantitative details and situation of Plant, property and equipment.

(ii) The Company has maintained proper records showing full particulars of intangible assets.

b) As per the information and explanation given to us, all the Property, plant and Equipment have been physically verified by the Company at reasonable intervals and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies as compared to book records were noticed on such verification.

c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered conveyance deed provided to us (other than properties where the company is the lessee and lease agreements are duly executed in favour of the lessee), we report that, the title deeds, comprising all the immovable properties of land and building which are freehold, are held in the name of the Company as at the balance sheet date, except the following: -

Description of the Property	Gross Carrying value (Rs. In Lakhs)	Held in Name of	Whether promoter, director or their relative or employee	Period held- indicate range, where appropriate	Reason for not being held in the Name of the company
Freehold land held at Plot 78C Industrial Park, Gajulamandayam, Chittoor, Andhra Pradesh	293.15	Vedam Drugs Private Limited / Meloy Metals Private Limited	No	Since April 01,2019	The title deeds are in the name of merged Company that yet to be transferred in the name of resulting Company pursuant to the amalgamation as approved by Honourable NCLT, Chennai vide order dated 21st February 2020.

d) According to information and explanation given to us and on basis of our examination of the records of the Company, the company has not revalued its property, plant and equipment (including Rights-of-use assets) or Intangible assets both during the year.

e) According to information and explanation given to us and on basis of our explanation of the records of the Company, there are no proceedings initiated or pending against the company for holding any benami property under the **"Prohibition of Benami Property Transaction Act 1988"** and rule made thereunder.

II. a) The inventories have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and adequate in relation to the size of the company and nature of its business. No material discrepancies were noticed on physical verification of inventories as compared to the book records.

b) The company has been sanctioned working capital limits in excess of rupees five cores, in aggregate, from bank on the basis of security of current assets i.e. stocks and Debtors. In our opinion and according to the information and explanation given to us and on the basis of our examination of the records of the company, the quarterly returns or statements filed by the Company with such bank are generally in agreement with the books of accounts. We have not found any major discrepancies which may require reporting under this clause.

III. a) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the company, POCL®

ANNEXURE – A
TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

the Company has made investments in two Subsidiaries and provided guarantee for working facilities sanctioned for one Subsidiaries and granted unsecured loans to one subsidiary during the year. The aggregate amount during the year and balance as on balance sheet date with respect to such loans and guarantees to Subsidiaries are as per the table given below:

Particulars	Guarantee (in Lakhs)	Loans (in Lakhs)
Aggregate amount granted/provided during the year		
Subsidiaries	2800	5.49
Balance outstanding (gross) as at the balance sheet date in respect of the above cases		
Subsidiaries	2800	5.51

The above amounts are included in Notes 14 on loans and Note 40 on Commitments and contingent liabilities to the Standalone Financial.

b) In respect of the aforesaid investments, guarantees and loans, the terms and conditions under which such investments were made, guarantees provided and loans were granted are not prejudicial to the Company's interest, based on the information and explanations provided by the Company.

c) The loans granted during the year to one of the subsidiaries Harsha Exito Engineering Private limited is repayable on demand. The amount of loan granted is Rs 5.49 Lakhs. Other than this, the Company has not granted any loans or advances in the nature of loan either repayable on demand or without the specifying the terms or period of repayment.

d) Based on the information and explanation given to us, no loans outstanding as on Balance sheet date is overdue for more than ninety days.

IV. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 of Companies Act 2013. In respect of loan, investment made and guarantees issued, the company has complied with the provisions of section 186 of companies Act 2013.

V. The Company has not accepted any deposits or amounts which are deemed to be deposits during the year from the public, within the meaning of Section 73 to 76 or any other relevant provisions of the Act and Rules framed there under and does not have any unclaimed deposits as at March 31, 2023 and accordingly reporting under clause 3 (v) of the Order are not applicable to the Company.

VI. We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under sub- Section (1) of section 148 of the Act in respect of its manufactured goods and services provided by it and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

VII. According to the information and explanations given to us, in respect of statutory dues:

a) In our opinion, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and service tax ("GST"), Provident fund, Employee's state Insurance, Income Tax, sales tax, service tax, Customs Duty, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities by the Company. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, **there are no statutory dues** referred in Sub-clause (a) which have not been deposited by the Company on account of disputes.

VIII. According to the information and explanation given to us and basis of our examination of the records, the Company has not surrendered or disclosed any transaction, previously unrecorded as income in the books of accounts, in tax assessments under the Income tax Act 1961 as income during the year.

IX. a) According to the information and explanation given to us and on basis of our examination of records, the Company has not defaulted in repayment of loans or borrowings or in the payment of interest thereon to any lender during the year.

b) According to the information and explanation given to us and representation received from the management of the Company, and on basis of our examination of records, the company has not been declared a wilful defaulter by any bank or

ANNEXURE – A
TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

financial institution or government or government authority.

c) In our opinion and according to the information and explanation given to us, the Company has not availed any term loan from banks or financial institutions during the year. Accordingly reporting under this clause is not applicable for the company.

d) According to the information and explanation given to us, and the procedure performed by us, and on an overall examination of financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.

e) According to the information and explanation given to us and on an overall examination of the financial statements of the company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures. Therefore, the provisions of clause 3(ix)(e) of the Order are not applicable

f) According to the information and explanation given to us and procedures performed by us, we report that the company has not raised loans during the year on pledge of securities held in its subsidiaries. Therefore, the provisions of clause 3(ix)(f) of the Order are not applicable.

X. a) The company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company

b) Accordingly, information and explanation given to us and on the basis of our examination of records, the company has not made any preferential allotments or private placement of shares or fully or partly convertible debentures during the year. Accordingly, reporting under clause 3(x) (b) of the order is not applicable to the Company.

XI. a) Based on examination of the books and records of the company and according to explanation given to us, considering the principles of materiality outlined in the standards of auditing, we report that no fraud by the company or on the company has been noticed or reported during the year under audit.

b) According to the information and explanation given to us, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by us in form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.

XII. The Company is not a Nidhi Company and hence, reporting under clause 3(xii) of the order is not applicable to the company.

XIII. In our opinion and according to the information and explanation given to us, the transactions with related parties are in compliance with section 177 and 188 of the Companies Act, 2013, where applicable and the details of the related party transaction have been disclosed in the standalone financial statements as required under Indian Accounting standards 24 "Related Party Disclosures" specified in section 133 of the Act.

XIV. a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

b) We have considered the internal audit reports of the Company issued till date for the period under audit.

XV. In our opinion and according to the information and explanation given to us, the company has not entered into any non-cash transaction with its directors or persons connected to it directors and hence, the provisions of clause 3(xv) of the Order are not applicable.

XVI. The company is not required to be registered under section 45-I of the Reserve Bank of India Act 1934 Accordingly, clause 3(xvi)(a), 3(xvi)(b), 3(xvi)(c) & 3(xvi)(d) of the Order is not applicable.

XVII. The Company has not incurred cash losses in the current and in the immediately preceding financial year.

XVIII. There is no resignation of statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

XIX. According to the information and explanations given to us and on basis of the financial ratios, ageing and expected dates of realisation of the financial assets and payment of financial liabilities , other information accompanying the standalone financial statements, our knowledge of the Board of directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which cause us to believe that any material uncertainty exist as on the date of the audit report that

ANNEXURE – A
TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

the Company is not capable of meeting its liabilities existing at the date of the balance sheet as and when they fall due within the period of one year from the balance sheet date. We, however, state that this not an assurance as to the future viability of the company, we further state that our reporting is based on the facts up to the date of audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the date of balance sheet date will get discharged by the Company as and when they fall due.

XX. In our opinion and according to information and explanation given to us, there is no unspent amount under the sub-section (5) of Section 135 of the Companies Act 2013 pursuant to any project. Accordingly, clause 3(xx) (a) and 3(xx)(b) of the order are not applicable.

XXI. The reporting under clause 3(xxi) of the order is not applicable in respect of audit of standalone financial statements. Accordingly, no Comments in respect of the said clause has been included in this report.

For **L Mukundan and Associates**
Chartered Accountants
Firm Registration No: 010283S

L Mukundan
Partner
Membership No. 204372
UDIN: 23204372BGWBXY4511

Place: Chennai
Date: 29.05.2023

ANNEXURE - B

TO THE INDEPENDENT AUDITORS' REPORT ON THE STANDLONE FINANCIAL STATEMENTS

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of PONDY OXIDES AND CHEMICALS LIMITED of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the Internal Financial Controls over financial reporting of **PONDY OXIDES AND CHEMICALS LIMITED** ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting (IFCoFR) criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system reference to the standalone financial statements.

Meaning of Internal Financial Controls over Financial Reporting

A Company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's IFCoFR includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any

ANNEXURE - B
TO THE INDEPENDENT AUDITORS' REPORT (Contd.)

evaluation of the IFCoFR to future periods are subject to the risk that IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control over Financial Reporting issued by the ICAI.

For **L Mukundan and Associates**
Chartered Accountants
Firm Registration No: 010283S

L Mukundan
Partner
Membership No. 204372
UDIN:23204372BGWBXY4511

Place: Chennai
Date: 29.05.2023

STANDALONE BALANCE SHEET

AS AT MARCH 31, 2023

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	8,560.36	5,008.56
(b) Capital work in progress	4	702.56	346.61
(c) Goodwill	5	965.46	965.46
(d) Intangible assets	4	61.22	75.22
(e) Financial assets			
(i) Investments	6	3,989.02	10.73
(ii) Other financial assets	7	165.38	76.11
(f) Deferred Tax Asset (net)	8	213.26	162.51
(g) Other non-current assets	9	396.24	124.76
Total non-current assets		**15,053.50**	**6,769.96**
Current assets			
(a) Inventories	10	15,097.78	14,602.60
(b) Financial assets			
(i) Trade receivables	11	9,919.68	8,734.69
(ii) Cash and cash equivalents	12	8.58	74.96
(iii) Bank balances other than above	13	12.04	149.97
(iv) Other Financial assets	14	5.51	-
(c) Other current assets	15	3,313.42	2,677.28
Total current assets		**28,357.01**	**26,239.50**
Total Assets		**43,410.51**	**33,009.46**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	16	1,162.48	581.24
(b) Other equity	17	24,252.08	20,233.43
Total equity		**25,414.56**	**20,814.67**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	598.02	877.43
(b) Provisions	19	60.37	42.30
(c) Other liabilities	20	17.32	21.42
Total non-current liabilities		**675.71**	**941.15**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	13,604.62	9,840.45
(ii) Trade payables			
- Dues to Micro and Small enterprises	22	107.10	59.95
- Dues to Creditors other than Micro and Small enterprises		729.96	724.82
(iii) Other financial liabilities	23	25.29	164.85
(b) Provisions	24	32.16	206.38
(c) Other current liabilities	25	2,821.11	257.19
Total current liabilities		**17,320.24**	**11,253.64**
Total liabilities		**17,995.95**	**12,194.79**
Total Equity and Liabilities		**43,410.51**	**33,009.46**

The accompanying notes form an integral part of the financial statements

For and on behalf of the board

Anil Kumar Bansal
Chairman
DIN: 00232223

Ashish Bansal
Managing Director
DIN: 01543967

Vijay Balakrishnan
Chief Financial Officer

K.Kumaravel
Director Finance & Company Secretary

Place : Chennai
Date : May 29, 2023

As per our report of even date attached
For M/s. L. Mukundan and Associates
Chartered Accountants
(FRN No.010283S)

L. Mukundan
Partner
M.No.204372

Place : Chennai
Date : May 29, 2023

STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
CONTINUING OPERATIONS			
A Income			
(a) Revenue from operations	26	1,47,166.84	1,45,480.10
(b) Other income	27	425.33	463.17
Total income		**1,47,592.17**	**1,45,943.27**
B Expenses			
(a) Cost of materials consumed	28	1,28,091.07	1,24,327.30
(b) Purchases of Stock in Trade	29	1,737.63	8,292.09
(c) Changes in inventories of finished goods and WIP	30	40.49	(3,082.99)
(d) Employee benefits expense	31	2,231.42	1,995.85
(e) Finance costs	32	684.12	844.32
(f) Depreciation and amortisation expense	33	1,006.33	898.66
(g) Other expenses	34	7,225.44	6,232.39
Total expenses		**1,41,016.50**	**1,39,507.62**
C Profit before exceptional items and tax		**6,575.67**	**6,435.65**
Exceptional items		-	-
D Profit before tax from continuing operations		6,575.67	6,435.65
Tax expense	35		
(a) Current tax		1,704.76	1,704.95
(b) Deferred tax charge/ (credit)		(49.21)	(94.06)
Profit for the year		**4,920.12**	**4,824.76**
E Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of post employment benefit obligations		(6.15)	15.06
Income tax (charge)/ credit relating to these items		1.55	(3.79)
Other comprehensive income for the year, net of tax		**(4.60)**	**11.27**
Total comprehensive income for the year		**4,915.52**	**4,836.03**
Earnings per share	36		
Basic earnings per share		42.32	41.50
Diluted earnings per share		42.32	41.50

The accompanying notes form an integral part of the financial statements

For and on behalf of the board

Anil Kumar Bansal
Chairman
DIN: 00232223

Ashish Bansal
Managing Director
DIN: 01543967

Vijay Balakrishnan
Chief Financial Officer

K.Kumaravel
Director Finance & Company Secretary

Place : Chennai
Date : May 29, 2023

As per our report of even date attached
For M/s. L. Mukundan and Associates
Chartered Accountants
(FRN No.010283S)

L. Mukundan
Partner
M.No.204372

Place : Chennai
Date : May 29, 2023

STANDALONE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Cash Flow From Operating Activities		
Profit before income tax	6,575.67	6,435.65
Adjustments for		
Depreciation and amortisation expense	1,006.33	898.66
(Profit)/ loss on sale of fixed asset	38.83	(8.61)
(Increase)/ decrease in fair value of investments	(0.85)	6.35
Interest income	(4.56)	(6.18)
Dividend income	(0.06)	(0.20)
Finance costs	684.12	844.32
Operating Profit before working capital changes	**8,299.48**	**8,169.99**
Change in operating assets and liabilities		
(Increase)/ decrease in other financial assets	(94.78)	2.36
(Increase)/ decrease in inventories	(495.18)	(2,247.33)
(Increase)/ decrease in trade receivables	(1,184.99)	2,146.33
(Increase)/ decrease in other assets	(638.95)	(299.25)
Increase/ (decrease) in provisions and other liabilities	2,435.00	76.29
Increase/ (decrease) in trade payables	52.29	(8.30)
Cash generated from operations	8,372.87	7,840.09
Less : Income taxes paid (net of refunds)	(1,906.77)	(1,518.74)
Net cash from operating activities (A)	**6,466.10**	**6,321.35**
Cash Flows From Investing Activities		
Purchase of PPE (including changes in CWIP)	(5,258.85)	(1,393.62)
Sale proceeds of PPE	48.43	26.73
(Purchase)/ Disposal proceeds of Investments	(3,977.44)	-
(Investments in)/ Maturity of fixed deposits with banks	137.93	(76.86)
Dividend received	0.06	0.20
Interest received	7.37	7.07
Net cash used in investing activities (B)	**(9,042.50)**	**(1,436.48)**
Cash Flows From Financing Activities		
Proceeds from/ (repayment of) long term borrowings	(279.41)	(1,088.95)
Proceeds from/ (repayment of) short term borrowings	3,764.17	(2,743.88)
Finance costs	(684.12)	(844.32)
Dividend paid	(290.62)	(145.31)
Net cash from/ (used in) financing activities (C)	**2,510.02**	**(4,822.46)**
Net increase/decrease in cash and cash equivalents (A+B+C)	**(66.38)**	**62.41**
Cash and cash equivalents at the beginning of the financial year	74.96	12.55
Cash and cash equivalents at end of the year	**8.58**	**74.96**

STANDALONE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

Notes:

1. The above cash flow statement has been prepared under indirect method prescribed in Ind AS 7 "Cash Flow Statements".
2. Components of cash and cash equivalents

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Balances with banks		
- in current accounts	7.60	40.81
- in EEFC Account	-	32.98
Cash on hand	0.98	1.17
	8.58	**74.96**

For and on behalf of the board

Anil Kumar Bansal
Chairman
DIN: 00232223

Ashish Bansal
Managing Director
DIN: 01543967

Vijay Balakrishnan
Chief Financial Officer

K.Kumaravel
Director Finance & Company Secretary

Place : Chennai
Date : May 29, 2023

As per our report of even date attached
For M/s. L. Mukundan and Associates
Chartered Accountants
(FRN No.010283S)

L. Mukundan
Partner
M.No.204372

Place : Chennai
Date : May 29, 2023

STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

(A) Equity Share Capital

Balance as at April 1, 2021	581.24
Changes in equity share capital during the year	-
Balance as at March 31, 2022	581.24
Changes in equity share capital during the year*	581.24
Balance as at March 31, 2023	1,162.48

* Refer Note 16(a)

(B) Other Equity

Particulars	General Reserve	Securities Premium	Other comprehensive income	Retained Earnings	Total
Balance as at April 1,2021	**1,305.92**	**1,092.52**	**-**	**13,152.61**	**15,551.05**
Additions/ (deductions) during the year	480.00	-	(11.27)	(622.38)	(153.65)
Total Comprehensive Income for the year	-	-	11.27	4,824.76	4,836.03
Balance as at March 31, 2022	**1,785.92**	**1,092.52**	**-**	**17,354.99**	**20,233.43**
Additions/ (deductions) during the year	490.00	(581.24)	4.60	(810.23)	(896.87)
Total Comprehensive Income for the year	-	-	(4.60)	4,920.12	4,915.52
Balance as at March 31, 2023	**2,275.92**	**511.28**	**-**	**21,464.88**	**24,252.08**

The accompanying notes form an integral part of the financial statements

For and on behalf of the board

Anil Kumar Bansal
Chairman
DIN: 00232223

Ashish Bansal
Managing Director
DIN: 01543967

Vijay Balakrishnan
Chief Financial Officer

K.Kumaravel
Director Finance & Company Secretary

Place : Chennai
Date : May 29, 2023

As per our report of even date attached
For M/s. L. Mukundan and Associates
Chartered Accountants
(FRN No.010283S)

L. Mukundan
Partner
M.No.204372

Place : Chennai
Date : May 29, 2023

NOTES TO STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

1 CORPORATE INFORMATION

POCL is a Public Limited Company incorporated under the Companies Act, 1956. The Company's Equity shares are listed at the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). The registered office of the Company is situated at KRM Centre, 4th Floor, #2, Harrington Road, Chetpet, Chennai, Tamilnadu - 600031.

The Principal Activities of the Company are converting scraps of various forms of Lead, Aluminium and Copper into Lead Metal, Aluminium Metal, Copper and its Alloys. The Company carries out smelting of Lead Battery scrap to produce secondary lead metal which is further transformed into Pure lead and Specific Lead Alloys. Further Company also manufactures Zinc metal and Zinc Oxide.

The Company's products are exported to wide range of international customers mostly to countries in the Asian region like Japan, South Korea, Thailand and Middle – East. Over the years POCL has built a unmatched brand image within the lead sector for its quality, high level of efficiency, reliability, technical support and service. POCL also supply its products to leading battery manufacturers in India.

2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

Statement of compliance

These financial statements are the separate financial statements of the Company (also called standalone financial statements) prepared in accordance with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 ("the Act") read together with the Companies (Indian Accounting Standards) Rules, 2015 (as amended). The financial statements have also been prepared in accordance with the relevant presentation requirements of the Act.

Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

Functional and presentation currency

These financial statements are presented in Indian Rupees (₹), which is the Company's functional currency. All financial information presented in ₹ has been rounded to the nearest Lakhs (up to two decimals).

The financial statements are approved for issue by the Company's Board of Directors on May 29, 2023.

2A Critical accounting estimates and management judgments

In application of the accounting policies, which are described in note 2, the management of the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant.

Information about significant areas of estimation, uncertainty and critical judgements used in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

Property, Plant and Equipment (PPE), Intangible Assets and Investment Properties

The residual values and estimated useful life of PPEs, Intangible Assets and Investment Properties are assessed by the technical team at each reporting date by taking into account the nature of asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement and maintenance support. Upon review, the management accepts the assigned useful life and residual value for computation of depreciation/amortisation. Also, management judgement is exercised for classifying the asset as investment properties or vice versa.

Current tax

Calculations of income taxes for the current period are done based on applicable tax laws and management's judgement by evaluating positions taken in tax computation and interpretations of relevant provisions of law.

Deferred Tax Assets

Significant management judgement is exercised by reviewing the deferred tax assets at each reporting date to determine the amount of deferred tax assets that can be retained/ recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

Fair value

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Impairment of Trade Receivables

The impairment for trade receivables are done based on assumptions about risk of default and expected loss rates. The assumptions, selection of inputs for calculation of impairment are based on management judgement considering the past history, market conditions and forward looking estimates at the end of each reporting date.

Impairment of Non-financial assets (PPE/ Intangible Assets/ Investment Properties)

The impairment of non-financial assets is determined based on estimation of recoverable amount of such assets. The assumptions used in computing the recoverable amount are based on management judgement considering the timing of future cash flows, discount rates and the risks specific to the asset.

Defined Benefit Plans and Other long term employee benefits

The cost of the defined benefit plan and other long term employee benefits, and the present value of such obligation are determined by the independent actuarial valuer. An actuarial valuation involves making various assumptions that may differ from actual developments in future. Management believes that the assumptions used by the actuary in determination of the discount rate, future salary increases, mortality rates and attrition rates are reasonable. Due to the complexities involved in the valuation and its long term nature, this obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities could not be measured based on quoted prices in active markets, management uses valuation techniques including the Discounted Cash Flow (DCF) model, to determine its fair value The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is exercised in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

Provisions and contingencies

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore vary from the figure estimated at end of each reporting period.

2B Investment in wholly owned subsidiaries

a) During the year the Company has incorporated a subsidiary POCL Future Tech Private Limited by investing 9,99,925 shares for a value of ₹ 694.94 Lakhs and has become a wholly owned subsidiary of the Company

b) **Business Combination - Summary of acquisition**

Harsha Exito Engineering Private Limited has undergone proceedings under Corporate Insolvency Resolution Process (CIRP) as per the Insolvency and Bankruptcy Code, 2016 (IBC). Pursuant to the Resolution Plan submitted by M/s Pondy Oxides and Chemicals Limited the Hon'ble National Company Law Tribunal, Chennai bench, in their order dated January 12, 2023 vide IA/248/CHE/2022 approved the Resolution Plan

Based on the above approval, CIRP of the Company has concluded and the said Resolution plan has been implemented by the Monitoring Committee and the management of the Company has been handed over to the RA (Pondy Oxides and Chemicals Limited) by the Monitoring Committee w.e.f. March 12, 2023

The following consequential impacts have been given effect in the books of accounts in accordance with approved resolution plan / Accounting Standards:

(i) The existing directors of the Corporate Debtor as on the date of NCLT order have stand replaced by the new Board of Directors from their office with effect from January 12, 2023 as detailed below:

(1) Mr. Ashish Bansal, Director

(2) Mr. K Kumaravel, Director

(3) Mr. Vijay Balakrishnan, Director

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

(ii) The Resolution Plan was approved by the Hon'ble NCLT based on the Expression of Interest given by the Resolution Applicant for a total consideration of ₹ 32.50 Crore on the admitted claims as stated in the Resolution Plan. Apart from the above, for acquiring 100% Equity Share Capital amounting to Rs. 50 Crore, the Resolution Applicant has paid a token amount of ₹ 100/- each to all four Shareholders (i.e. 50,00,000 Equity Shares @ ₹ 100/- each) as per the order of the NCLT.

As per the NCLT Order, post payment of the consideration of ₹ 32.50 Crore to various stakeholders as approved in the Resolution plan, all the liabilities (secured/unsecured/ operational creditors, etc.) shall stand extinguished in the Financial statements of Harsha Exito Engineering Private Limited and it has become wholly owned subsidiary of the Pondy Oxides and Chemicals Limited.

3 SIGNIFICANT ACCOUNTING POLICIES

a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

i) Expected to be realised or intended to be sold or consumed in normal operating cycle

ii) Held primarily for the purpose of trading

iii) Expected to be realised within twelve months after the reporting period, or

iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

i) It is expected to be settled in normal operating cycle

ii) It is held primarily for the purpose of trading

iii) It is due to be settled within twelve months after the reporting period, or

iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

b) Fair value measurement

The Company has applied the fair value measurement wherever necessitated at each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

i) In the principal market for the asset or liability;

ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non - financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and the best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 : Quoted (unadjusted) market prices in active market for identical assets or liabilities;

Level 2 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company has designated the respective team leads to determine the policies and procedures for both recurring and non - recurring fair value measurement. External valuers are involved, wherever necessary with the approval of Company's board of directors. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

For the purpose of fair value disclosure, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risk of the asset or liability and the level of the fair value hierarchy as explained above. The component wise fair value measurement is disclosed in the relevant notes.

c) Revenue Recognition

Sale of goods

The Company derives revenues primarily from sale of manufactured goods, traded goods and related services.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue on sale of goods is recognised when the risk and rewards of ownership is transferred to the buyer, which generally coincides with the despatch of the goods or as per the inco-terms agreed with the customers.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment. It comprises of invoice value of goods after deducting discounts, volume rebates and applicable taxes on sale. It also excludes value of self-consumption.

Sale of services

Income from sale of services is recognised when the services are rendered as per the terms of the agreement and when no significant uncertainty as to its determination or realisation exists.

Export entitlements

In respect of the exports made by the Company, the related export entitlements from Government authorities are recognised in the statement of profit and loss when the right to receive the incentives/ entitlements as per the terms of the scheme is established and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Interest Income

Interest income is recorded using the effective interest rate (EIR) method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividend income

Dividend income is recognised when the Company's right to receive dividend is established by the reporting date, which is generally when shareholders approve the dividend.

Rental income

Rental income from operating lease is recognised on a straight line basis over the term of the relevant lease, if the escalation is not a compensation for increase in cost inflation index.

d) Property, plant and equipment and capital work in progress

Presentation

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Property, plant and equipment and capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs of a qualifying asset, if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

Property, plant and equipment acquired in a business combination are recognised at fair value at the acquisition date.

Advances paid towards the acquisition of tangible assets outstanding at each balance sheet date, are disclosed as

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

capital advances under long term loans and advances and the cost of the tangible assets not ready for their intended use before such date, are disclosed as capital work in progress.

Component Cost

All material/ significant components have been identified and have been accounted separately.

The useful life of such component are analysed independently and wherever components are having different useful life other than plant they are part of, useful life of components are considered for calculation of depreciation.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of repairs and maintenance are recognised in the statement of profit and loss as incurred.

Machinery spares/ insurance spares that can be issued only in connection with an item of fixed assets and their issue is expected to be irregular are capitalised. Replacement of such spares is charged to revenue. Other spares are charged as revenue expenditure as and when consumed.

Derecognition

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

e) Depreciation on property, plant and equipment

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life on a written down value method. The depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less 5% being its residual value.

Depreciation is provided on written down value method, over the useful lives specified in Schedule II to the Companies Act, 2013, except in respect of certain assets, where useful life estimated based on internal assessment and/or independent technical evaluation carried out by external valuer, past trends and differs from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

Depreciation for PPE on additions is calculated on pro-rata basis from the date of such additions. For deletion/ disposals, the depreciation is calculated on pro-rata basis up to the date on which such assets have been discarded/ sold. Additions to fixed assets, costing ₹5000 each or less are fully depreciated retaining its residual value.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

f) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of a separately acquired intangible asset comprises (a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; and (b) any directly attributable cost of preparing the asset for its intended use.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Goodwill is initially recognised based on the accounting policy for business combinations and is tested for impairment annually.

Useful life and amortisation of intangible assets

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Subsequent cost and measurement

Subsequent costs are capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures, including expenditure on internally-generated intangibles, are recognised in the statement of profit and loss as incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

the same basis as intangible assets that are acquired separately.

The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

g) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost, including related transaction costs. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any. The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

Company depreciates investment property as per the useful life prescribed in Schedule II of the Companies Act, 2013.

Though the Company measures investment property using the cost-based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation applying a valuation model. External valuers are involved, wherever necessary with the approval of Company's board of directors. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss in the period in which the property is derecognised.

h) Inventories

Inventories are carried at the lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Costs are determined on weighted average method as follows:

(i) **Raw materials, stock acquired for trading, packing materials and consumables:** At purchase cost including other cost incurred in bringing materials/consumables to their present location and condition.

(ii) **Work-in-process and intermediates:**

At material cost, conversion costs and appropriate share of production overheads

(iii) **Finished goods:** At material cost, conversion costs and an appropriate share of production overheads.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

i) Financial Instruments

Financial assets and Financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

Financial assets

Initial recognition and measurement

All financial assets are initially recognised at fair value. However, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset are also added to the cost of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified on the basis of their contractual cash flow characteristics and the entity's business model of managing them.

Financial assets are classified into the following categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

Debt instruments at amortised cost

The Company classifies a debt instrument as at amortised cost, if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and

b) Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Debt instrument at FVTOCI

The Company classifies a debt instrument at FVTOCI, if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognises finance income, impairment losses and reversals and foreign exchange gain or loss in the profit and loss statement. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

The Company classifies all debt instruments, which do not meet the criteria for categorisation as at amortised cost or as FVTOCI, as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the profit and loss.

Equity investments

The Company has accounted for Investment in subsidiaries at cost less impairment loss if any.

All equity investments under scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. Where the Company makes an irrevocable election of classifying the equity instruments at FVTOCI, it recognises all subsequent changes in the fair value in OCI, without any recycling of the amounts from OCI to profit and loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the profit and loss.

Financial assets are measured at FVTPL except for those financial assets whose contractual terms give rise to cash flows on specified dates that represents SPPI, are measured as detailed below depending on the business model:

Classification	Name of the financial asset
Amortised cost	Trade receivables, Loans given to employees and others, deposits, interest receivable, unbilled revenue and other advances recoverable in cash.
FVTOCI	Equity investments in companies other than subsidiaries and associates if an option exercised at the time of initial recognition.
FVTPL	Other investments in equity instruments, mutual funds, forward exchange contracts (to the extent not designated as a hedging instrument).

Derecognition

A financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, receivables and bank balance.

b) Financial assets that are debt instruments and are measured at FVTOCI

c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 17

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime Expected Credit Loss (ECL) at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 months ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, the Company considers all contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument and Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL allowance (or reversal) recognised during the period is recognised as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the profit and loss. The balance sheet presentation of ECL for various financial instruments is described below:

- **Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables:** ECL is presented as an allowance, which reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- **Debt instruments measured at FVTOCI:** Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

For impairment purposes, significant financial assets are tested on individual basis at each reporting date. Other financial assets are assessed collectively in groups that share similar credit risk characteristics. Accordingly, the impairment testing is done on the following basis:

Name of the financial asset	Impairment Testing Methodology
Trade Receivables	Expected Credit Loss model (ECL) is applied. The ECL over lifetime of the assets are estimated by using a provision matrix which is based on historical loss rates reflecting current conditions and forecasts of future economic conditions which are grouped on the basis of similar credit characteristics such as nature of industry, customer segment, past due status and other factors that are relevant to estimate the expected cash loss from these assets.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

Name of the financial asset	Impairment Testing Methodology
Other financial assets	When the credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. When there is significant change in credit risk since initial recognition, the impairment is measured based on probability of default over the life time. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL and as at amortised cost.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading, if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/ loss are not subsequently transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Classification	Name of the financial liability
Amortised cost	Borrowings, Trade payables, Interest accrued, Unclaimed / Disputed dividends, Security deposits and other financial liabilities not for trading.
FVTPL	Foreign exchange Forward contracts being derivative contracts do not qualify for hedge accounting under Ind AS 109 and other financial liabilities held for trading.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at fair value through profit or loss, are subsequently measured at higher of (i) The amount of loss allowance determined in accordance with impairment requirements of Ind AS 109 – Financial Instruments and (ii) The amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18 – Revenue.

Derivative financial instruments

The Company holds derivative financial instruments such as foreign exchange forward and options contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

(a) Derivatives fair valued through profit or loss

This category has derivative financial assets or liabilities which are not designated as hedges.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

Although the Company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorised as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognised initially at fair value and attributable transaction costs are recognised in net profit in the Statement of Profit and Loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in profit or loss. Assets / liabilities in this category are presented as current assets / current liabilities if they are either held for trading or are expected to be realised within 12 months after the Balance Sheet date.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

S. No	Original classification	Revised classification	Accounting treatment
1	Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in P&L.
2	FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
3	Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
4	FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
5	FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
6	FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognised in OCI is reclassified to P&L at the reclassification date.

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

j) Foreign currency transactions and translations

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rates at the date at which the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate, if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

The Company enters into forward exchange contract to hedge its risk associated with foreign currency fluctuations. The premium or discount arising at the inception of a forward exchange contract is amortised as expense or income over the life of the contract. In case of monetary items which are covered by forward exchange contract, the difference between the yearend rate and rate on the date of the contract is recognised as exchange difference. Any profit or loss arising on cancellation of a forward exchange contract is recognised as income or expense for that year.

k) Borrowing Costs

Borrowing cost include interest computed using Effective Interest Rate method, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are directly attributable to the acquisition, construction, production of a qualifying asset are capitalised as part of the cost of that asset which takes substantial period of time to get ready for its intended use. The Company determines the amount of borrowing cost eligible for capitalisation by applying capitalisation rate to the expenditure incurred on such cost. The capitalisation rate is determined based on the weighted average rate of borrowing cost applicable to the borrowings of the Company which are outstanding during the period, other than borrowings made specifically towards purchase of the qualifying asset. The amount of borrowing cost that the Company capitalises during the period does not exceed the amount of borrowing cost incurred during that period. All other borrowings costs are expensed in the period in which they occur.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

l) Government grants

Government grants are recognised at fair value where there is a reasonable assurance that the grant will be received and all the attached conditions are complied with.

In case of revenue related grant, the income is recognised on a systematic basis over the period for which it is intended to compensate an expense and is disclosed under "Other operating revenue" or netted off against corresponding expenses wherever appropriate. Receivables of such grants are shown under "Other Financial Assets". Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same. Receivables of such benefits are shown under "Other Financial Assets".

Government grants related to assets, including non-monetary grants at fair value, shall be presented in the balance sheet by setting up the grant as deferred income. The grant set up as deferred income is recognised in profit or loss on a systematic basis over the useful life of the asset.

m) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Uncertainty over Income Tax Treatments clarifies that while determinating the taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Where there is deferred tax assets arising from carry forward of unused tax losses and unused tax created, they are recognised to the extent of deferred tax liability.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

n) Retirement and other employee benefits

Short-term employee benefits

A liability is recognised for short-term employee benefit in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Defined contribution plans

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Defined benefit plans

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Employee Benefits in connection with Plan amendments, curtailments and settlements, to use updated assumptions to determine current service cost to be updated and to recognise in profit or loss as part of past service cost or gain or loss on settlement.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

Compensated absences

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognised in the period in which the absences occur.

Other long term employee benefits

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by the employees up to the reporting date.

o) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. All other leases are operating leases.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

p) Impairment of non financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

q) Provisions, contingent liabilities and contingent asset

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made to the amount of the obligation.

Provisions are discounted, if the effect of the time value of money is material, using pre-tax rates that reflects the risks specific to the liability. When discounting is used, an increase in the provisions due to the passage of time is recognised as finance cost. These provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Necessary provision for doubtful debts, claims, etc., are made, if realisation of money is doubtful in the judgement of the management.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. Contingent liabilities are disclosed separately.

Show cause notices issued by various Government authorities are considered for evaluation of contingent liabilities only when converted into demand.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

Contingent assets

Where an inflow of economic benefits is probable, the Company discloses a brief description of the nature of the contingent assets at the end of the reporting period, and, where practicable, an estimate of their financial effect.

Contingent assets are disclosed but not recognised in the financial statements.

r) Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances with original maturity of less than 3 months, highly liquid investments that are readily convertible into cash, which are subject to insignificant risk of changes in value.

s) Cash Flow Statement

Cash flows are presented using indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

Bank borrowings are generally considered to be financing activities. However, where bank overdrafts which are repayable on demand form an integral part of an entity's cash management, bank overdrafts are included as a component of cash and cash equivalents for the purpose of Cash flow statement.

t) Earnings per share

The basic earnings per share are computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate.

u) Business Combination

Business combinations are accounted for using the acquisition method as at the date of the acquisition, which is the date at which control is transferred to the Company.

The consideration transferred in the acquisition and the identifiable assets acquired and liabilities assumed are recognised at fair values on their acquisition date. Goodwill is initially measured at cost being the excess of aggregate consideration transferred over the net identifiable assets and liabilities. Any gain on a bargain purchase is recognised in the OCI and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, then gain on a bargain purchase is recognised directly in equity as capital reserve. Transaction costs are recognised in profit & loss account.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

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a) Property, plant and equipment

Particulars	Tangible Assets											Intangible Assets
	Owned Assets									Right of Use Asset	Total	
	Free hold Land	Buildings	Plant and Equipment	Lab Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Electrical Fittings	Sub Total	Leasehold Land		
Deemed Cost as at April 1, 2021	**719.10**	**2,575.18**	**2,558.20**	**119.14**	**164.66**	**130.67**	**172.13**	**313.82**	**6,752.90**	**237.82**	**6,990.72**	**159.06**
Additions	-	417.92	849.44	-	14.85	196.48	31.41	91.49	1,601.59	-	1,601.59	1.30
Disposals	-	-	(64.36)	-	-	(2.83)	(11.84)	-	(79.03)	-	(79.03)	-
Cost as at March 31, 2022	**719.10**	**2,993.10**	**3,343.28**	**119.14**	**179.51**	**324.32**	**191.70**	**405.31**	**8,275.46**	**237.82**	**8,513.28**	**160.36**
Additions	3,209.49	366.18	700.21	30.34	19.15	161.42	43.43	101.20	4,631.42	-	4,631.42	-
Disposals	-	-	(316.73)	(3.38)	(1.77)	(120.91)	(20.83)	(5.68)	(469.30)	-	(469.30)	-
Cost as at March 31, 2023	**3,928.59**	**3,359.28**	**3,726.76**	**146.10**	**196.89**	**364.83**	**214.30**	**500.83**	**12,437.58**	**237.82**	**12,675.40**	**160.36**
Depreciation/Amortisation												
As at March 31, 2021	**-**	**768.00**	**1,295.21**	**87.87**	**119.92**	**88.32**	**136.31**	**178.27**	**2,673.90**	**13.05**	**2,686.95**	**65.17**
Charge for the year	-	195.34	546.86	7.64	23.56	23.63	29.78	49.26	876.07	2.61	878.68	19.97
Disposals	-	-	(47.89)	-	-	(2.30)	(10.72)	-	(60.91)	-	(60.91)	-
As at March 31, 2022	**-**	**963.34**	**1,794.18**	**95.51**	**143.48**	**109.65**	**155.37**	**227.53**	**3,489.06**	**15.66**	**3,504.72**	**85.14**
Charge for the year	-	204.79	588.46	8.06	17.96	77.88	26.47	66.10	989.72	2.61	992.33	14.00
Disposals	-	-	(246.98)	(2.67)	(1.45)	(107.68)	(18.88)	(4.35)	(382.01)	-	(382.01)	-
As at March 31, 2023	**-**	**1,168.13**	**2,135.66**	**100.90**	**159.99**	**79.85**	**162.96**	**289.28**	**4,096.77**	**18.27**	**4,115.04**	**99.14**
Net Block												
As at April 1, 2021	719.10	1,807.18	1,262.99	31.27	44.74	42.35	35.82	135.55	4,079.00	224.77	4,303.77	93.89
As at March 31, 2022	719.10	2,029.76	1,549.10	23.63	36.03	214.67	36.33	177.78	4,786.40	222.16	5,008.56	75.22
As at March 31, 2023	3,928.59	2,191.15	1,591.10	45.20	36.90	284.98	51.34	211.55	8,340.81	219.55	8,560.36	61.22

NOTES TO STANDALONE FINANCIAL STATEMENTS
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(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

b) Capital work-in-progress

Capital work-in-progress as at March 31, 2023 is ₹ 702.56 Lakhs (Previous Year - ₹ 346.61 Lakhs).

Ageing for capital work-in-progress groupwise as at March 31, 2023 is as follows

Particulars	Amount in work-in-progress for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	702.56	-	-	-	702.56
Projects temporarily suspended	-	-	-	-	-
Total	**702.56**	**-**	**-**	**-**	**702.56**

Ageing for capital work-in-progress groupwise as at March 31, 2022 is as follows

Particulars	Amount in work-in-progress for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	346.61	-	-	-	346.61
Projects temporarily suspended	-	-	-	-	-
Total	**346.61**	**-**	**-**	**-**	**346.61**

c) Title deeds of Immovable Properties not held in name of the Company as at March 31, 2023 and March 31, 2022

Title deeds of Immovable Properties not held in name of the Company as at March 31, 2023 and March 31, 2022

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the Company
Property, plant and equipment	Freehold land held at Plot 78C Industrial park, Gajulamandayam, Chittoor, Andhra Pradesh	293.15	Vedam Drugs Private Limited / Meloy Metals Private Limited	No	April 1, 2019	The said transfer was pursuant to the Amalgamation as approved by Honourable NCLT, Chennai vide order dated February 21, 2020.

5 GOODWILL

	As at March 31, 2023	As at March 31, 2022
Acquisitions through business combination	965.46	965.46
	965.46	**965.46**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

6 NON-CURRENT INVESTMENTS

	As at March 31, 2023	As at March 31, 2022
Investments in subsidiaries (at cost)		
i. Investments in Equity Instruments (Unquoted)		
POCL Future Tech Private Limited 9,99,925 shares @ ₹ 10 each	694.94	-
Harsha Exito Engineering Private Limited 50,00,000 shares @ ₹ 100 each	3,282.50	-
Investments in companies other than subsidiaries, associates and joint ventures (at FVTPL)		
i. Investments in Equity Instruments (Quoted)		
2,000 equity shares (previous year 2,000) of ₹10 each in Amararaja Batteries Limited, fully paid	11.58	10.73
	3,989.02	**10.73**
Total non-current investments		
Aggregate amount of quoted investments	11.58	10.73
Aggregate market value of quoted investments	11.58	10.73
Aggregate cost of unquoted investments	3,977.44	-
Aggregate amount of impairment in value of investments	-	-

7 OTHER NON-CURRENT FINANCIAL ASSETS

	As at March 31, 2023	As at March 31, 2022
(Unsecured, considered good)		
Security deposits	165.38	76.11
	165.38	**76.11**

8 DEFERRED TAX ASSET / (LIABILITY) - NET

	As at March 31, 2023	As at March 31, 2022
Deferred Tax Asset		
On Fixed Assets	194.32	158.93
On expenses allowed under Income Tax on payment basis	18.94	3.58
Net deferred tax asset / (liability)	**213.26**	**162.51**

9 OTHER NON-CURRENT ASSETS

	As at March 31, 2023	As at March 31, 2022
Advance income tax (net of provision for tax)	9.10	9.10
Capital Advances	387.14	115.66
	396.24	**124.76**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

10 INVENTORIES

	As at March 31, 2023	As at March 31, 2022
Raw materials	6,332.81	6,741.04
Work-in-progress	2,741.33	1,787.64
Finished goods	2,492.31	2,362.87
Stock in transit	3,272.84	3,392.61
Stores and spares	258.49	318.44
	15,097.78	**14,602.60**

	As at March 31, 2023	As at March 31, 2022
Inventory comprise of		
Raw Materials		
Lead in all forms	5,202.73	4,789.17
Others	1,130.08	1,951.87
	6,332.81	**6,741.04**
Work in progress		
Lead in all forms	2,672.33	1,637.33
Others	69.00	150.31
	2,741.33	**1,787.64**
Finished Goods		
Lead Ingots	365.83	463.39
Lead Alloys	1,506.70	1,858.31
Others	619.78	41.17
	2,492.31	**2,362.87**

11 TRADE RECEIVABLES

	As at March 31, 2023	As at March 31, 2022
Considered good - Secured	55.20	44.98
Considered good - Unsecured	9,864.48	8,689.71
	9,919.68	**8,734.69**

Ageing for trade receivables – current outstanding as at March 31, 2023 is as follows :

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than Six Months	6 Months – 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) Undisputed Trade receivables – considered good	9,369.56	550.00	-	0.12	-	-	9,919.68
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)
(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than Six Months	6 Months – 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	**9,369.56**	**550.00**	**-**	**0.12**	**-**	**-**	**9,919.68**

Ageing for trade receivables – current outstanding as at March 31, 2022 is as follows :

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than Six Months	6 Months – 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) Undisputed Trade receivables – considered good	7,138.04	1,596.65	-	-	-	-	8,734.69
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	**7,138.04**	**1,596.65**	**-**	**-**	**-**	**-**	**8,734.69**

12 CASH AND CASH EQUIVALENTS

	As at March 31, 2023	As at March 31, 2022
Cash in hand	0.98	1.17
Balances with banks		
In current accounts	7.60	40.81
In EEFC account	-	32.98
	8.58	**74.96**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

13 OTHER BANK BALANCES

	As at March 31, 2023	As at March 31, 2022
In fixed deposits		
Margin money with banks (maturing within 12 months from the reporting date) *	-	138.22
In earmarked accounts		
Unpaid dividend accounts	12.04	11.75
	12.04	**149.97**

* Lien marked with banks and are restricted from being exchanged or used to settle a liability.

14 OTHER FINANCIAL ASSETS

	As at March 31, 2023	As at March 31, 2022
Loan to Subsidiary		
Considered good - Unsecured *	5.51	-
	5.51	**-**

* Loan of ₹ 5.51 Lakhs to subsidiary represents loan given to Harsha Exito Engineering Private Limited for business purposes which is repayable on demand. Interest is charged @ 8.00% p.a. for the loan provided

15 OTHER CURRENT ASSETS

	As at March 31, 2023	As at March 31, 2022
GST / Rebate Receivables	1,814.01	987.23
Interest accrued on Deposits	1.11	3.92
Prepaid expenses	43.82	23.79
Balances with government authorities	61.07	27.81
Advances to Employees	11.83	7.49
Others - Suppliers Advance (including for expenses)	1,378.45	1,627.04
Other current assets	3.13	-
	3,313.42	**2,677.28**

16 CAPITAL

	As at March 31, 2023	As at March 31, 2022
Authorised Share Capital		
2,01,50,000 (2,01,50,000) Equity shares of ₹ 10 each	2,015.00	2,015.00
	2,015.00	**2,015.00**
Issued Share Capital		
1,16,24,780 (58,12,390) Equity shares of ₹ 10 each	1,162.48	581.24
	1,162.48	**581.24**
Subscribed and fully paid up share capital		
1,16,24,780 (58,12,390) Equity shares of ₹ 10 each	1,162.48	581.24
	1,162.48	**581.24**

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

Notes:

(a) Reconciliation of number of equity shares subscribed

	As at March 31, 2023	As at March 31, 2022
Balance as at the beginning of the year	58,12,390	58,12,390
Add: Issued on account of Bonus issue	58,12,390	-
Balance at the end of the year	**1,16,24,780**	**58,12,390**

During the current year, the Company has issued and allotted 58,12,390 fully paid up Bonus Equity shares of ₹ 10 each in the ratio of 1:1 (i.e. 1 Bonus Equity share for every 1 existing equity share of the Company) to the shareholders who held shares on Septermber 29, 2022 (Record date). Accordingly the Company's paid up share capital have increased from 58,12,390 Equity Shares of ₹ 10/- each to 1,16,24,780 Equity Shares of ₹ 10/- each. These Bonus Equity Shares are ranking pari-passu in all respects and carry the same rights as that of the existing Equity Shares.

(b) Shareholders holding more than 5% of the total share capital

Name of the share holder	March 31, 2023		March 31, 2022	
	No of shares	%	No of shares	%
Ashish Bansal	17,17,924	14.78%	8,50,615	14.63%
Anil Kumar Bansal	12,53,622	10.78%	6,23,461	10.73%
Manju Bansal	10,95,254	9.42%	5,12,627	8.82%
R.P.Bansal #	-	0.00%	5,30,945	9.13%
Saroj Bansal #	13,58,240	11.68%	1,83,175	3.15%

(c) Rights, preferences and restrictions in respect of equity shares issued by the Company

The Company has only one class of equity shares having a par value of ₹10 each. The equity shares of the Company having par value of ₹10/- rank pari-passu in all respects including voting rights and entitlement to dividend.

(d) Disclosure of shareholding of promoters as at March 31, 2023 is as follows

Name of the share holder	March 31, 2023		March 31, 2022		% change during the year *
	No of shares	%	No of shares	%	
Ashish Bansal	17,17,924	14.78%	8,50,615	14.63%	101.96%
Anil Kumar Bansal	12,53,622	10.78%	6,23,461	10.73%	101.07%
Manju Bansal	10,95,254	9.42%	5,12,627	8.82%	113.66%
Saroj Bansal #	13,58,240	11.68%	1,83,175	3.15%	641.50%
Pawankumar Bansal	2,46,580	2.12%	1,23,290	2.12%	100.00%
Megha Choudhari	11,136	0.10%	5,568	0.10%	100.00%
Total	**56,82,756**		**22,98,736**		

* Refer Note 16(a)

Transmission of shares to the family members due to the Demise of Mr. R.P. Bansal.

17 OTHER EQUITY

	As at March 31, 2023	As at March 31, 2022
General reserve	2,275.92	1,785.92
Securities Premium	511.28	1,092.52
Retained Earnings	21,464.88	17,354.99
Other comprehensive income	-	-
	24,252.08	**20,233.43**

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

a) General reserve

	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	1,785.92	1,305.92
Additions during the year	490.00	480.00
Balance at the end of the year	**2,275.92**	**1,785.92**

b) Securities Premium

	As at March 31, 2023	As at March 31, 2022
Balance at the beginning and end of the year	1,092.52	1,092.52
Deductions/Adjustments during the year	(581.24)	-
Balance at the end of the year	**511.28**	**1,092.52**

c) Retained Earnings

	As at March 31, 2023	As at March 31, 2022
Opening balance	17,354.99	13,152.61
Net profit for the period	4,920.12	4,824.76
Transfer from Other Comprehensive Income	(4.60)	11.27
Transfers to General Reserve	(490.00)	(480.00)
Excess/(Short) provision for taxes reversed	(25.01)	(8.34)
Dividend paid (including tax on dividends)	(290.62)	(145.31)
Closing balance	**21,464.88**	**17,354.99**

d) Other comprehensive income

	As at March 31, 2023	As at March 31, 2022
Opening balance	-	-
Additions during the year	(4.60)	11.27
Deductions/Adjustments during the year	4.60	(11.27)
Closing balance	**-**	**-**

18 LONG TERM BORROWINGS

	As at March 31, 2023	As at March 31, 2022
Secured *		
From Banks	127.43	154.93
Unsecured Loans		
From Related Parties **	500.00	750.00
Less: Current maturities of Long Term Debt (refer Note 21)	(29.41)	(27.50)
	598.02	**877.43**

* Refer Note 42 for repayment terms and security details

** Represents loan from Directors

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

19 PROVISIONS (NON-CURRENT)

	As at March 31, 2023	As at March 31, 2022
Provision for Employee Benefits		
Gratuity	19.93	8.17
Compensated absences	40.44	34.13
	60.37	**42.30**

20 OTHER NON-CURRENT LIABILITIES

	As at March 31, 2023	As at March 31, 2022
Deferred Government Grants	17.32	21.42
	17.32	**21.42**

21 CURRENT LIABILITIES - FINANCIAL LIABILITIES: BORROWINGS

	As at March 31, 2023	As at March 31, 2022
Secured		
Loans repayable on Demand		
From banks		
Rupee Loans	12,050.47	8,511.80
Foreign Currency Loans	887.19	-
Current maturities of long-term debt	29.41	27.50
Unsecured		
Loans from directors	527.06	1,187.88
Inter Corporate Deposits	110.49	113.27
	13,604.62	**9,840.45**

Notes:

(a) Working Capital loans are secured by hypothecation of present and future stock of raw materials, stock-in-process, finished goods, stores and spares, book debts, materials in transit, etc. The above working capital facilities availed from banks are additionally secured by a charge / mortgage on all fixed assets of the Company. The loans carry interest in the range of 7% to 9%

(b) Inter-corporate and other deposits carry interest in the range of 10% payable annually, repayable as per the terms of repayment agreed.

(c) The Company has filed periodical statements with banks for the working capital facilities availed which are in generally agreement with books of accounts with no material discrepancies.

22 TRADE PAYABLES

	As at March 31, 2023	As at March 31, 2022
Dues to Micro and Small enterprises *	107.10	59.95
Dues to Creditors other than Micro and Small enterprises	729.96	724.82
	837.06	**784.77**

* Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management represents the principal amount payable to these enterprises. There are no interest due and outstanding as at the reporting date. Please refer Note 39.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

Ageing for trade payables – current outstanding as at March 31, 2023 is as follows :

Particulars		Not Due	Outstanding for following periods from due date of payment				Total
			Less than one Year	1-2 Years	2-3 Years	More than 3 Years	
i)	MSME	92.78	14.32	-	-	-	107.10
ii)	Others	486.13	178.75	3.93	1.56	-	670.37
iii)	Disputed dues – MSME	-	-	-	-	-	-
iv)	Disputed dues – Others	-	-	-	-	-	-
v)	Accrued Expenses	59.59	-	-	-	-	59.59
Total		**638.50**	**193.07**	**3.93**	**1.56**	**-**	**837.06**

Ageing for trade payables – current outstanding as at March 31, 2022 is as follows :

Particulars		Not Due	Outstanding for following periods from due date of payment				Total
			Less than one Year	1-2 Years	2-3 Years	More than 3 Years	
i)	MSME	-	59.95	-	-	-	59.95
ii)	Others	550.37	108.33	7.46	1.81	-	667.97
iii)	Disputed dues – MSME	-	-	-	-	-	-
iv)	Disputed dues – Others	-	-	-	-	-	-
v)	Accrued Expenses	56.85	-	-	-	-	56.85
Total		**607.22**	**168.28**	**7.46**	**1.81**	**-**	**784.77**

23 OTHER CURRENT FINANCIAL LIABILITIES

	As at March 31, 2023	As at March 31, 2022
Forward Contract Payable	13.25	153.09
Unpaid/Unclaimed dividends	11.96	11.68
Unclaimed Fractional Shares dividends	0.08	0.08
	25.29	**164.85**

24 PROVISIONS (CURRENT)

	As at March 31, 2023	As at March 31, 2022
Provision for Tax (net of advance tax and TDS)	17.26	194.29
Provision for employee benefits		
Gratuity	6.20	6.06
Compensated absences	8.70	6.03
	32.16	**206.38**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

25 OTHER CURRENT LIABILITIES

	As at March 31, 2023	As at March 31, 2022
Statutory Dues Payable	97.58	77.62
Employee benefits payable	131.06	118.42
Advance and deposits from customers	2,568.06	52.00
Deferred Government Grants	6.62	9.15
Other payables	17.79	-
	2,821.11	**257.19**

26 REVENUE FROM OPERATIONS

	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of Products		
Manufactured Goods	1,43,589.06	1,34,210.88
Traded Goods	1,913.36	8,866.40
Sale of Services		
Conversion Charges Received	1,593.31	2,305.75
	1,47,095.73	**1,45,383.03**
Other Operating Revenue	71.11	97.07
	1,47,166.84	**1,45,480.10**

Details of Manufactured and Traded Goods

	For the year ended March 31, 2023	For the year ended March 31, 2022
i. Manufactured Goods:		
Metals	1,42,641.31	1,32,539.05
Metallic Oxides	-	285.11
Others	947.75	1,386.72
	1,43,589.06	**1,34,210.88**
ii. Traded Goods		
Metals	1,876.88	8,691.72
Others	36.48	174.68
	1,913.36	**8,866.40**

27 OTHER INCOME

	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest Income		
Interest receipts	4.56	6.18
MTM gain on forward contacts	43.86	-
Incomed from Subsidy	6.62	232.61
Gain on foreign exchange fluctuation (net)	334.62	211.67
Profit on fixed assets sold / scrapped / written off	-	8.61
Miscellaneous income	35.67	4.10
	425.33	**463.17**

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

28 COST OF MATERIALS CONSUMED

	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening inventory of raw materials	6,741.04	7,654.69
Add : Purchases	1,27,886.01	1,22,245.40
Less : Closing inventory of raw materials	(6,332.81)	(6,741.04)
Add: (Gain)/Deficit in Hedging operations of price of raw materials	(203.17)	1,168.25
	1,28,091.07	**1,24,327.30**

29 PURCHASES OF STOCK IN TRADE

	For the year ended March 31, 2023	For the year ended March 31, 2022
Metals - with Hedging adjustment	1,737.63	8,292.09
	1,737.63	**8,292.09**

30 CHANGES IN INVENTORIES OF WORK-IN-PROGRESS, STOCK IN TRADE AND FINISHED GOODS

	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening Balance		
Work-in-progress	1,787.64	1,466.17
Finished goods	3,486.49	511.67
Stock in trade	-	213.30
	5,274.13	**2,191.14**
Closing Balance		
Work-in-progress	2,741.33	1,787.64
Finished goods	2,492.31	3,486.49
	5,233.64	**5,274.13**
Net (increase)/decrease in inventories	**40.49**	**(3,082.99)**

31 EMPLOYEE BENEFITS EXPENSE

	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries and wages	1,919.49	1,773.68
Contribution to provident and other funds	128.11	120.36
Staff welfare expenses	183.82	101.81
	2,231.42	**1,995.85**

32 FINANCE COST

	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on Bank Borrowings	544.25	681.32
Interest on Others	139.87	163.00
	684.12	**844.32**

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

33 DEPRECIATION AND AMORTISATION EXPENSE

	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation on Property, Plant and Equipment	992.32	878.69
Amortisation of Intangible Assets	14.01	19.97
	1,006.33	**898.66**

34 OTHER EXPENSES

	For the year ended March 31, 2023	For the year ended March 31, 2022
Power and Fuel	3,106.45	2,386.56
Consumption of Packing Materials	53.94	42.44
Environmental Control Expenses	603.09	624.73
Conversion Charges	-	35.51
Contract Wages	384.55	310.89
Repairs and Maintenance		
Buildings	92.74	89.40
Plant and Machinery	662.39	497.66
Vehicles	21.08	16.15
Others	34.89	28.58
Factory expenses	182.98	169.58
Freight and Forwarding	1,152.93	1,337.22
Insurance	62.25	59.94
Laboratory Expenses	19.60	9.49
Legal and professional charges	86.97	65.49
Payments to Auditors [refer note 34 (a)]	19.94	17.50
Communication expenses	24.13	20.87
Printing and Stationery	10.43	6.00
Rates and Taxes	69.21	70.86
Rent	82.53	39.78
Advertisement and business promotion	36.36	14.52
Sales Commission	166.60	125.92
Travelling and Conveyance	71.65	16.70
MTM loss on forward contract	-	92.45
Loss on fixed assets sold / scrapped / written off	38.83	-
Bank charges	140.00	24.95
Expenditure on Corporate Social Responsibility [refer note 34 (b)]	65.70	55.01
Miscellaneous Expenses	36.20	74.19
	7,225.44	**6,232.39**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

34 (a) Payment to auditors

	For the year ended March 31, 2023	For the year ended March 31, 2022
Statutory Audit fees	14.00	12.00
Taxation fee	3.00	3.00
Limited Review Audit	1.30	1.00
Other Certifications	1.64	1.50
	19.94	**17.50**

34 (b) Expenditure on Corporate Social Responsibility

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Amount required to be spent by the Company during the year	66.17	57.92
Excess amount spent in previous year	0.49	3.40
Total amount to be spent during the year	65.68	54.52
Amount of expenditure incurred on:		
(i) Construction/ acquisition of any asset	-	-
(ii) On purposes other than (i) above	65.70	55.01
Excess spent during the year	0.02	0.49
Shortfall at the end of the year	-	-
Total of previous years shortfall	-	-
Reason for shortfall	NA	NA
Nature of CSR activities	Activities menitoned under Schedule VII of the Companies Act 2013 viz. Disaster management, Rural Infrastructure Development, reducing inequalities faced by socially and economically backward groups, etc.	
Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard	NA	NA

35 INCOME TAX EXPENSE

(a) Income tax expense

	For the year ended March 31, 2023	For the year ended March 31, 2022
Current tax		
Current tax on profits for the year	1,704.76	1,704.95
MAT Paid	-	-
Total current tax expense	**1,704.76**	**1,704.95**
Deferred tax		
Deferred tax adjustments	(49.21)	(94.06)
Total deferred tax expense/(benefit)	**(49.21)**	**(94.06)**
Income tax expense	**1,655.55**	**1,610.89**

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

b) The income tax expense for the year can be reconciled to the accounting profit as follows:

	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit before tax from continuing operations	6,575.67	6,435.65
Income tax expense calculated at 25.168% (2020-21: 25.168%)	1,654.96	1,619.72
Effect of expenses/income that are not deductible/taxable in determining taxable profit	49.80	85.23
Income tax expense	**1,704.76**	**1,704.95**

c) Income tax recognised in other comprehensive income

	For the year ended March 31, 2023	For the year ended March 31, 2022
Deferred tax		
Remeasurement of defined benefit obligation	1.55	(3.79)
Total income tax recognised in other comprehensive income	**1.55**	**(3.79)**

d) Movement of deferred tax expense for the year ended March 31,2023

Deferred tax (liabilities)/assets in relation to:	Opening balance	Recognised in profit or loss	Recognised in Other comprehensive income	Closing balance
Property, plant, and equipment and Intangible Assets	158.93	35.39	-	194.32
Expenses allowable on payment basis under the Income Tax Act	3.58	13.81	1.55	18.94
Total	**162.51**	**49.20**	**1.55**	**213.26**

e) Movement of deferred tax expense during the year ended March 31,2022

Deferred tax (liabilities)/assets in relation to:	Opening balance	Recognised in profit or loss	Recognised in Other comprehensive income	Closing balance
Property, plant, and equipment and Intangible Assets	65.33	93.60	-	158.93
Expenses allowable on payment basis under the Income Tax Act	6.91	0.46	(3.79)	3.58
Total	**72.24**	**94.06**	**(3.79)**	**162.51**

36 EARNINGS PER SHARE

	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit for the year attributable to owners of the Company	4,920.12	4,824.76
Weighted average number of ordinary shares outstanding *	1,16,24,780	1,16,24,780
Basic earnings per share (₹)	42.32	41.50
Diluted earnings per share (₹)	42.32	41.50

* Shares outstanding as on March 31, 2022 has been restated with shares outstanding as on March 31, 2023

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

37 VALUE OF IMPORTED AND INDIGENOUS RAW MATERIAL CONSUMED DURING THE FINANCIAL YEAR AND THE PERCENTAGE OF EACH TO THE TOTAL CONSUMPTION

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	₹ In Lakhs	Percentage (%)	₹ In Lakhs	Percentage (%)
Raw Materials				
Imported	95,727.28	75.00	89,822.01	72.00
Others	32,363.79	25.00	34,505.29	28.00
	1,28,091.07	**100.00**	**1,24,327.30**	**100.00**

38 REMITTANCE IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Amount Remitted as Dividend	-	-

39 DISCLOSURES REQUIRED BY THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT (MSMED) ACT, 2006 ARE AS UNDER

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(a) The principal amount remaining unpaid at the end of the year	107.10	59.95
(b) The delayed payments of principal amount paid beyond the appointed date during the year	-	-
(c) Interest actually paid under Section 16 of MSMED Act	-	-
(d) Normal Interest due and payable during the year, for all the delayed payments, as per the agreed terms	-	-
(e) Total interest accrued during the year and remaining unpaid	-	-

*This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

40 COMMITMENTS AND CONTINGENT LIABILITY

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Contingent Liability		
Performance/ Finance Guarantees		
Liability in respect of Letter of Credit/ Bank Guarantee Opened	-	500.00
Guanrantee given for Bank Loan to Subsidiary	2,800.00	-
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	252.75	89.56

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

41 OPERATING SEGMENTS

The operations of the Company falls under a single primary segment i.e., "Metal" in accordance with Ind AS 108 'Operating Segments" and hence segment reporting is not applicable.

Information relating to geographical areas

(a) Revenue from external customers

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
India	63,915.42	66,560.93
Rest of the world	83,251.42	78,919.17
Total	**1,47,166.84**	**1,45,480.10**

(b) Non current assets

The manufacturing facilities of the Company is situated in India and no non-current assets are held outside India

(c) Information about major customers

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Number of external customers each contributing more than 10% of total revenue	3	3
Total revenue from the above customers	1,06,967.42	1,04,177.72

42 TERMS AND CONDITIONS OF LONG TERM BORROWINGS

Financial Institution	Loan Outstanding March 31, 2023	Tenor	Repayment Commences from	Security
HDFC Bank	127.43 (154.93)	60 Months	March, 2022	First Charge on Vehicle Purchased

The above loans carry interest @ 6.75%

(Figures in brackets represent previous year numbers)

43 FINANCIAL INSTRUMENTS

Capital management

The Company manages its capital to ensure that entities in the Company will be able to continue as going concern, while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity, long-term borrowings and other short-term borrowings.

For the purposes of the Company's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders.

Gearing Ratio:	March 31, 2023	March 31, 2022
Debt	627.43	904.93
Less: Cash and bank balances	20.62	224.93
Net debt	**606.81**	**680.00**
Total equity	25,414.56	20,814.67
Gearing ratio (%)	2.39%	3.27%

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

Categories of Financial Instruments	March 31, 2023	March 31, 2022
Financial assets		
a. Measured at amortised cost		
Other non-current financial assets	165.38	76.11
Trade receivables	9,919.68	8,734.69
Cash and cash equivalents	8.58	74.96
Bank balances other than above	12.04	149.97
b. Measured at cost		
Investments	3,977.44	-
c. Mandatorily measured at FVTPL		
Investments	11.58	10.73
Derivative instruments	-	-
Financial liabilities		
a. Measured at amortised cost		
Borrowings (non-current)	598.02	877.43
Borrowings (current)	13,604.62	9,840.45
Trade payables	837.06	784.77
Other financial liabilities	12.04	11.76
b. Mandatorily measured at FVTPL		
Derivative instruments	13.25	153.09

Financial risk management objectives

The treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company seeks to minimise the effects of these risks by using natural hedging financial instruments and forward contracts to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on foreign exchange risk, the use of financial derivatives, and the investment of excess liquidity. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Market risk

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Company actively manages its currency and interest rate exposure through its finance division and uses derivative instruments such as forward contracts, wherever required, to mitigate the risks from such exposures. The use of derivative instruments is subject to limits and regular monitoring by appropriate levels of management.

Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company actively manages its currency rate exposures through a centralised treasury division and uses natural hedging principles to mitigate the risks from such exposures. The use of derivative instruments, if any, is subject to limits and regular monitoring by appropriate levels of management.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

Forward foreign exchange contracts

It is the policy of the Company to enter into forward foreign exchange contracts to cover (a) repayments of specific foreign currency borrowings; (b) the risk associated with anticipated sales and purchase transactions, taking into account the natural hedging on imports & exports and cost of currency to be recovered from the customers as per Sale Contract.

Disclosure of hedged and unhedged foreign currency exposure

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

As on March 31, 2023

Currency	Liabilities			Assets			Net overall exposure on the currency - net assets / (net liabilities)
	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	Gross exposure	Exposure hedged using derivatives	Net asset exposure on the currency	
USD	0.62	-	0.62	70.77	-	70.77	70.15
In ₹	50.85	-	50.85	5,815.09	-	5,815.09	5,764.24

As on March 31, 2022

Currency	Liabilities			Assets			Net overall exposure on the currency - net assets / (net liabilities)
	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	Gross exposure	Exposure hedged using derivatives	Net asset exposure on the currency	
USD	1.93	-	1.93	43.41	-	43.41	41.48
In ₹	147.16	-	147.16	3,266.23	-	3,266.23	3,119.07

Foreign currency sensitivity analysis

Movement in the functional currencies of the various operations of the Company against major foreign currencies may impact the Company's revenues from its operations. Any weakening of the functional currency may impact the Company's cost of imports and cost of borrowings and consequently may increase the cost of financing the Company's capital expenditures. The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of a currency and a simultaneous parallel foreign exchange rates shift in the foreign exchange rates of each currency by 2%, which represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 2% change in foreign currency rates.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

Interest rate risk management

The Company is exposed to interest rate risk because it borrow funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied. Further, in appropriate cases, the Company also effects changes in the borrowing arrangements to convert floating interest rates to fixed interest rates.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 25 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

The 25 basis point interest rate changes will impact the profitability by ₹ 20.50 Lakhs for the year (Previous ₹ 28.41 Lakhs)

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

Credit risk management

Credit risk arises when a customer or counterparty does not meet its obligations under a customer contract or financial instrument, leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily trade receivables and from its financing/ investing activities, including deposits with banks, mutual fund investments and foreign exchange transactions. The Company has no significant concentration of credit risk with any counterparty.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure is the total of the carrying amount of balances with banks, short term deposits with banks, trade receivables, margin money and other financial assets excluding equity investments.

(a) Trade Receivables

The Company has credit evaluation policy for each customer and, based on the evaluation, credit limit of each customer is defined. Wherever the Company assesses the credit risk as high, the exposure is backed by either bank, guarantee/letter of credit or security deposits.

The Company does not have higher concentration of credit risks to a single customer. As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default in payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

(b) Investments, Derivative Instruments, Cash and Cash Equivalents and Bank Deposits

Credit Risk on cash and cash equivalents, deposits with the banks/financial institutions is generally low as the said deposits have been made with the banks/financial institutions, who have been assigned high credit rating by international and domestic rating agencies.

Credit Risk on Derivative Instruments is generally low as the Company enters into the Derivative Contracts with the reputed Banks.

Investments of surplus funds are made only with approved banks/ financial institutions/ counterparty. Investments primarily include bank deposits, investment in units of quoted mutual funds issued by high investment grade funds etc. These bank deposits, mutual funds and counterparties have low credit risk. The Company has standard operating procedures and investment policy for deployment of surplus liquidity, which allows investment in bank deposits, debt securities and mutual fund schemes of debt and arbitrage categories and restricts the exposure in equity markets.

Offsetting related disclosures

Offsetting of cash and cash equivalents to borrowings as per the consortium agreement is available only to the bank in the event of a default. Company does not have the right to offset in case of the counter party's bankruptcy, therefore, these disclosures are not required.

Liquidity risk management

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company invests its surplus funds in bank fixed deposit and mutual funds, which carry minimal mark to market risks. The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

Liquidity tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

March 31, 2023	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
Trade payables	831.57	5.49	-	837.06
Borrowings (including interest accrued thereon upto the reporting date)	29.41	598.02	-	627.43
	860.98	**603.51**	**-**	**1,464.49**

March 31, 2022	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
Trade payables	784.77	-	-	784.77
Borrowings (including interest accrued thereon upto the reporting date)	27.50	877.43	-	904.93
	812.27	**877.43**	**-**	**1,689.70**

44 RELATED PARTY DISCLOSURE

a) List of parties having significant influence

Holding company	The Company does not have any holding company
Subsidiaries, associates and joint ventures	POCL Future Tech Private Limited
	Harsha Exito Engineering Private Limited
Entities in which directors/relatives are interested	Metier Enterprises (India) Private Limited
Employees Trusts where there is significant influence	Pondy Oxides and Chemicals Limited Group Gratuity Trust
Key management personnel (KMP)	
Mr. Anil Kumar Bansal	Chairman
Mr. Ashish Bansal	Managing Director
Mr. K Kumaravel	Director Finance & Company Secretary
Ms. Usha Sankar	Chief Financial Officer (upto August 9, 2022)
Mr. Vijay Balakrishnan	Chief Financial Officer (from August 10, 2022)
Relative of Key Management personnel	
Ms. K Mahalakshmi	Wife of Mr. K.Kumaravel
Mr. Sri Sabarish S	Son of Ms. Usha Sankar

b) Transactions during the year

S. No.	Nature of transactions	Year ended March 31, 2023	Year ended March 31, 2022
1	POCL Future Tech Private Limited		
	Investment in Subsidiary	694.94	-
	Sales	170.16	-
	Purchase	21.27	-
2	Harsha Exito Engineering Private Limited		
	Investment in Subsidiary	3,250.00	-
	Intercorporate Loan Given	5.51	-

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)
(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

S. No.	Nature of transactions	Year ended March 31, 2023	Year ended March 31, 2022
3	Metier Enterprises (India) Private Limited		
	Interest Paid	6.86	3.12
	Loan taken	119.27	185.03
	Loans repaid	128.23	133.05
	Purchase	68.26	-
4	Mr. Anil Kumar Bansal		
	Interest Paid	73.31	32.84
	Remuneration paid	108.71	110.01
	Loans taken	368.00	162.00
	Loans repaid	51.12	24.91
5	Mr. Ashish Bansal		
	Interest Paid	59.70	127.04
	Remuneration paid	234.57	220.70
	Loans taken	199.00	660.00
	Loans repaid	1,546.41	368.11
6	Mr.K Kumaravel		
	Remuneration paid	40.94	28.81
7	Ms.Usha Sankar		
	Professional charges/remuneration paid	2.00	13.16
8	Mr. Sri Sabarish S		
	Remuneration paid	9.57	7.68
9	Ms. K Mahalakshmi		
	Professional charges paid	6.00	3.60
10	Mr. Vijay Balakrishnan		
	Remuneration paid	27.30	-
11	Pondy Oxides and Chemicals Limited Group Gratuity Trust		
	Contribution to Gratuity Trust	11.60	20.00

c) Balances at the end of the year

Particulars		As at March 31, 2023	As at March 31, 2022
Loans			
1	Mr. Anil Kumar Bansal	825.93	443.07
2	Mr. Ashish Bansal	201.13	1,494.81
3	Harsha Exito Engineering Private Limited	5.51	-
4	Metier Enterprises (India) Private Limited	110.49	113.27

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

45 RETIREMENT BENEFIT PLANS

Defined contribution plans

In accordance with Indian law, eligible employees of the Company are entitled to receive benefits in respect of Gratuity fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. The contributions, as specified under the law, are made to the Gratuity fund as well as Employee State Insurance Fund

The total expense recognised in profit or loss of ₹ 128.11 Lakhs (previous year ₹ 120.36 Lakhs) represents contribution paid to these plans by the Company at rates specified in the rules of the plan.

Defined benefit plans

(a) Gratuity

The employees' gratuity fund scheme managed by a trust namely 'Pondy oxides and chemicals limited employees group gratuity trust'. Gratuity is payable as per Payment of Gratuity Act, 1972. In terms of the same, gratuity is computed by multiplying last drawn salary (basic salary including dearness Allowance if any) by completed years of continuous service with part thereof in excess of six months and again by 15/26. The Act provides for a vesting period of 5 years for withdrawal and retirement and a monetary ceiling on gratuity payable to an employee on separation, as may be prescribed under the Payment of Gratuity Act, 1972, from time to time. However, in cases where an enterprise has more favourable terms in this regard the same has been adopted.

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit.
Interest risk	A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	March 31, 2023	March 31, 2022
Discount Rate	7.25%	7.37%
Rate of increase in compensation level	7.00%	7.00%
Expected Average Remaining Working Lives of Employees (years)	28.48	28.22

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:

	March 31, 2023	March 31, 2022
	₹ Lakhs	₹ Lakhs
Amount recognised under Employee Benefits Expense in the Statement of profit and Loss:		
Current service cost	13.88	20.54
Net interest expense	9.74	8.70
Return on plan assets (excluding amounts included in net interest expense)	(9.08)	(7.51)
Components of defined benefit costs recognised in profit or loss	**14.54**	**21.73**
Amount recognised in Other Comprehensive Income (OCI) for the Year		
Remeasurement on the net defined benefit liability comprising:		
Actuarial (gains)/losses recognised during the period Actuarial (gains)/losses	6.15	(15.06)
Components of defined benefit costs recognised in other comprehensive income	**6.15**	**(15.06)**
	20.69	**6.67**

The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:

	March 31, 2023	March 31, 2022
	₹ Lakhs	₹ Lakhs
Present value of defined benefit obligation	158.27	135.96
Fair value of plan assets	(132.14)	(121.74)
Net liability/ (asset) arising from defined benefit obligation	**26.13**	**14.22**
Funded	-	-
Unfunded	26.13	14.22
	26.13	**14.22**

The above provisions are reflected under 'Provision for employee benefits- gratuity' (long-term provisions) [Refer note 20 & 26].

Movements in the present value of the defined benefit obligation in the current year were as follows:

	March 31, 2023	March 31, 2022
	₹ Lakhs	₹ Lakhs
Opening defined benefit obligation	135.96	132.53
Current service cost	13.88	20.54
Interest cost	9.74	8.70
Actuarial (gains)/losses	6.16	(16.74)
Benefits paid	(7.47)	(9.07)
Closing defined benefit obligation	**158.27**	**135.96**

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

Movements in the fair value of the plan assets in the current year were as follows:

	March 31, 2023	March 31, 2022
	₹ Lakhs	₹ Lakhs
Opening fair value of plan assets	121.74	105.08
Return on plan assets	7.56	5.83
Contributions	10.31	19.90
Benefits paid	(7.47)	(9.07)
Actuarial gains/(loss)	-	-
Closing fair value of plan assets	**132.14**	**121.74**

Sensitivity analysis

In view of the fact that the Company for preparing the sensitivity analysis considers the present value of the defined benefit obligation which has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

(b) Compensated absences

The expected cost of accumulating compensated absences is determined at each balance sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date is ₹ 49.14 Lakhs (previous year ₹ 40.16 Lakhs). Expense recognised during the year is ₹ 13.53 Lakhs (previous year ₹ 33.05 Lakhs).

INDEPENDENT AUDITOR'S REPORT

To the Members of Pondy Oxides and Chemicals Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the Consolidated financial statements of **Pondy Oxides And Chemicals Limited** ("the Holding Company") and its subsidiaries (the holding Company and it's subsidiaries together referred as 'the Group'), which comprise the Consolidated balance sheet as at 31stMarch 2023, the Consolidated statement of Profit and Loss (including Other Comprehensive Income), the Consolidated statement of cash flows, the Consolidated Statement of Changes in Equity for the year then ended and notes to consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the consolidated state of affairs (financial position) of the Group as at 31st March 2023, and their consolidated profit (financial performance including other comprehensive income), their Consolidated cash flows and their Consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group 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 Consolidated financial statements under the provisions of the Act and the rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Based on the examination of books of accounts and explanation provided to us, we are of the opinion that there are no materially significant key audit matters that requires disclosure in this report.

Information Other than the Consolidated Financial Statements and Auditor's Report thereon (Other Information)

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Corporate Governance and Shareholders Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other Information identified above when it becomes available, and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of audit or otherwise appears to be materially misstated.

If, based on the work we have performed and based on the work done/audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the financial position, consolidated financial performance, including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India.

INDEPENDENT AUDITOR'S REPORT (Contd.)

The Holding company's Board of directors are also responsible for ensuring accuracy of records including financial information considered necessary for preparation of consolidated financial statements. Further, in terms of provision of the Act the respective, Board of directors of companies included in the group are responsible for *maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 consolidated financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the group'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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

Auditor's Responsibilities for the Audit of the Financial Statements.

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements 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 Standards of Auditing 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 these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the Consolidated financial statements, 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of The Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 Group'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 financial statements 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT (Contd.)

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management, we report that there are no qualifications or adverse remarks by the auditors in the CARO reports of the said companies included in the consolidated financial statements.

2. As required by Section 143(3) of the Act, to the extent applicable 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 of aforesaid consolidated financial statements.

    (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statement have been kept so far as it appears from our examination of those books and the reports of the other companies in the group.

    (c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss including Other Comprehensive Income, consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

    (d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

    (f) With respect to the adequacy of the internal financial controls over financial reporting with respect to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Group's internal financial controls over financial reporting.

    (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

        In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company, to its directors during the year is in accordance with the provisions of section 197 of the Act read with Schedule V to the Act. However no remuneration has been paid to the directors of subsidiary companies during the year under audit.

    (h) 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) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

INDEPENDENT AUDITOR'S REPORT (Contd.)

i. The Group does not have any materially significant pending litigations which would impact its financial position.

ii. Provision has been made in the consolidated financial statements as on 31st March 2023, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended 31st march, 2023 in accordance with the relevant provisions of the Act and Rules made there under. Subsidiary companies are not required to transfer any money to the Investor Education and Protection Fund as they have not declared any dividends so far.

iv. (a) The respective management of holding company and its subsidiaries which are incorporated in India, whose financial statements have been audited under the act, have represented to us that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the holding company or its subsidiary companies ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective management of holding company and its subsidiaries which are incorporated in India, whose financial statements have been audited under the Act, have represented to us , that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the holding company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the holding company or any such subsidiaries shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries, and

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, performed by us and those performed by the auditors of subsidiaries, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) above, contain any material misstatement.

v. (a) The dividend paid by the holding company during the year ended 31 March 2023 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 1 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

For **L Mukundan and Associates**
Chartered Accountants
Firm Registration No: 010283S

L Mukundan
Partner
Membership No. 204372
UDIN: 23204372BGWBXZ6836

Place: Chennai
Date: 29.05.2023

ANNEXURE - A

TO THE INDEPENDENT AUDITORS' REPORT

(REFERRED TO IN PARAGRAPH 2(F) UNDER 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' SECTION OF OUR REPORT TO THE MEMBERS OF PONDY OXIDES AND CHEMICALS LIMITED OF EVEN DATE)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the Internal Financial Controls over financial reporting of **PONDY OXIDES AND CHEMICALS LIMITED** ("the holding Company") and its subsidiaries (The Holding company and its subsidiaries are referred as 'Group') as of March 31, 2023 in conjunction with our audit of the Consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiaries, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting (IFCoFR) criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting with reference to Consolidated Financial Statements of the Holding Company and its subsidiaries based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding company's internal financial controls system with reference to consolidated financial statements.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's IFCoFR includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk

ANNEXURE – A
TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanation given to us and based on the reports of other auditors, the Holding Company and its subsidiary companies have, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at 31st March 2023, based on the internal control with reference to consolidated financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to one subsidiary company, which is companies incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India. Our opinion is not modified in respect of this matter.

For **L Mukundan and Associates**
Chartered Accountants
Firm Registration No: 010283S

L Mukundan
Partner
Membership No. 204372
UDIN: 23204372BGWBXZ6836

Place: Chennai
Date: 29.05.2023

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2023

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

	Notes	As at March 31, 2023
ASSETS		
Non-current assets		
(a) Property, plant and equipment	4	13,795.81
(b) Capital work in progress	4	1,166.73
(c) Goodwill	5	965.46
(d) Intangible assets	4	61.22
(e) Financial assets		
(i) Investments	6	11.58
(ii) Other financial assets	7	373.15
(f) Deferred Tax Asset (net)	8	390.76
(g) Other non-current assets	9	396.24
Total non-current assets		**17,160.95**
Current assets		
(a) Inventories	10	16,082.39
(b) Financial assets		
(i) Trade receivables	11	10,154.76
(ii) Cash and cash equivalents	12	65.91
(iii) Bank balances other than above	13	12.04
(c) Asset held for sale	14	19.00
(d) Other current assets	15	3,811.06
Total current assets		**30,145.16**
Total Assets		**47,306.11**
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	16	1,162.48
(b) Other equity	17	25,313.37
Total equity		**26,475.85**
Liabilities		
Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	18	598.02
(ia) Lease Liability	19	764.92
(b) Provisions	20	60.37
(c) Other liabilities	21	17.32
Total non-current liabilities		**1,440.63**
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	22	14,104.74
(ia) Lease Liability	23	113.72
(ii) Trade payables		
- Dues to Micro and Small enterprises	24	139.08
- Dues to Creditors other than Micro and Small enterprises		790.45
(iii) Other financial liabilities	25	25.29
(b) Provisions	26	32.16
(c) Other current liabilities	27	**4,184.19**
Total current liabilities		**19,389.63**
Total liabilities		**20,830.26**
Total Equity and Liabilities		**47,306.11**

The accompanying notes form an integral part of the financial statements

For and on behalf of the board

Anil Kumar Bansal
Chairman
DIN: 00232223

Ashish Bansal
Managing Director
DIN: 01543967

Vijay Balakrishnan
Chief Financial Officer

K.Kumaravel
Director Finance & Company Secretary

Place : Chennai
Date : May 29, 2023

As per our report of even date attached
For M/s. L. Mukundan and Associates
Chartered Accountants
(FRN No.010283S)

L. Mukundan
Partner
M.No.204372

Place : Chennai
Date : May 29, 2023

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

		Notes	For the year ended March 31, 2023
CONTINUING OPERATIONS			
A	**Income**		
	(a) Revenue from operations	28	1,47,618.09
	(b) Other income	29	427.28
	Total income		**1,48,045.37**
B	**Expenses**		
	(a) Cost of materials consumed	30	1,28,263.42
	(b) Purchases of Stock in Trade	31	2,314.57
	(c) Changes in inventories of finished goods and WIP	32	(369.69)
	(d) Employee benefits expense	33	2,272.93
	(e) Finance costs	34	684.25
	(f) Depreciation and amortisation expense	35	1,109.17
	(g) Other expenses	36	7,434.41
	Total expenses		**1,41,709.06**
C	**Profit before exceptional items and tax**		**6,336.31**
	Exceptional items	37	2,908.01
D	**Profit before tax from continuing operations**		**9,244.32**
	Tax expense	38	
	(a) Current tax		1,704.76
	(b) Deferred tax charge/ (credit)		(22.28)
	Profit for the year		**7,561.84**
E	**Other comprehensive income**		
	Items that will not be reclassified to profit or loss		
	Remeasurement of post employment benefit obligations		(6.15)
	Income tax (charge)/ credit relating to these items		1.55
	Other comprehensive income for the year, net of tax		**(4.60)**
	Total comprehensive income for the year		**7,557.24**
	Profit for the year attributable to:		
	Owners of the Company		7,561.84
	Other comprehensive income for the year attributable to:		
	Owners of the Company		(4.60)
	Total comprehensive income for the year attributable to:		
	Owners of the Company		7,557.24
	Earnings per share	39	
	Basic earnings per share		65.05
	Diluted earnings per share		65.05

The accompanying notes form an integral part of the financial statements

For and on behalf of the board

Anil Kumar Bansal
Chairman
DIN: 00232223

Ashish Bansal
Managing Director
DIN: 01543967

Vijay Balakrishnan
Chief Financial Officer

K.Kumaravel
Director Finance & Company Secretary

Place : Chennai
Date : May 29, 2023

As per our report of even date attached
For M/s. L. Mukundan and Associates
Chartered Accountants
(FRN No.010283S)

L. Mukundan
Partner
M.No.204372

Place : Chennai
Date : May 29, 2023

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

Particulars	For the year ended March 31, 2023
Cash Flow From Operating Activities	
Profit before income tax	9,244.32
Adjustments for	
Depreciation and amortisation expense	1,109.17
(Profit)/ loss on sale of fixed asset	38.83
(Increase)/ decrease in fair value of investments	(0.85)
Interest income	(6.51)
Dividend income	(0.06)
Finance costs	684.25
Capital Reserve and CIRP Adjustment	(1,784.84)
Operating Profit before working capital changes	**9,284.31**
(Increase)/ decrease in other financial assets	(297.04)
(Increase)/ decrease in inventories	(1,479.79)
(Increase)/ decrease in trade receivables	(1,420.07)
(Increase)/ decrease in other assets	(1,153.61)
Increase/ (decrease) in provisions and other liabilities	4,676.70
Increase/ (decrease) in trade payables	144.76
Cash generated from operations	**9,755.26**
Less : Income taxes paid (net of refunds)	(1,906.77)
Net cash from operating activities (A)	**7,848.49**
Cash Flows From Investing Activities	
Purchase of PPE (including changes in CWIP)	(11,061.31)
Sale proceeds of PPE	48.43
(Investments in)/ Maturity of fixed deposits with banks	137.93
Dividend received	0.06
Interest received	7.34
Net cash used in investing activities (B)	**(10,867.55)**
Cash Flows From Financing Activities	
Proceeds from/ (repayment of) long term borrowings	(279.41)
Proceeds from/ (repayment of) short term borrowings	4,264.29
Finance costs	(684.25)
Dividend paid	(290.62)
Net cash from/ (used in) financing activities (C)	**3,010.01**
Net increase/decrease in cash and cash equivalents (A+B+C)	**(9.05)**
Cash and cash equivalents at the beginning of the financial year	74.96
Cash and cash equivalents at end of the year	**65.91**

Notes:

1. The above cash flow statement has been prepared under indirect method prescribed in Ind AS 7 "Cash Flow Statements".
2. Components of cash and cash equivalents

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

Particulars	For the year ended March 31, 2023
Balances with banks	
- in current accounts	64.48
- in EEFC Account	-
Cash on hand	1.43
	65.91

For and on behalf of the board

Anil Kumar Bansal
Chairman
DIN: 00232223

Ashish Bansal
Managing Director
DIN: 01543967

Vijay Balakrishnan
Chief Financial Officer

K.Kumaravel
Director Finance & Company Secretary

Place : Chennai
Date : May 29, 2023

As per our report of even date attached
For M/s. L. Mukundan and Associates
Chartered Accountants
(FRN No.010283S)

L. Mukundan
Partner
M.No.204372

Place : Chennai
Date : May 29, 2023

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2023
(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

(A) Equity Share Capital

Balance as at April 1, 2022	581.24
Changes in equity share capital during the year	581.24
Balance as at March 31, 2023	1,162.48

(B) Other Equity

Particulars	General Reserve	Securities Premium	Capital Reserve	Other comprehensive income	Retained Earnings	Total
Balance as at April 1, 2022	**1,785.92**	**1,092.52**	-	**-**	**17,354.99**	**20,233.43**
Additions/ (deductions) during the year	490.00	(581.24)	-	4.60	(810.23)	(896.87)
Additions/ (deductions) on account of Business Combination	-	-	1303.52	-	2,883.95	(1,580.43)
Total Comprehensive Income for the year	-	-	-	(4.60)	7,561.84	7,557.24
Balance as at March 31, 2023	**2,275.92**	**511.28**	**1,303.52**	**-**	**21,222.65**	**25,313.37**

The accompanying notes form an integral part of the financial statements

For and on behalf of the board

Anil Kumar Bansal
Chairman
DIN: 00232223

Ashish Bansal
Managing Director
DIN: 01543967

Vijay Balakrishnan
Chief Financial Officer

K.Kumaravel
Director Finance & Company Secretary

Place : Chennai
Date : May 29, 2023

As per our report of even date attached
For M/s. L. Mukundan and Associates
Chartered Accountants
(FRN No.010283S)

L. Mukundan
Partner
M.No.204372

Place : Chennai
Date : May 29, 2023

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

1 GROUP INFORMATION

The Consolidated Financial Statements comprise financial statements of Pondy Oxides and Chemicals Limited ("the parent Company" or "the Company") and its subsidiaries (collectively, "the Group").

The Principal Activities of the Group are converting scraps of various forms of Lead, Alumnium and Copper into Lead Metal, Aluminium Metal, Copper and its Alloys. The Company carries out smelting of Lead Battery scrap to produce secondary lead metal which is further transformed into Pure lead and Specific Lead Alloys. Further Company also manufactures Zinc metal and Zinc Oxide.

2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

Statement of compliance

These financial statements are the separate financial statements of the Company (also called Consolidated financial statements) prepared in accordance with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 ("the Act") read together with the Companies (Indian Accounting Standards) Rules, 2015 (as amended). The financial statements have also been prepared in accordance with the relevant Presentation requirements of the Act.

Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

Functional and presentation currency

These financial statements are presented in Indian Rupees (₹), which is the Group's functional currency. All financial information presented in ₹ has been rounded to the nearest Lakhs (up to two decimals).

The financial statements are approved for issue by the Company's Board of Directors on May 29, 2023.

2A Critical accounting estimates and management judgments

In application of the accounting policies, which are described in note 2, the management of the Group is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant.

Information about significant areas of estimation, uncertainty and critical judgements used in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

Property, Plant and Equipment (PPE), Intangible Assets and Investment Properties

The residual values and estimated useful life of PPEs, Intangible Assets and Investment Properties are assessed by the technical team at each reporting date by taking into account the nature of asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement and maintenance support. Upon review, the management accepts the assigned useful life and residual value for computation of depreciation/amortisation. Also, management judgement is exercised for classifying the asset as investment properties or vice versa.

Current tax

Calculations of income taxes for the current period are done based on applicable tax laws and management's judgement by evaluating positions taken in tax computations and interpretations of relevant provisions of law.

Deferred Tax Assets

Significant management judgement is exercised by reviewing the deferred tax assets at each reporting date to determine the amount of deferred tax assets that can be retained/ recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Fair value

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Impairment of Trade Receivables

The impairment for trade receivables are done based on assumptions about risk of default and expected loss rates. The assumptions, selection of inputs for calculation of impairment are based on management judgement considering the past history, market conditions and forward looking estimates at the end of each reporting date.

Impairment of Non-financial assets (PPE/ Intangible Assets/ Investment Properties)

The impairment of non-financial assets is determined based on estimation of recoverable amount of such assets. The assumptions used in computing the recoverable amount are based on management judgement considering the timing of future cash flows, discount rates and the risks specific to the asset.

Defined Benefit Plans and Other long term employee benefits

The cost of the defined benefit plan and other long term employee benefits, and the present value of such obligation are determined by the independent actuarial valuer. An actuarial valuation involves making various assumptions that may differ from actual developments in future. Management believes that the assumptions used by the actuary in determination of the discount rate, future salary increases, mortality rates and attrition rates are reasonable. Due to the complexities involved in the valuation and its long term nature, this obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities could not be measured based on quoted prices in active markets, management uses valuation techniques including the Discounted Cash Flow (DCF) model, to determine its fair value The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is exercised in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

Provisions and contingencies

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore vary from the figure estimated at end of each reporting period.

Principles of Consolidation

The Consolidated financial statements relate to the Parent Company and its Subsidiaries. The Consolidated financial statements have been prepared on the following basis:

The financial statements of the Parent Company and its Subsidiaries have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating material intra-group balances, intragroup transactions and resulting unrealised profits or losses, unless cost cannot be recovered.

The Consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances are presented to the extent possible, in the same manner as the Parent Company's standalone financial statements.

The details of the companies considered in the preparation of the consolidated financial statements are given below

Subsidiary companies	Country of Incorporation	Ownership Interest as at March 31, 2023
POCL Future Tech Private Limited	India	100%
Harsha Exito Engineering Private Limited	India	100%

3 SIGNIFICANT ACCOUNTING POLICIES

a) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

i) Expected to be realised or intended to be sold or consumed in normal operating cycle

ii) Held primarily for the purpose of trading

iii) Expected to be realised within twelve months after the reporting period, or

iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

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All other assets are classified as non-current.

A liability is current when:

i) It is expected to be settled in normal operating cycle

ii) It is held primarily for the purpose of trading

iii) It is due to be settled within twelve months after the reporting period, or

iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

b) Fair value measurement

The Group has applied the fair value measurement wherever necessitated at each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

i) In the principal market for the asset or liability;

ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non - financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and the best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 : Quoted (unadjusted) market prices in active market for identical assets or liabilities;

Level 2 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group has designated the respective team leads to determine the policies and procedures for both recurring and non - recurring fair value measurement. External valuers are involved, wherever necessary with the approval of Group's board of directors. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

For the purpose of fair value disclosure, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risk of the asset or liability and the level of the fair value hierarchy as explained above. The component wise fair value measurement is disclosed in the relevant notes.

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c) Revenue Recognition

Sale of goods

The Group derives revenues primarily from sale of manufactured goods, traded goods and related services.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue on sale of goods is recognised when the risk and rewards of ownership is transferred to the buyer, which generally coincides with the despatch of the goods or as per the inco-terms agreed with the customers.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment. It comprises of invoice value of goods after deducting discounts, volume rebates and applicable taxes on sale. It also excludes value of self-consumption.

Sale of services

Income from sale of services is recognised when the services are rendered as per the terms of the agreement and when no significant uncertainty as to its determination or realisation exists.

Export entitlements

In respect of the exports made by the Group, the related export entitlements from Government authorities are recognised in the statement of profit and loss when the right to receive the incentives/ entitlements as per the terms of the scheme is established and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Interest Income

Interest income is recorded using the effective interest rate (EIR) method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividend income

Dividend income is recognised when the Group's right to receive dividend is established by the reporting date, which is generally when shareholders approve the dividend.

Rental income

Rental income from operating lease is recognised on a straight line basis over the term of the relevant lease, if the escalation is not a compensation for increase in cost inflation index.

d) Property, plant and equipment and capital work in progress

Presentation

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Property, plant and equipment and capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs of a qualifying asset, if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

Property, plant and equipment acquired in a business combination are recognised at fair value at the acquisition date.

Advances paid towards the acquisition of tangible assets outstanding at each balance sheet date, are disclosed as capital advances under long term loans and advances and the cost of the tangible assets not ready for their intended use before such date, are disclosed as capital work in progress.

Component Cost

All material/ significant components have been identified and have been accounted separately. The useful life of such component are analysed independently and wherever components are having different useful life other than plant they are part of, useful life of components are considered for calculation of depreciation.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of repairs and

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maintenance are recognised in the statement of profit and loss as incurred.

Machinery spares/ insurance spares that can be issued only in connection with an item of fixed assets and their issue is expected to be irregular are capitalised. Replacement of such spares is charged to revenue. Other spares are charged as revenue expenditure as and when consumed.

Derecognition

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

e) Depreciation on property, plant and equipment

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life on a written down value method. The depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less 5% being its residual value.

Depreciation is provided on written down value method, over the useful lives specified in Schedule II to the Companies Act, 2013, except in respect of certain assets, where useful life estimated based on internal assessment and/or independent technical evaluation carried out by external valuer, past trends and differs from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

Depreciation for PPE on additions is calculated on pro-rata basis from the date of such additions. For deletion/ disposals, the depreciation is calculated on pro-rata basis up to the date on which such assets have been discarded/ sold. Additions to fixed assets, costing ₹ 5000 each or less are fully depreciated retaining its residual value.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

f) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of a separately acquired intangible asset comprises (a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; and (b) any directly attributable cost of preparing the asset for its intended use.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Goodwill is initially recognised based on the accounting policy for business combinations and is tested for impairment annually.

Useful life and amortisation of intangible assets

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Subsequent cost and measurement

Subsequent costs are capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures, including expenditure on internally-generated intangibles, are recognised in the statement of profit and loss as incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

g) Investment property

Investment property is property held either to earn rental income on for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

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Upon initial recognition, investment property is measured at cost, including related transaction costs. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

Group depreciates investment property as per the useful life prescribed in Schedule II of the Companies Act, 2013.

Though the Group measures investment property using the cost-based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation applying a valuation model. External valuers are involved, wherever necessary with the approval of Group's board of directors. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss in the period in which the property is derecognised.

h) Inventories

Inventories are carried at the lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Costs are determined on weighted average method as follows:

(i) Raw materials, stock acquired for trading, packing materials and consumables: At purchase cost including other cost incurred in bringing materials/ consumables to their present location and condition.

(ii) Work-in-process and intermediates: At material cost, conversion costs and appropriate share of production overheads.

(iii) Finished goods: At material cost, conversion costs and an appropriate share of production overheads.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

i) Financial Instruments

Financial assets and Financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

Financial assets

Initial recognition and measurement

All financial assets are initially recognised at fair value. However, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset are also added to the cost of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified on the basis of their contractual cash flow characteristics and the entity's business model of managing them.

Financial assets are classified into the following categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

The Group classifies a debt instrument as at amortised cost, if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and

b) Contractual terms of the asset give rise on specified dates to cash flows that are Solely

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Payments of Principal and Interest (SPPI) on the principal amount outstanding.

Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Debt instrument at FVTOCI

The Group classifies a debt instrument at FVTOCI, if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Group recognises finance income, impairment losses and reversals and foreign exchange gain or loss in the profit and loss statement. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

The Group classifies all debt instruments, which do not meet the criteria for categorisation as at amortised cost or as FVTOCI, as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the profit and loss.

Equity investments

All equity investments under scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. Where the Group makes an irrevocable election of classifying the equity instruments at FVTOCI, it recognises all subsequent changes in the fair value in OCI, without any recycling of the amounts from OCI to profit and loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the profit and loss.

Financial assets are measured at FVTPL except for those financial assets whose contractual terms give rise to cash flows on specified dates that represents SPPI, are measured as detailed below depending on the business model:

Classification	Name of the financial asset
Amortised cost	Trade receivables, Loans given to employees and others, deposits, interest receivable, unbilled revenue and other advances recoverable in cash.
FVTOCI	Equity investments in companies other than subsidiaries and associates if an option exercised at the time of initial recognition.
FVTPL	Other investments in equity instruments, mutual funds, forward exchange contracts (to the extent not designated as a hedging instrument).

Derecognition

A financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the

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associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

In acordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, receivables and bank balance.

b) Financial assets that are debt instruments and are measured at FVTOCI

c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

The Group follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 17

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime Expected Credit Loss (ECL) at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 months ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, the Group considers all contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument and Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL allowance (or reversal) recognised during the period is recognised as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the profit and loss. The balance sheet presentation of ECL for various financial instruments is described below:

- **Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables:** ECL is presented as an allowance, which reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

- **Debt instruments measured at FVTOCI:** Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

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For impairment purposes, significant financial assets are tested on individual basis at each reporting date. Other financial assets are assessed collectively in groups that share similar credit risk characteristics. Accordingly, the impairment testing is done on the following basis:

Name of the financial asset	Impairment Testing Methodology
Trade Receivables	Expected Credit Loss model (ECL) is applied. The ECL over lifetime of the assets are estimated by using a provision matrix which is based on historical loss rates reflecting current conditions and forecasts of future economic conditions which are grouped on the basis of similar credit characteristics such as nature of industry, customer segment, past due status and other factors that are relevant to estimate the expected cash loss from these assets.
Name of the financial asset	**Impairment Testing Methodology**
Other financial assets	When the credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. When there is significant change in credit risk since initial recognition, the impairment is measured based on probability of default over the life time. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL and as at amortised cost.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading, if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/ loss are not subsequently transferred to profit and loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Group has not designated any financial liability as at fair value through profit and loss.

Classification	Name of the financial liability
Amortised cost	Borrowings, Trade payables, Interest accrued, Unclaimed / Disputed dividends, Security deposits and other financial liabilities not for trading.
FVTPL	Foreign exchange Forward contracts being derivative contracts do not qualify for hedge accounting under Ind AS 109 and other financial liabilities held for trading.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Group are initially measured at their fair values and, if not designated as at fair value through profit or loss, are subsequently measured at higher of (i) The amount of loss allowance determined in accordance with impairment requirements of Ind AS 109 – Financial Instruments and (ii) The amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18 – Revenue.

Derivative financial instruments

The Group holds derivative financial instruments such as foreign exchange forward and options contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

(a) Derivatives fair valued through profit or loss

This category has derivative financial assets or liabilities which are not designated as hedges.

Although the Group believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorised as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognised initially at fair value and attributable transaction costs are recognised in net profit in the Statement of Profit and Loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in profit or loss. Assets / liabilities in this category are presented as current assets / current liabilities if they are either held for trading or are expected to be realised within 12 months after the Balance Sheet date.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

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The following table shows various reclassification and how they are accounted for:

S. No	Original classification	Revised classification	Accounting treatment
1	Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in P&L.
2	FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
3	Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
4	FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
5	FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
6	FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognised in OCI is reclassified to P&L at the reclassification date.

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

j) Foreign currency transactions and translations

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group at the functional currency spot rates at the date at which the transaction first qualifies for recognition. However, for practical reasons, the Group uses an average rate, if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

The Group enters into forward exchange contract to hedge its risk associated with foreign currency fluctuations. The premium or discount arising at the inception of a forward exchange contract is amortised as expense or income over the life of the contract. In case of monetary items which are covered by forward exchange contract, the difference between the year end rate and rate on the date of the contract is recognised as exchange difference. Any profit or loss arising on cancellation of a forward exchange contract is recognised as income or expense for that year.

k) Borrowing Costs

Borrowing cost include interest computed using Effective Interest Rate method, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are directly attributable to the acquisition, construction, production of a qualifying asset are capitalised as part of the cost of that asset which takes substantial period of time to get ready for its intended use. The Group determines the amount of borrowing cost eligible for capitalisation by applying capitalisation rate to the expenditure incurred on such cost. The capitalisation rate is determined based on the weighted average rate of borrowing cost applicable to the borrowings of the Group which are outstanding during the period, other than borrowings made specifically towards purchase of the qualifying asset. The amount of borrowing cost that the Group capitalises during the period does not exceed the amount of borrowing cost incurred during that period. All other borrowings costs are expensed in the period in which they occur.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on

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qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

l) Government grants

Government grants are recognised at fair value where there is a reasonable assurance that the grant will be received and all the attached conditions are complied with.

In case of revenue related grant, the income is recognised on a systematic basis over the period for which it is intended to compensate an expense and is disclosed under "Other operating revenue" or netted off against corresponding expenses wherever appropriate. Receivables of such grants are shown under "Other Financial Assets". Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same. Receivables of such benefits are shown under "Other Financial Assets".

Government grants related to assets, including non-monetary grants at fair value, shall be presented in the balance sheet by setting up the grant as deferred income. The grant set up as deferred income is recognised in profit or loss on a systematic basis over the useful life of the asset.

m) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items is (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future tax liability, is recognised as an asset viz. MAT Credit Entitlement, to the extent there is convincing evidence that the Group will pay normal Income tax and it is highly probable that future economic benefits associated with it will flow to the Group during the specified period. The Group reviews the "MAT Credit Entitlement" at each Balance Sheet date and writes down the carrying amount of the same to the extent there is no longer convincing evidence to the effect that the Group will pay normal Income tax during the specified period.

Uncertainty over Income Tax Treatments clarifies that while determinating the taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Where there is deferred tax assets arising from carry forward of unused tax losses and unused tax created, they are recognised to the extent of deferred tax liability.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

n) Retirement and other employee benefits

Short-term employee benefits

A liability is recognised for short-term employee benefit in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Defined contribution plans

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Defined benefit plans

The Group operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Employee Benfits in connection with Plan amendments, curtailments and settlements, to use updated assumptions to determine current service cost to be updated and to recognise in profit or loss as part of past service cost or gain or loss on settlement.

Compensated absences

The Group has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognised in the period in which the absences occur.

Other long term employee benefits

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by the employees up to the reporting date.

o) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease. All other leases are operating leases.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

p) Impairment of non financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

q) Provisions, contingent liabilities and contingent asset

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are discounted, if the effect of the time value of money is material, using pre-tax rates that reflects the risks specific to the liability. When discounting is used, an increase in the provisions due to the passage of time is recognised as finance cost. These provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Necessary provision for doubtful debts, claims, etc., are made, if realisation of money is doubtful in the judgement of the management.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. Contingent liabilities are disclosed separately.

Show cause notices issued by various Government authorities are considered for evaluation of contingent liabilities only when converted into demand.

Contingent assets

Where an inflow of economic benefits is probable, the Group discloses a brief description of the nature of the contingent assets at the end of the reporting period, and, where practicable, an estimate of their financial effect.

Contingent assets are disclosed but not recognised in the financial statements.

r) Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances with original maturity of less than 3 months, highly liquid investments that are readily convertible into cash, which are subject to insignificant risk of changes in value.

s) Cash Flow Statement

Cash flows are presented using indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

Bank borrowings are generally considered to be financing activities. However, where bank overdrafts which are repayable on demand form an integral part of an entity's cash management, bank overdrafts are included as a component of cash and cash equivalents for the purpose of Cash flow statement.

t) Earnings per share

The basic earnings per share are computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

dilutive equity shares are adjusted for bonus shares, as appropriate.

u) Business Combination

Business combinations are accounted for using the acquisition method as at the date of the acquisition, which is the date at which control is transferred to the Company.

The consideration transferred in the acquisition and the identifiable assets acquired and liabilities assumed are recognised at fair values on their acquisition date. Goodwill is initially measured at cost being the excess of aggregate consideration transferred over the net identifiable assets and liabilities. Any gain on a bargain purchase is recognised in the OCI and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, then gain on a bargain purchase is recognised directly in equity as capital reserve. Transaction costs are recognised in profit & loss account.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

4

a) Property, plant and equipment

Particulars	Tangible Assets											Intangible Assets
	Owned Assets								Right of Use Asset	Total		
	Free hold Land	Buildings	Plant and Equipment	Lab Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Electrical Fittings	Sub Total	Leasehold Land		
Deemed Cost as at April 1, 2021	**719.10**	**2,575.18**	**2,558.20**	**119.14**	**164.66**	**130.67**	**172.13**	**313.82**	**6,752.90**	**237.82**	**6,990.72**	**159.06**
Additions	-	417.92	849.44	-	14.85	196.48	31.41	91.49	1,601.59	-	1,601.59	1.30
Disposals	-	-	(64.36)	-	-	(2.83)	(11.84)	-	(79.03)	-	(79.03)	-
Cost as at March 31, 2022	**719.10**	**2,993.10**	**3,343.28**	**119.14**	**179.51**	**324.32**	**191.70**	**405.31**	**8,275.46**	**237.82**	**8,513.28**	**160.36**
Additions	3,209.49	366.18	700.21	35.33	23.15	190.16	78.24	167.17	4,769.93	878.63	5,648.56	-
Acquisition through business combination (refer Note 51)	-	3,289.39	1,366.11	-	-	193.63	3.81	402.76	5,255.70	700.82	5,956.52	-
Disposals	-	-	(316.73)	(3.38)	(1.77)	(139.91)	(20.83)	(5.68)	(488.30)	-	(488.30)	-
Cost as at March 31, 2023	**3,928.59**	**6,648.67**	**5,092.87**	**151.09**	**200.89**	**568.20**	**252.92**	**969.56**	**17,812.79**	**1,817.27**	**19,630.06**	**160.36**
Depreciation/Amortisation												
As at March 31, 2021	**-**	**768.00**	**1,295.21**	**87.87**	**119.92**	**88.32**	**136.31**	**178.27**	**2,673.90**	**13.05**	**2,686.95**	**65.17**
Charge for the year	-	195.34	546.86	7.64	23.56	23.63	29.78	49.26	876.07	2.61	878.68	19.97
Disposals	-	-	(47.89)	-	-	(2.30)	(10.72)	-	(60.91)	-	(60.91)	-
As at March 31, 2022	**-**	**963.34**	**1,794.18**	**95.51**	**143.48**	**109.65**	**155.37**	**227.53**	**3,489.06**	**15.66**	**3,504.72**	**85.14**
Charge for the year	-	272.43	593.62	8.28	18.86	80.97	32.05	78.57	1,084.78	10.40	1,095.18	14.00
Acquisition through business combination (refer Note 51)	-	-	1,154.87	-	-	169.62	3.79	288.08	1,616.36	-	1,616.36	-
Disposals	-	-	(246.98)	(2.67)	(1.45)	(107.68)	(18.88)	(4.35)	(382.01)	-	(382.01)	-
As at March 31, 2023	**-**	**1,235.77**	**3,295.69**	**101.12**	**160.89**	**252.56**	**172.33**	**589.83**	**5,808.19**	**26.06**	**5,834.25**	**99.14**
Net Block												
As at April 1, 2021	719.10	1,807.18	1,262.99	31.27	44.74	42.35	35.82	135.55	4,079.00	224.77	4,303.77	93.89
As at March 31, 2022	719.10	2,029.76	1,549.10	23.63	36.03	214.67	36.33	177.78	4,786.40	222.16	5,008.56	75.22
As at March 31, 2023	3,928.59	5,412.90	1,797.18	49.97	40.00	315.64	80.59	379.73	12,004.60	1,791.21	13,795.81	61.22

Disposals during the current year include property, plant and equipment classified as assets held for sale. Refer note 14.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

b) Capital work-in-progress

Capital work-in-progress as at March 31, 2023 is ₹ 1166.73 Lakhs

Ageing for capital work-in-progress groupwise as at March 31, 2023 is as follows

Particulars	Amount in work-in-progress for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	1,166.73	-	-	-	1,166.73
Projects temporarily suspended	-	-	-	-	-
Total	**1,166.73**	**-**	**-**	**-**	**1,166.73**

c) Title deeds of Immovable Properties not held in name of the Group as at March 31, 2023

Title deeds of Immovable Properties not held in name of the Group as at March 31, 2023

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the Group
Property, plant and equipment	Freehold land held at Plot 78C Industrial park, Gajulamandayam, Chittoor, Andhra Pradesh	293.15	Vedam Drugs Private Limited / Meloy Metals Private Limited	No	April 1, 2019	The said transfer was pursuant to the Amalgamation as approved by Honourable NCLT, Chennai vide order dated February 21, 2020.

5 GOODWILL

	As at March 31, 2023
Acquisitions through business combination	965.46
	965.46

6 NON-CURRENT INVESTMENTS

	As at March 31, 2023
Investments in companies other than subsidiaries, associates and joint ventures (at FVTPL)	
i. Investments in Equity Instruments (Quoted)	
2,000 equity shares (previous year 2,000) of ₹ 10 each in Amararaja Batteries Limited, fully paid	11.58
	11.58
Total non-current investments	
Aggregate amount of quoted investments	11.58
Aggregate market value of quoted investments	11.58
Aggregate cost of unquoted investments	-
Aggregate amount of impairment in value of investments	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

7 OTHER NON-CURRENT FINANCIAL ASSETS

	As at March 31, 2023
(Unsecured, considered good)	
Fixed Deposits (maturing after 12 months from end of reporting date)*	13.25
Security deposits	359.90
	373.15

* Lien marked with banks and are restricted from being exchanged or used to settle a liability.

8 DEFERRED TAX ASSET / (LIABILITY) - NET

	As at March 31, 2023
Deferred Tax Asset	
On Fixed Assets	371.66
On expenses allowed under Income Tax on payment basis	19.10
Net deferred tax asset / (liability)	**390.76**

9 OTHER NON-CURRENT ASSETS

	As at March 31, 2023
Advance income tax (net of provision for tax)	9.10
Capital Advances	387.14
	396.24

10 INVENTORIES

	As at March 31, 2023
Raw materials	6,898.26
Work-in-progress	2,741.33
Finished goods	2,786.68
Stock in transit	3,272.84
Stock in trade	114.74
Stores and spares	268.54
	16,082.39

	As at March 31, 2023
Inventory comprise of	
Raw Materials	
Lead in all forms	5,202.73
Others	1,695.53
	6,898.26
Work in progress	
Lead in all forms	2,672.33
Others	69.00
	2,741.33

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

	As at March 31, 2023
Finished Goods	
Lead Ingots	365.83
Lead Alloys	1,506.70
Others	914.15
	2,786.68

11 TRADE RECEIVABLES

	As at March 31, 2023
Considered good - Secured	55.20
Considered good - Unsecured	10,099.56
	10,154.76

Ageing for trade receivables – current outstanding as at March 31, 2023 is as follows:

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than Six Months	6 Months – 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) Undisputed Trade receivables – considered good	9,369.56	785.08	-	0.12	-	-	10,154.76
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	**9,369.56**	**785.08**	**-**	**0.12**	**-**	**-**	**10,154.76**

12 CASH AND CASH EQUIVALENTS

	As at March 31, 2023
Cash in hand	1.43
Balances with banks	
In current accounts	64.48
In EEFC account	-
	65.91

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

13 OTHER BANK BALANCES

	As at March 31, 2023
In earmarked accounts	
Unpaid dividend accounts	12.04
	12.04

14 ASSET HELD FOR SALE

	As at March 31, 2023
Vehicles	19.00
	19.00

15 OTHER CURRENT ASSETS

	As at March 31, 2023
GST / Rebate Receivables	2,057.26
Interest accrued on Deposits	3.09
Prepaid expenses	43.82
Balances with government authorities	62.41
Advances to Employees	12.58
Others - Suppliers Advance (including for expenses)	1,627.20
Other current assets	4.70
	3,811.06

16 CAPITAL

	As at March 31, 2023
Authorised Share Capital	
2,01,50,000 (2,01,50,000) Equity shares of ₹ 10 each	2,015.00
	2,015.00
Issued Share Capital	
1,16,24,780 (58,12,390) Equity shares of ₹ 10 each	1,162.48
	1,162.48
Subscribed and fully paid up share capital	
1,16,24,780 (58,12,390) Equity shares of ₹ 10 each	1,162.48
	1,162.48

Notes:

(a) Reconciliation of number of equity shares subscribed

	As at March 31, 2023
Balance as at the beginning of the year	58,12,390
Add: Issued on account of Bonus issue	58,12,390
Balance at the end of the year	**1,16,24,780**

(b) Shareholders holding more than 5% of the total share capital

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)
(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

Name of the share holder	March 31, 2023	
	No of shares	%
Ashish Bansal	17,17,924	14.78%
Anil Kumar Bansal	12,53,622	10.78%
Manju Bansal	10,95,254	9.42%
R.P.Bansal #	-	0.00%
Saroj Bansal #	13,58,240	11.68%

(c) Rights, preferences and restrictions in respect of equity shares issued by the Company

The Parent Company has only one class of equity shares having a par value of ₹ 10 each. The equity shares of the Parent Company having par value of ₹ 10/- rank pari-passu in all respects including voting rights and entitlement to dividend.

During the current year, the Parent Company has issued and allotted 58,12,390 fully paid up Bonus Equity shares of ₹ 10 each in the ratio of 1:1 (i.e. 1 Bonus Equity share for every 1 existing equity share of the Company) to the shareholders who held shares on Septermber 29, 2022 (Record date). Accordingly the Parent Company's paid up share capital have increased from 58,12,390 Equity Shares of ₹ 10/- each to 1,16,24,780 Equity Shares of ₹ 10/- each. These Bonus Equity Shares are ranking pari-passu in all respects and carry the same rights as that of the existing Equity Shares.

(d) Disclosure of shareholding of promoters as at March 31, 2023 is as follows

Name of the share holder	March 31, 2023	
	No of shares	%
Ashish Bansal	17,17,924	14.78%
Anil Kumar Bansal	12,53,622	10.78%
Manju Bansal	10,95,254	9.42%
Saroj Bansal #	13,58,240	11.68%
Pawankumar Bansal	2,46,580	2.12%
Megha Choudhari	11,136	0.10%
Total	**56,82,756**	

Transmission of shares to the family members due to the Demise of Mr. R.P. Bansal.

17 OTHER EQUITY

	As at March 31, 2023
General reserve	2,275.92
Securities Premium	511.28
Capital Reserve	1,717.50
Retained Earnings	21,222.65
Other comprehensive income	-
	25,313.37

a) General reserve

	As at March 31, 2023
Balance at the beginning of the year	1,785.92
Additions during the year	490.00
Balance at the end of the year	**2,275.92**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

b) Securities Premium

	As at March 31, 2023
Balance at the beginning and end of the year	1,092.52
Deductions/Adjustments during the year	(581.24)
Balance at the end of the year	**511.28**

c) Capital Reserve

	As at March 31, 2023
Balance at the beginning and end of the year	-
Additions/ (deductions) on account of Business Combination	1,303.52
Deductions/Adjustments during the year	-
Balance at the end of the year	**1,303.52**

d) Retained Earnings

	As at March 31, 2023
Opening balance	**17,354.99**
Net profit for the period	7,561.84
Additions/ (deductions) on account of Business Combination	(2,883.95)
Transfer from Other Comprehensive Income	(4.60)
Transfers to General Reserve	(490.00)
Excess/(Short) provision for taxes reversed	(25.01)
Dividend paid (including tax on dividends)	(290.62)
Closing balance	**21,222.65**

e) Other comprehensive income

	As at March 31, 2023
Opening balance	**-**
Additions during the year	(4.60)
Deductions/Adjustments during the year	4.60
Closing balance	**-**

18 LONG TERM BORROWINGS

	As at March 31, 2023
Secured *	
From Banks	127.43
Unsecured Loans	
From Related Parties **	500.00
Less: Current maturities of Long Term Debt (refer Note 22)	(29.41)
	598.02

* Refer Note 45 for repayment terms and security details

** Represents loan from Directors

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

19 LEASE LIABILITY

	As at March 31, 2023
Building	764.92
	764.92

The average incremental borrowing rate applied to lease liabilities during the year is 8.75%

20 PROVISIONS (NON-CURRENT)

	As at March 31, 2023
Provision for Employee Benefits	
Gratuity	19.93
Compensated absences	40.44
	60.37

21 OTHER NON-CURRENT LIABILITIES

	As at March 31, 2023
Deferred Government Grants	17.32
	17.32

22 CURRENT LIABILITIES - FINANCIAL LIABILITIES: BORROWINGS

	As at March 31, 2023
Secured	
Loans repayable on Demand	
From banks	
Rupee Loans	12,550.59
Foreign Currency Loans	887.19
Current maturities of long-term debt	29.41
Unsecured	
Loans from directors	527.06
Inter Corporate Deposits	110.49
	14,104.74

Notes:

(a) Working Capital loans are secured by hypothecation of present and future stock of raw materials, stock-in-process, finished goods, stores and spares, book debts, materials in transit, etc. The above working capital facilities availed from banks are additionally secured by a charge / mortgage on fixed assets of the Company. The loans carry interest in the range of 7% to 9%.

(b) Inter-corporate and other deposits carry interest in the range of 10% payable annually, repayable as per the terms of repayment agreed.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

23 LEASE LIABILITY

	As at March 31, 2023
Building	113.72
	113.72

The average incremental borrowing rate applied to lease liabilities during the year is 8.75%

24 TRADE PAYABLES

	As at March 31, 2023
Dues to Micro and Small enterprises *	139.08
Dues to Creditors other than Micro and Small enterprises	790.45
	929.53

* Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management represents the principal amount payable to these enterprises. There are no interest due and outstanding as at the reporting date. Please refer Note 42.

Ageing for trade payables – current outstanding as at March 31, 2023 is as follows :

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than one Year	1-2 Years	2-3 Years	More than 3 Years	
i) MSME	101.11	37.97	-	-	-	139.08
ii) Others	496.13	227.22	3.93	1.56	-	728.84
iii) Disputed dues – MSME"	-	-	-	-	-	-
iv) Disputed dues – Others	-	-	-	-	-	-
v) Accrued Expenses	61.61	-	-	-	-	61.61
Total	**658.85**	**265.19**	**3.93**	**1.56**	**-**	**929.53**

25 OTHER CURRENT FINANCIAL LIABILITIES

	As at March 31, 2023
Forward Contract Payable	13.25
Unpaid/Unclaimed dividends	11.96
Unclaimed Fractional Shares dividends	0.08
	25.29

26 PROVISIONS (CURRENT)

	For the year ended March 31, 2023
Provision for Tax (net of advance tax and TDS)	17.26
Provision for employee benefits	
Gratuity	6.20
Compensated absences	8.70
	32.16

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

27 OTHER CURRENT LIABILITIES

	For the year ended March 31, 2023
Statutory Dues Payable	100.75
Employee benefits payable	140.86
Advance and deposits from customers	2,568.09
Deferred Government Grants	6.62
Current account credit balance	1,309.55
Other payables	58.32
	4,184.19

28 REVENUE FROM OPERATIONS

	For the year ended March 31, 2023
Sale of Products	
Manufactured Goods	1,43,576.15
Traded Goods	2,377.52
Sale of Services	
Conversion Charges Received	1,593.31
	1,47,546.98
Other Operating Revenue	71.11
	1,47,618.09

Details of Manufactured and Traded Goods

		For the year ended March 31, 2023
i.	**Manufactured Goods:**	
	Metals	1,42,641.31
	Others	934.84
		1,43,576.15
ii.	**Traded Goods**	
	Metals	1,876.88
	Others	500.64
		2,377.52

29 OTHER INCOME

	For the year ended March 31, 2023
Interest receipts	6.51
MTM gain on forward contacts	43.86
Incomed from Subsidy	6.62
Gain on foreign exchange fluctuation (net)	334.62
Miscellaneous income	35.67
	427.28

30 COST OF MATERIALS CONSUMED

	For the year ended March 31, 2023
Opening inventory of raw materials	6,741.04
Add : Purchases	1,28,623.81
Less : Closing inventory of raw materials	(6,898.26)
Add: (Gain)/Deficit in Hedging operations of price of raw materials	(203.17)
	1,28,263.42

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

31 PURCHASES OF STOCK IN TRADE

	For the year ended March 31, 2023
Metals - with Hedging adjustment	1,737.63
Others	576.94
	2,314.57

32 CHANGES IN INVENTORIES OF WORK-IN-PROGRESS, STOCK IN TRADE AND FINISHED GOODS

	For the year ended March 31, 2023
Opening Balance	
Work-in-progress	1,787.64
Finished goods	3,486.49
Stock in trade	-
	5,274.13
Closing Balance	
Work-in-progress	2,741.33
Finished goods	2,787.75
Stock in trade	114.74
	5,643.82
Net (increase)/decrease in inventories	**(369.69)**

33 EMPLOYEE BENEFITS EXPENSE

	For the year ended March 31, 2023
Salaries and wages	1,954.21
Contribution to provident and other funds	128.11
Staff welfare expenses	190.61
	2,272.93

34 FINANCE COST

	For the year ended March 31, 2023
Interest on Bank Borrowings	544.37
Interest on Others	139.88
	684.25

35 DEPRECIATION AND AMORTISATION EXPENSE

	For the year ended March 31, 2023
Depreciation on Property, Plant and Equipment	1,095.16
Amortisation of Intangible Assets	14.01
	1,109.17

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

36 OTHER EXPENSES

	For the year ended March 31, 2023
Power and Fuel	3,127.42
Consumption of Packing Materials	64.75
Environmental Control Expenses	603.09
Conversion Charges	62.66
Contract Wages	390.19
Repairs and Maintenance	
Buildings	92.74
Plant and Machinery	662.92
Vehicles	25.40
Others	35.45
Factory expenses	216.38
Freight and Forwarding	1,162.92
Insurance	66.16
Laboratory Expenses	19.74
Legal and professional charges	87.23
Merger Expenses	-
Payments to Auditors [refer note 36 (a)]	22.12
Communication expenses	25.97
Printing and Stationery	10.77
Rates and Taxes	75.36
Rent	117.94
Advertisement and business promotion	36.36
Sales Commission	166.60
Travelling and Conveyance	77.13
MTM loss on forward contract	-
Loss on foreign exchange fluctuation (net)	-
Loss on fixed assets sold / scrapped / written off	38.83
Bank charges	142.23
Expenditure on Corporate Social Responsibility [refer note 36 (b)]	65.70
Miscellaneous Expenses	38.35
	7,434.41

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

36 (a) Payment to auditors

	For the year ended March 31, 2023
Statutory Audit fees	16.00
Taxation fee	3.00
Limited Review Audit	1.30
Other Certifications	1.82
	22.12

36 (b) Expenditure on Corporate Social Responsibility

Particulars	Year ended March 31, 2023
Amount required to be spent by the Group during the year	66.17
Excess amount spent in previous year	0.49
Total amount to be spent during the year	65.68
Amount of expenditure incurred on:	-
(i) Construction/ acquisition of any asset	-
(ii) On purposes other than (i) above	65.70
Excess spent during the year	0.02
Shortfall at the end of the year	-
Total of previous years shortfall	-
Reason for shortfall	NA
Nature of CSR activities	Activities menitoned under Schedule VII of the Companies Act 2013 viz. Disaster management, Rural Infrastructure Development, reducing inequalities faced by socially and economically backward groups, etc.
Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard	NA

37 EXCEPTIONAL ITEMS

	For the year ended March 31, 2023
Extinguishment of trade payables, current financial liabilities, non current liabilities and short term borrowings	(7,681.10)
Irrecoverable Advance/ deposits/ receivables/current assets	2,172.87
Property, Plant & Equipment written off	2,542.28
CIRP expenses	57.94
	(2,908.01)

38 INCOME TAX EXPENSE

(a) Income tax expense

	For the year ended March 31, 2023
Current tax	
Current tax on profits for the year	1,704.76
MAT Paid	-
Total current tax expense	**1,704.76**
Deferred tax	
Deferred tax adjustments	(22.28)
Total deferred tax expense/(benefit)	**(22.28)**
Income tax expense	**1,682.48**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

b) The income tax expense for the year can be reconciled to the accounting profit as follows:

	For the year ended March 31, 2023
Profit before tax from continuing operations	9,244.32
Income tax expense calculated at 25.168%	2,326.61
Effect of expenses/income that are not deductible/taxable in determining taxable profit	(621.85)
Income tax expense	**1,704.76**

c) Income tax recognised in other comprehensive income

	For the year ended March 31, 2023
Deferred tax	
Remeasurement of defined benefit obligation	1.55
Total income tax recognised in other comprehensive income	**1.55**

d) Movement of deferred tax expense for the year ended March 31, 2023

Deferred tax (liabilities)/assets in relation to:	Opening balance	Additions/ (deductions) on account of Business Combination	Recognised in profit or loss	Recognised in Other comprehensive income	Closing balance
Property, plant, and equipment and Intangible Assets	158.93	204.41	8.31	-	371.65
Expenses allowable on payment basis under the Income Tax Act	3.58	-	13.98	1.55	19.11
Total	**162.51**	**204.41**	**22.29**	**1.55**	**390.76**

39 EARNINGS PER SHARE

	For the year ended March 31, 2023
Profit for the year attributable to owners of the Group	7,561.84
Weighted average number of ordinary shares outstanding	1,16,24,780
Basic earnings per share (₹)	65.05
Diluted earnings per share (₹)	65.05

40 VALUE OF IMPORTED AND INDIGENOUS RAW MATERIAL CONSUMED DURING THE FINANCIAL YEAR AND THE PERCENTAGE OF EACH TO THE TOTAL CONSUMPTION

Particulars	Year ended March 31, 2023	
	₹ In Lakhs	Percentage (%)
Raw Materials		
Imported	95,581.88	75.00
Others	32,681.54	25.00
	1,28,263.42	**100.00**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

41 REMITTANCE IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND

Particulars	For the year ended March 31, 2023
Amount Remitted as Dividend	-

42 DISCLOSURES REQUIRED BY THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT (MSMED) ACT, 2006 ARE AS UNDER

Particulars	Year ended March 31, 2023
(a) The principal amount remaining unpaid at the end of the year	139.08
(b) The delayed payments of principal amount paid beyond the appointed date during the year	-
(c) Interest actually paid under Section 16 of MSMED Act	-
(d) Normal Interest due and payable during the year, for all the delayed payments, as per the agreed terms	-
(e) Total interest accrued during the year and remaining unpaid	-

This information has been determined to the extent such parties have been identified on the basis of information available with the Group.

43 COMMITMENTS AND CONTINGENT LIABILITY

Particulars	Year ended March 31, 2023
Contingent Liability	
Performance/ Finance Guarantees	
Liability in respect of Letter of Credit/ Bank Guarantee Opened	13.25
Guanrantee given for Bank Loan to Subsidiary	2,800.00
Commitments	
Estimated amount of contracts remaining to be executed on capital account and not provided for	261.81

44 OPERATING SEGMENTS

The operations of the Group falls under a single primary segment i.e., "Metal" in accordance with Ind AS 108 'Operating Segments" and hence segment reporting is not applicable.

Information relating to geographical areas

(a) Revenue from external customers

Particulars	Year ended March 31, 2023
India	64,366.67
Rest of the world	83,251.42
Total	**1,47,618.09**

(b) Non current assets

The manufacturing facilities of the Group is situated in India and no non-current assets are held outside India

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

(c) Information about major customers

Particulars	Year ended March 31, 2023
Number of external customers each contributing more than 10% of total revenue	3
Total revenue from the above customers	1,06,967.42

45 TERMS AND CONDITIONS OF LONG TERM BORROWINGS

Financial Institution	Loan Outstanding March 31, 2023	Tenor	Repayment Commences from	Security	Guarantee
HDFC Bank	127.43 (154.93)	60 Months	March, 2022	First Charge on Vehicle Purchased	Nil

The above loans carry interest @ 6.75%

(Figures in brackets represent previous year numbers)

46 FINANCIAL INSTRUMENTS

Capital management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concern, while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Group determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity, long-term borrowings and other short-term borrowings.

For the purposes of the Group's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders.

Gearing Ratio:	March 31, 2023
Debt	627.43
Less: Cash and bank balances	77.95
Net debt	**549.48**
Total equity	26,475.85
Gearing ratio (%)	2.08%

Categories of Financial Instruments	March 31, 2023
Financial assets	
a. Measured at amortised cost	
Other non-current financial assets	373.15
Trade receivables	10,154.76
Cash and cash equivalents	65.91
Bank balances other than above	12.04
b. Mandatorily measured at FVTPL	
Investments	11.58
Derivative instruments	-
Financial liabilities	
a. Measured at amortised cost	
Borrowings (non-current)	598.02
Borrowings (current)	14,104.74
Trade payables	929.53
Other financial liabilities	12.04
b. Mandatorily measured at FVTPL	
Derivative instruments	13.25

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

Financial risk management objectives

The treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Group seeks to minimise the effects of these risks by using natural hedging financial instruments and forward contracts to hedge risk exposures. The use of financial derivatives is governed by the Group's policies approved by the board of directors, which provide written principles on foreign exchange risk, the use of financial derivatives, and the investment of excess liquidity. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Market risk

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Group actively manages its currency and interest rate exposure through its finance division and uses derivative instruments such as forward contracts, wherever required, to mitigate the risks from such exposures. The use of derivative instruments is subject to limits and regular monitoring by appropriate levels of management.

Foreign currency risk management

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Group actively manages its currency rate exposures through a centralised treasury division and uses natural hedging principles to mitigate the risks from such exposures. The use of derivative instruments, if any, is subject to limits and regular monitoring by appropriate levels of management.

Forward foreign exchange contracts

It is the policy of the Group to enter into forward foreign exchange contracts to cover (a) repayments of specific foreign currency borrowings; (b) the risk associated with anticipated sales and purchase transactions, taking into account the natural hedging on imports & exports and cost of currency to be recovered from the customers as per Sale Contract.

Disclosure of hedged and unhedged foreign currency exposure

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

As on March 31, 2023

Currency	Liabilities			Assets			Net overall exposure on the currency - net assets / (net liabilities)
	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	Gross exposure	Exposure hedged using derivatives	Net asset exposure on the currency	
USD	0.76	-	0.76	70.77	-	70.77	70.01
In ₹	62.56	-	62.56	5,815.09	-	5,815.09	5,752.53

Foreign currency sensitivity analysis

Movement in the functional currencies of the various operations of the Group against major foreign currencies may impact the Group's revenues from its operations. Any weakening of the functional currency may impact the Group's cost of imports and cost of borrowings and consequently may increase the cost of financing the Group's capital expenditures. The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of a currency and a simultaneous parallel foreign exchange rates shift in the foreign exchange rates of each currency by 2%, which represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 2% change in foreign currency rates.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

Interest rate risk management

The Group is exposed to interest rate risk because it borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied. Further, in appropriate cases, the Group also effects changes in the borrowing arrangements to convert floating interest rates to fixed interest rates.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 25 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

The 25 basis point interest rate changes will impact the profitability by ₹ 20.51 Lakhs for the year (Previous ₹ 28.41 Lakhs)

Credit risk management

Credit risk arises when a customer or counterparty does not meet its obligations under a customer contract or financial instrument, leading to a financial loss. The Group is exposed to credit risk from its operating activities primarily trade receivables and from its financing/ investing activities, including deposits with banks, mutual fund investments and foreign exchange transactions. The Group has no significant concentration of credit risk with any counterparty.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure is the total of the carrying amount of balances with banks, short term deposits with banks, trade receivables, margin money and other financial assets excluding equity investments.

(a) Trade Receivables

The Group has credit evaluation policy for each customer and, based on the evaluation, credit limit of each customer is defined. Wherever the Group assesses the credit risk as high, the exposure is backed by either bank, guarantee/letter of credit or security deposits.

The Group does not have higher concentration of credit risks to a single customer. As per simplified approach, the Group makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default in payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

(b) Investments, Derivative Instruments, Cash and Cash Equivalents and Bank Deposits

Credit Risk on cash and cash equivalents, deposits with the banks/financial institutions is generally low as the said deposits have been made with the banks/financial institutions, who have been assigned high credit rating by international and domestic rating agencies.

Credit Risk on Derivative Instruments is generally low as the Group enters into the Derivative Contracts with the reputed Banks.

Investments of surplus funds are made only with approved banks/ financial institutions/ counterparty. Investments primarily include bank deposits, investment in units of quoted mutual funds issued by high investment grade funds etc. These bank deposits, mutual funds and counterparties have low credit risk. The Group has standard operating procedures and investment policy for deployment of surplus liquidity, which allows investment in bank deposits, debt securities and mutual fund schemes of debt and arbitrage categories and restricts the exposure in equity markets.

Offsetting related disclosures

Offsetting of cash and cash equivalents to borrowings as per the consortium agreement is available only to the bank in the event of a default. Group does not have the right to offset in case of the counter party's bankruptcy, therefore, these disclosures are not required.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

Liquidity risk management

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group invests its surplus funds in bank fixed deposit and mutual funds, which carry minimal mark to market risks. The Group also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

Liquidity tables

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

March 31, 2023	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
Trade payables	924.04	5.49	-	929.53
Borrowings (including interest accrued thereon upto the reporting date)	29.41	598.02	-	627.43
	953.45	**603.51**	**-**	**1,556.96**

47 RELATED PARTY DISCLOSURE

a) List of parties having significant influence

Entities in which directors/relatives are interested	Metier Enterprises (India) Private Limited
Employees Trusts where there is significant influence	Pondy Oxides and Chemicals Limited Group Gratuity Trust

Key management personnel (KMP)

Mr. Anil Kumar Bansal	Chairman
Mr. Ashish Bansal	Managing Director
Mr. K Kumaravel	Director Finance & Company Secretary
Ms. Usha Sankar	Chief Financial Officer (upto August 9, 2022)
Mr. Vijay Balakrishnan	Chief Financial Officer (from August 10, 2022)

Relative of Key Management personnel

Ms. K Mahalakshmi	Wife of Mr. K.Kumaravel
Mr. Sri Sabarish S	Son of Ms. Usha Sankar

b) Transactions during the year

S. No.	Nature of transactions	Year ended March 31, 2023
1	Metier Enterprises (India) Private Limited	
	Interest Paid	6.86
	Loan taken	119.27
	Loans repaid	128.23
	Purchase	68.26
2	Mr. Anil Kumar Bansal	
	Interest Paid	73.31
	Remuneration paid	108.71
	Loans taken	368.00
	Loans repaid	51.12
3	Mr. Ashish Bansal	
	Interest Paid	59.70
	Remuneration paid	234.57
	Loans taken	199.00
	Loans repaid	1,546.41
4	Mr. K Kumaravel	

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

S. No.	Nature of transactions	Year ended March 31, 2023
	Remuneration paid	40.94
5	Ms.Usha Sankar	
	Professional charges/remuneration paid	2.00
6	Mr. Sri Sabarish S	
	Remuneration paid	9.57
7	Ms. K Mahalakshmi	
	Professional charges paid	6.00
8	Mr. Vijay Balakrishnan	
	Remuneration paid	27.30
9	Pondy Oxides and Chemicals Limited Group Gratuity Trust	
	Contribution to Gratuity Trust	11.60

c) **Balances at the end of the year**

Particulars		As at March 31, 2023
Loans		
1	Mr. Anil Kumar Bansal	825.93
2	Mr. Ashish Bansal	201.13
3	Metier Enterprises (India) Private Limited	110.49

48 RETIREMENT BENEFIT PLANS

Defined contribution plans

In accordance with Indian law, eligible employees of the Group are entitled to receive benefits in respect of Gratuity fund, a defined contribution plan, in which both employees and the Group make monthly contributions at a specified percentage of the covered employees' salary. The contributions, as specified under the law, are made to the Gratuity fund as well as Employee State Insurance Fund.

The total expense recognised in profit or loss of ₹ 128.11 Lakhs (previous year ₹ 120.36 Lakhs) represents contribution paid to these plans by the Group at rates specified in the rules of the plan.

Defined benefit plans

(a) Gratuity

Gratuity is payable as per Payment or Gratuity Act 1972. In terms of the same, gratuity is computed by multiplying last drawn salary (basic salary including dearness Allowance if any) by completed years of continuous service with part thereof in excess or six months and again by 15/26. The Act provides for a vesting period of 5 years for withdrawal and retirement and a monetary ceiling on gratuity payable to an employee on separation, as may be prescribed under the Payment of Gratuity Act, 1972, from time to time. However, in cases where an enterprise has more favorable terms in this regard the same has been adopted.

These plans typically expose the Group to actuarial risks such as: investment risk, interest rate risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit.
Interest risk	A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	March 31, 2023
Discount Rate	7.25%
Rate of increase in compensation level	7.00%
Expected Average Remaining Working Lives of Employees (years)	28.48

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:

	March 31, 2023
	₹ Lakhs
Amount recognised under Employee Benefits Expense in the Statement of profit and Loss:	
Current service cost	13.88
Net interest expense	9.74
Return on plan assets (excluding amounts included in net interest expense)	(9.08)
Components of defined benefit costs recognised in profit or loss	**14.54**
Amount recognised in Other Comprehensive Income (OCI) for the Year	
Remeasurement on the net defined benefit liability comprising:	
Actuarial (gains)/losses recognised during the period	6.15
Components of defined benefit costs recognised in other comprehensive income	**6.15**
	20.69

The amount included in the balance sheet arising from the Group's obligation in respect of its defined benefit plans is as follows:

	March 31, 2023
	₹ Lakhs
Present value of defined benefit obligation	158.27
Fair value of plan assets	(132.14)
Net liability/ (asset) arising from defined benefit obligation	**26.13**
Funded	-
Unfunded	26.13
	26.13

The above provisions are reflected under 'Provision for employee benefits- gratuity' (long-term provisions) [Refer note 20 & 26].

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)
(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

Movements in the present value of the defined benefit obligation in the current year were as follows:

	March 31, 2023
	₹ Lakhs
Opening defined benefit obligation	135.96
Current service cost	13.88
Interest cost	9.74
Actuarial (gains)/losses	6.16
Benefits paid	(7.47)
Closing defined benefit obligation	**158.27**

Movements in the fair value of the plan assets in the current year were as follows:

	March 31, 2023
	₹ Lakhs
Opening fair value of plan assets	121.74
Return on plan assets	7.56
Contributions	10.31
Benefits paid	(7.47)
Actuarial gains/(loss)	-
Closing fair value of plan assets	**132.14**

Sensitivity analysis

In view of the fact that the Group for preparing the sensitivity analysis considers the present value of the defined benefit obligation which has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

(b) Compensated absences

The expected cost of accumulating compensated absences is determined at each balance sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date is ₹ 49.14 Lakhs (previous year ₹ 40.16 Lakhs). Expense recognised during the year is ₹ 13.53 Lakhs (previous year ₹ 33.05 Lakhs).

49 BUSINESS COMBINATION - SUMMARY OF ACQUISITION

Harsha Exito Engineering Private Limited has undergone proceedings under Corporate Insolvency Resolution Process (CIRP) as per the Insolvency and Bankruptcy Code, 2016 (IBC). Pursuant to the Resolution Plan submitted by M/s Pondy Oxides and Chemicals Limited the Hon'ble National Company Law Tribunal, Chennai bench, in their order dated January 12, 2023 vide IA/248/CHE/2022 approved the Resolution Plan

Based on the above approval, CIRP of the Company has concluded and the said Resolution plan has been implemented by the Monitoring Committee and the management of the Company has been handed over to the RA (Pondy Oxides and Chemicals Limited) by the Monitoring Committee w.e.f. March 12, 2023

The following consequential impacts have been given effect in the books of accounts in accordance with approved resolution plan / Accounting Standards:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

(i) The existing directors of the Corporate Debtor as on the date of NCLT order have stand replaced by the new Board of Directors from their office with effect from January 12, 2023 as detailed below:

(1) Mr. Ashish Bansal, Director

(2) Mr. K Kumaravel, Director

(3) Mr. Vijay Balakrishanan, Director

(ii) The Resolution Plan was approved by the Hon'ble NCLT based on the Expression of Interest given by the Resolution Applicant for a total consideration of ₹ 32.50 crores on the admitted claims as stated in the Resolution Plan. Apart from the above, for acquiring 100% Equity Share Capital amounting to Rs. 50 Crores, the Resolution Applicant has paid a token amount of ₹ 100/- each to all four Shareholders (i.e. 50,00,000 Equity Shares @ ₹ 100/- each) as per the order of the NCLT.

As per the NCLT Order, post payment of the consideration of ₹ 32.50 crore to various stakeholders as approved in the Resolution plan, all the liabilities (secured/unsecured/operational creditors, etc.) shall stand extinguished in the Financial Statements of Harsha Exito Engineering Private Limited and it has become wholly owned subsidiary of the Pondy Oxides and Chemicals Limited.

Details of the purchase consideration, net assets acquired, and bargain purchase as on January 12, 2023 are as follows

Assets	Fair value as on acquisition date
Property, Plant and Equipment	4,321.14
Deferred Tax Asset (Net)	204.41
Inventories	8.97
Asset classified as Held for Sale	19.00
Total Assets (A)	**4,553.52**
Liabilities	
Liabilities & Payables	-
Total Liabilities (B)	-
Total identifiable net assets acquired at fair value (C) = (A) - (B)	4,553.52
Purchase Consideration (D)	3,250.00
Bargain purchase arising on acquisition (E) = (C) - (D)	**1,303.52**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

50 DISCLOSURE OF ADDITIONAL INFORMATION PERTAINING TO THE PARENT COMPANY, SUBSIDIARIES AND JOINT VENTURES AS PER SCHEDULE III OF COMPANIES ACT, 2013

Name of Entities	Net Assets (Total Assets minus Total Liabilities)		Share in Profit or (Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of Consolidation	Amount	As a % of Consolidation	Amount	As a % of Consolidation	Amount	As a % of Consolidation	Amount
Parent								
Pondy Oxides and Chemicals Limited	80.95%	21,431.61	65.06%	4,920.12	100.00%	(4.60)	65.04%	4,915.52
Wholly Owned Subsdiary								
POCL Future Tech Private Limited	2.08%	550.35	(1.91%)	(144.59)	-	-	(1.91%)	(144.59)
Harsha Exito Engineering Private Limited	16.97%	4,493.89	36.85%	2,786.31	-	-	36.87%	2,786.31
Total	100.00%	26,475.85	100.00%	7,561.84	100.00%	(4.60)	100.00%	7,557.24

Note: The balances and amounts presented above are net of intercompany eliminations and consolidation adjustments.

51 SINCE POCL FUTURE TECH PRIVATE LIMITED AND HARSHA EXITO ENGINEERING PRIVATE LIMITED HAS BECOME SUBSIDIARIES ONLY DURING THIS FINANCIAL YEAR, THE CORRESPONDING CONSOLIDATED FIGURES WERE NOT REPORTED FOR YEAR ENDED MARCH 2022.

For and on behalf of the board

Anil Kumar Bansal
Chairman
DIN: 00232223

Ashish Bansal
Managing Director
DIN: 01543967

Vijay Balakrishnan
Chief Financial Officer

K.Kumaravel
Director Finance & Company Secretary

Place : Chennai
Date : May 29, 2023

As per our report of even date attached
For M/s. L. Mukundan and Associates
Chartered Accountants
(FRN No.010283S)

L. Mukundan
Partner
M.No.204372

Place : Chennai
Date : May 29, 2023

NOTICE TO THE 28TH ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty Eighth (28th) Annual General Meeting of the Members of **PONDY OXIDES AND CHEMICALS LIMITED** will be held on Friday, September 22, 2023 at 03.00 P.M. IST through Video Conferencing/other Audio-Visual Means ("OAVM") to transact the following businesses:

ORDINARY BUSINESSES:

1. **To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2023, together with the reports of Board of Directors' and Auditors' thereon:**

   To consider and if thought fit, to pass, the following resolution as **Ordinary Resolution**:

   "RESOLVED THAT the Audited Standalone and Consolidated Financial statements for the year ended March 31, 2023, and Board's Report and Auditor's Report thereon be and are hereby considered and adopted."

2. **To declare Final Dividend of ₹ 5.00/- (i.e. 50%) per equity share of ₹ 10/- each for the Financial Year ended March 31, 2023:**

   To consider and if thought fit, to pass, the following resolution as **Ordinary Resolution**:

   "RESOLVED THAT the final dividend of ₹ 5.00/- per equity share of ₹ 10/- each (50%) as recommended by the Board of Directors in their meeting held on May 29, 2023, be and is hereby declared for the financial year ended March 31, 2023 and that the same be paid out of the profits of the Company for the said Financial Year to those shareholders whose names appear in the Register of Members and the beneficial holders of the dematerialised shares as on Friday, September 15, 2023 as per the details provided by the Depositories for this purpose."

3. **To appoint a Director in the place of Mr. Anil Kumar Bansal (DIN: 00232223), who retires by rotation and being eligible, offers himself for reappointment:**

   To consider and if thought fit, to pass, the following resolution as **Ordinary Resolution**:

   "RESOLVED THAT pursuant to section 152 of the Companies Act 2013, Mr. Anil Kumar Bansal (DIN: 00232223), who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as a Director of the Company and he shall continue to be the Chairman & Whole-time Director of the Company in accordance with his terms of appointment."

SPECIAL BUSINESSES:

4. **Re- appointment of Mr. Ashish Bansal (DIN: 01543967) as Managing Director and fixing his remuneration.**

   To consider and if thought fit, to pass, the following resolution(s) as a **Special Resolution**:

   "RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Schedule V of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force), the relevant provisions of the Articles of Association of the Company, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and based on the recommendation of the Nomination and Remuneration Committee and subsequent acceptance by the Board of Directors, consent of the members of the Company be and is hereby accorded to re-appoint Mr. Ashish Bansal as Managing Director of the Company for a period of 3 years with effect from April 1, 2024 at such remuneration mentioned below with an authority of the Board to provide an annual increment not exceeding 30% of the existing remuneration-

   (A) **Basic Salary:** ₹ 1,50,00,000 (Rupees One Crore Fifty Lakhs only) per annum;

   (B) **Perquisites and allowances:** Such as House Rent Allowance, Medical Allowance, Special Allowance, Provident Fund, Conveyance, Medical Reimbursement for self and family, Bonus, Leave Travel Concession, Gratuity, ESOPs, etc. Utilities expenses, House maintenance, Books, Periodicals and Annual subscription for residence, use of company maintained car for business and personal use and communication expenses as may be provided by the Company and as agreed upon by the Board of Directors of the Company and Mr. Ashish Bansal, provided that the total value of allowances and perquisites payable in a year shall not exceed the amount of annual salary;

   (C) **Reimbursement of expenses incurred for official purposes:** On actual basis;

   (D) **Profit based commission:** remuneration by way of commission or otherwise, over and above the remuneration mentioned in (A) to (C) above, at an amount not exceeding ₹ 2.50 Crore of the net profits of the Company computed in accordance with the provisions of Section 198 of the Companies Act, 2013 commencing from the Financial Year 2024-

25 and the payment of commission or otherwise be paid in such amount, proportion and manner as may be decided by the Board of Directors of the Company from time to time, notwithstanding inadequacy of profits;

RESOLVED FURTHER THAT the above remuneration including profit based commission or otherwise shall be subject to modification, as may be deemed fit by the Board from time to time and subject to the limits and stipulations prescribed by the Companies Act, 2013 read with Schedule V thereto, and/or any guidelines prescribed by the Government from time to time;

RESOLVED FURTHER THAT wherein in any financial year, during the tenure of Mr. Ashish Bansal, in case the Company has no profits, or its profits are inadequate, the Company shall pay the remuneration by way of salary, perquisites and allowances and may pay profit based commission or otherwise subject to the limits and conditions specified under Schedule V of the Companies Act, 2013, as may be amended from time to time;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things, to enter into such agreement(s), deed(s) of amendment(s) or any such document(s), as the Board may, in its absolute discretion, consider necessary, expedient or desirable including power to sub-delegate, in order to give effect to this resolution or as otherwise considered by the Board to be in the best interest of the Company, as it may deem fit."

5. **Re-appointment of Mr. Anil Kumar Bansal (DIN: 00232223) as Whole-Time Director and fixing his remuneration.**

To consider and if thought fit, to pass the following resolution(s) as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Schedule V of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force), the relevant provisions of the Articles of Association of the Company, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and based on the recommendation of the Nomination and Remuneration Committee & subsequent acceptance by Board of Directors, consent of the members of the Company be and is hereby accorded to re-appoint Mr. Anil Kumar Bansal (DIN: 00232223), who will be attaining the age of 70 years during the tenure as Chairman & Whole-Time Director of the Company for a period of 3 years with effect from April 1, 2024 at such remuneration mentioned below with an authority of the Board to provide an annual increment not exceeding 30% of the existing remuneration-

(A) **Basic Salary:** ₹ 75,00,000 (Rupees Seventy Five Lakhs only) per annum.

(B) **Perquisites and allowances:** Such as House Rent Allowance, Medical Allowance, Special Allowance, Provident Fund, Conveyance, Medical Reimbursement for self and family, Bonus, Leave Travel Concession, Gratuity, ESOP's, etc. Utilities expenses, House maintenance, Books, Periodicals and Annual subscription for residence, use of company maintained car for business and personal use and communication expenses as may be provided by the Company and as agreed upon by the Board of Directors of the Company and Mr. Anil Kumar Bansal, provided that the total value of allowances and perquisites payable in a year shall not exceed the amount of annual salary.

(C) **Reimbursement of expenses incurred for official purposes:** On actual basis.

RESOLVED FURTHER THAT the above remuneration shall be subject to modification, as may be deemed fit by the Board from time to time and subject to the limits and stipulations prescribed by the Companies Act, 2013 read with Schedule V thereto, and/or any guidelines prescribed by the Government from time to time.

RESOLVED FURTHER THAT wherein in any financial year, during the tenure of Mr. Anil Kumar Bansal, in case the Company has no profits, or its profits are inadequate, the Company shall pay the remuneration by way of salary, perquisites and allowances subject to the limits and conditions specified under Schedule V of the Companies Act, 2013, as may be amended from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things, to enter into such agreement(s), deed(s) of amendment(s) or any such document(s), as the Board may, in its absolute discretion, consider necessary, expedient or desirable including power to sub-delegate, in order to give effect to this resolution or as otherwise considered by the Board to be in the best interest of the Company, as it may deem fit."

NOTICE TO THE 28TH ANNUAL GENERAL MEETING (Contd.)

6. **To increase the borrowing powers of the Company**

To consider and if thought fit, to pass the following resolution(s) as **Special Resolution**:

"RESOLVED THAT in supersession of the Special Resolution passed by the Members of the Company in the 26th Annual General Meeting held on September 18, 2021 and pursuant to Section 180(1)(a), 180(1)(c), and other applicable provision(s), if any, of the Companies Act, 2013 read with Companies (Meeting of the Board and its powers) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the Articles of Association (AOA) of the Company, the consent of the members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board") to borrow any sum or sums of money from time to time at its discretion, from one or more banks, Financial Institutions and other persons, Firms, Bodies Corporate, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the Ordinary course of business) may, at any time, exceed the aggregate of its paid-up share capital and its free reserves and securities premium, subject to such aggregate borrowings not exceeding an amount of ₹ 400 Crore (Rupees Four Hundred Crore only) and that the Board be and is hereby empowered and authorised to arrange and fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as it may, in its absolute discretion, think fit.

RESOLVED FURTHER THAT the consent of the Company be and is hereby accorded to the Board to mortgage and/or charge all or any of the movable or immovable property of the Company, wheresoever situated, being present or in future, in favour of Banks, Financial Institutions and other Persons, Firms, Bodies Corporate to secure the loan advanced/agreed to be advanced together with the interest thereon for an amount not exceeding ₹ 400 Crore (Rupees Four Hundred Crore only) in aggregate at any given point of time.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper, or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution".

7. **Re-appointment of Mr. A Vijay Anand (DIN: 06431219) as Independent Director of the Company:**

To consider and if thought fit, to pass, the following resolution(s) as **Special Resolution**:

"RESOLVED THAT pursuant to Section 149, 150, 152 and other applicable provision(s) of the Companies Act, 2013 read with Schedule IV and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Mr. Vijay Anand (DIN: 06431219), whose period of office for first term as Independent Director of the Company, is liable to expire on December 26, 2023, and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and who is eligible for reappointment for a second term and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of the Director pursuant to Section 160 of the Companies Act, 2013, be and is hereby re-appointed as an Independent Director of the Company with effect from December 27, 2023 to December 26, 2028 and the term shall not be subject to retirement by rotation."

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper, or desirable and to settle any question, difficulty, doubt that may arise in respect of the aforesaid re-appointment and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution".

8. **To ratify the remuneration of the Cost Auditors for the Financial Year 2022-23:**

To consider and if thought fit, to pass, the following resolution as **Ordinary Resolution**:

NOTICE TO THE 28TH ANNUAL GENERAL MEETING (Contd.)

"**RESOLVED THAT** pursuant to the provisions of Section 148 and all applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 as amended from time to time, the consent of the members be and hereby accorded to ratify the remuneration of ₹ 40,000/- (Rupees Forty Thousand only) in addition to applicable taxes and out of pocket expenses, fixed by the Board of Directors, to M/s. Vivekanandan Unni & Associates, Cost Accountants, Chennai (having Firm Registration Number 00085), appointed by the Board of Directors as Cost Auditors to conduct the Audit of the cost records of the Company for the Financial Year 2022-23."

By Order of the Board
For **Pondy Oxides and Chemcials Limited**

Place : Chennai
Date : August 11, 2023

K. Kumaravel
Director Finance & Company Secretary

NOTICE TO THE 28TH ANNUAL GENERAL MEETING (Contd.)

NOTES:

1. The Ministry of Corporate Affairs ("MCA") has vide its General Circular No. 10/2022 dated December 28, 2022, circular no. 21/2021 dated December 14, 2021 and 2/2022 dated May 5, 2022 read with circulars dated January 13, 2021, May 5, 2020 April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") and the Securities and Exchange Board of India ('SEBI') vide its circular nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, SEBI/HO/CFD/CMD2/CIRP/P/2022/62 dated May 13, 2022 and SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 ('SEBI Circulars') has permitted the holding of the Annual General Meeting ("AGM") through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), without the physical presence of the Members at a common venue. In compliance with these MCA and SEBI Circulars, applicable provisions of the Act (including any statutory modifications or re-enactments thereof for the time being in force) read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and pursuant to Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), the 28th AGM of the Company is being conducted through VC/OAVM on Friday, September 22, 2023 at 03:00 PM IST. The registered office of the Company shall be deemed to be the venue for the 28th AGM.
2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this 28th AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for this 28th AGM and hence the Attendance Slip and Proxy Form are not annexed to this Notice.
3. The Members can join the AGM through VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in this Notice. The facility of participation in the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc., who are allowed to attend the AGM without restriction on account of first come first served basis. The detailed instructions for joining the Meeting through VC/OAVM forms part of the Notes to this Notice;
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act;
5. The relative Explanatory Statement pursuant to Section 102 of the Act, setting out material facts concerning the special businesses under Item No. 4 to 8 of the Notice, is annexed hereto. The relevant details, pursuant to Regulations 26(4) and 36(3) of the Listing Regulations and "Secretarial Standard – 2" on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking re-appointment at this AGM is also annexed;
6. Book Closure, Dividend and Bonus Shares:
   (a) The Register of Members and the Share Transfer Books of the Company will remain closed from September 16, 2023 till September 22, 2023 (both days inclusive) for the purpose of payment of dividend;
   (b) If dividend on Equity Shares, as recommended by the Board, is approved at the 28th Annual General Meeting, the payment of such dividend will be made as under:
      (i) to all beneficial owners in respect of Shares held in electronic form as per details furnished by the Depositories for this purpose as at the end of Friday, September 15, 2023
      (ii) to all Members in respect of Shares held in physical form, after giving effect to valid transfer, transmission or transposition requests lodged with the Company on or before Friday, September 15, 2023
7. SEBI vide its notification dated January 24, 2022, has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialised form.

   In view of the same and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are advised to dematerialise the shares held by them. Members can contact the Company or Company's Registrars and Transfer Agents - M/s. Cameo Corporate Services Limited for assistance in this regard;
8. Members may please note that SEBI vide its circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022, has mandated the listed companies to issue securities in dematerialised form only while

NOTICE TO THE 28TH ANNUAL GENERAL MEETING (Contd.)

processing service request viz., Issue of duplicate securities certificates; claim from Unclaimed Suspense Account; Renewal / Exchange of securities certificate; Endorsement; Sub-division / Splitting of securities certificate; consolidation of securities certificate/folios; Transmission; Transposition. Accordingly, members are requested to make service requests by submitting a duly filled and signed Form ISR-4, on the website of the Company's Registrar and Share Transfer Agent, M/s. Cameo Corporate Services Limited at https://cameoindia.com/registry-and-share-transfer. It may be noted that any service request can be processed only after the folio is KYC Compliant.

9. To support the "Green Initiative", Members who have not registered their email addresses are requested to register the same with the Company's Registrar and Share Transfer Agent/their Depository Participants, in respect of shares held in physical/electronic mode, respectively, for receiving all communication(s) including Annual Report, Notices, Circulars, etc. from the Company electronically;

10. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their Depository Participant in case the shares are held in electronic form and in case the shares are held in physical form to M/s. Cameo Corporate Services Limited in prescribed form ISR-1 and other forms pursuant to SEBI Circular No. SEBI/HO/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021, SEBI/HO/MIRSD_RTAMB/P/CIR/2021/687 dated November 14, 2021 and SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023;

11. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote;

12. Members seeking any information with regard to the financial statements are requested to write to the Company at kk@pocl.com at least 7 days before the Annual General Meeting so as to enable the management to keep the information ready at the Annual General Meeting;

13. **Transfer of Unclaimed/Unpaid amounts to the Investor Education and Protection Fund (IEPF):**

    (a) Members are requested to note that dividends not encashed or remaining unclaimed for a period of 7 (seven) years from the date of transfer to the Company's Unpaid Dividend Account, shall be transferred to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Further, pursuant to the provisions of Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") as amended to date, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to IEPF Authority as notified by the Ministry of Corporate Affairs.

    The Members/Claimants whose shares and/or unclaimed dividend amount have been transferred to IEPF may claim the shares or apply for refund by making an application to IEPF Authority in Form IEPF-5 (available on www.iepf.gov.in). The Member/Claimant can file only one consolidated claim in a Financial Year as per the IEPF Rules.

    It is in the Members' interest to claim any uncashed dividends and for future, opt for Electronic Clearing Service, so that dividends paid by the Company are credited to the Members' account on time.

    Members who have not yet encashed the dividend warrants, from the Financial Year ended March 31, 2016 onwards are requested to forward their claims to the Company's Registrar and Share Transfer Agents. Members are requested to contact the Company's Registrar and Share Transfer Agent at the following address, to claim the unclaimed/unpaid dividends:

    M/s. Cameo Corporate Services Limited

    "Subramanian Building" No.1

    Club House Road

    Chennai – 600002

    Tel: +91-44-2846 0390 (6 lines)

    Fax: +91-44-2846 0129

    Email: murali@cameoindia.com

    Website: https://cameoindia.com/

    (b) Pursuant to the provisions of Section 124 of the Companies Act, 2013, read with applicable rules, the Company has transferred the unpaid or unclaimed dividends for the financial year 2014-15 on due dates, to the Investor Education and Protection Fund (the IEPF) established by the Central Government;

    (c) Pursuant to the provisions of Section 124 of the Companies Act, 2013, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on March 31, 2023 on the website of the Company (https://pocl.com/portfolio/investor-relations/).

(d) Pursuant to provisions of Section 124 of the Companies Act, 2013 read with applicable rules, unpaid dividend due for transfer to the Investor Education and Protection Fund (IEPF) are as follows:

Dividend for the year ended	Date of Declaration	Proposed date of Transfer*
March 31, 2016	September 17, 2016	October 23, 2023
March 31, 2017	September 27, 2017	November 2, 2024
March 31, 2018	September 22, 2018	October 28, 2025
March 31, 2019	September 18, 2019	October 24, 2026
March 31, 2020	March 13, 2020	April 18, 2027
March 31, 2021	September 18, 2021	October 24, 2028
March 31, 2022	September 21, 2022	October 27, 2029

*Indicative dates, actual dates may vary.

(e) Pursuant to the notification of Section 124(6) of the Companies Act, 2013 read with the Investor Education and Protection Authority Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company is required to transfer the shares in respect of which dividend has not been paid or claimed for seven consecutive years or more. The Company has issued notice to the concerned shareholders intimating them of the impending transfer of shares and simultaneously published a notice in newspapers. The Company has also uploaded the details of the same on the website of the Company for the benefit of the shareholders. Members are requested to verify the status in the Company's website (https://pocl.com/transfer-of-shares/).

14. **Payment of Dividend through electronic means:**

(a) To avoid loss of dividend warrants in transit and undue delay in receipt of dividend warrants, the Company provides the facility to the Members for remittance of dividend directly in electronic mode through National Automated Clearing House (NACH). Members holding shares in physical form and desirous of availing this facility of electronic remittance are requested to provide their latest bank account details (Core Banking Solutions Enabled Account Number, 9-digit MICR and 11-digit IFS Code), along with their Folio Number and original cancelled cheque leaf bearing the name of the first-named shareholder as account holder, to the Company's Registrar and Share Transfer Agent - M/s. Cameo Corporate Services Limited;

(b) Members holding shares in electronic form are requested to provide the said details to their respective Depository Participants;

(c) Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the respective Depository Participant of the Members;

(d) Pursuant to Finance Act, 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company / Registrar and Transfer Agent (in case of shares held in physical mode) and with the Depository Participants (in case of shares held in Demat mode).

A Resident individual shareholder with PAN and who is not liable to pay income tax, can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by sending an email to murali@cameoindia.com latest by 11:59 P.M. (IST) on September 15, 2023.

Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate as applicable under Statutory Regulations/Guidelines.

Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to murali@cameoindia.com. The aforesaid declarations and documents need to be submitted by the shareholders latest by 11:59 P.M. (IST) on September 15, 2023.

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15. Members holding shares in physical form are requested to advise any change of address immediately to the Company's Registrar and Share Transfer Agent. Members holding shares in electronic form must send the advice about change in address to their respective Depository Participant only and not to the Company or the Company's Registrar and Share Transfer Agent.

16. **Updation of Members' Details:**

    The format of the Register of Members prescribed by the Ministry of Corporate Affairs under the Act requires the Company / Registrar and Share Transfer Agent to record additional details of Members, including their PAN details, email address, bank details for payment of dividend, etc. Members holding shares in physical form are requested to submit the details to the Company or to its Registrar and Share Transfer Agent. Members holding shares in electronic form are requested to submit the details to their respective Depository Participant.

17. **Nomination Facility:**

    As per the provisions of Section 72 of the Act and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, as amended, Members holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company's Registrar and Share Transfer Agent. In respect of shares held in dematerialised form, the nomination form may be filed with the respective Depository Participant.

18. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection by the Members by writing an e-mail to the Company Secretary at kk@pocl.com;

19. In compliance with the aforesaid MCA Circulars and SEBI Circulars, Notice of the AGM along with Annual Report 2022-23 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company / Depository Participants. Members may note that the Notice of AGM and the Annual Report 2022-23 will also be available on the Company's website at www.pocl.com, on the website of the Stock Exchanges i.e. BSE Limited at www.bseindia.com, National Stock Exchange of India Limited at https://www.nseindia.com/ and on the website of CDSL https://www.cdslindia.com/;

20. Since the AGM will be held through VC / OAVM, the Route Map is not annexed to this Notice.

VOTING THROUGH ELECTRONIC MEANS:

1. In compliance with the provisions of Section 108 of the Act and the Rules framed thereunder, as amended to date and Regulation 44 of the Listing Regulations, the Members are provided with the facility to cast their vote electronically, through the e-Voting services provided by CDSL, on all the resolutions set forth in this Notice. The instructions for e-Voting are given herein below:

2. The remote e-Voting period commences at 09:00 AM (IST) on Tuesday, September 19, 2023 and ends at 05:00 PM (IST) on Thursday, September 21, 2023. The e-Voting module shall be disabled/blocked by CDSL for voting thereafter. During this period, Members holding shares either in physical or de-materialised form as on the Cut-Off Date i.e., September 15, 2023, may cast their votes electronically. Any person who is not a Member as on the cut- off date should treat this Notice for information purposes only. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system during the AGM. The voting rights of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the Cut-off date.

3. The Company has appointed Mr. Krishna Sharan Mishra of M/s. KSM & Associates., Company Secretaries (Membership No. FCS 6447) as the Scrutiniser to scrutinise the voting at the meeting and remote e-voting process, in a fair and transparent manner and they have communicated their willingness to be appointed and will be available for the purpose;

4. The Members who have cast their vote by remote e-Voting prior to the AGM may also attend / participate in the AGM through VC / OAVM, but shall not be entitled to cast their vote again;

5. The voting rights of Members shall be in proportion to their share in the paid-up equity share capital of the Company as on Friday, September 15, 2023 ("Cut-Off Date");

6. Any person, who are other than individual shareholders holding securities in Demat mode and shareholders holding securities in physical mode, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the Cut-off date i.e. Friday, September 15, 2023, may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com. However, if you are already registered with CDSL for remote e-Voting then you can use your existing user ID and password for casting your vote. If you have forgotten your password, you could reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evotingindia.com. In case of Individual shareholders holding securities in Demat mode, who acquires shares of the Company

and become member of the Company after dispatch of the Notice and holding shares as of the Cut-off date i.e. Friday, September 15, 2023 are requested to follow the login method mentioned below in point (A) under e-Voting instructions;

7. **E-Voting Instructions:**

The way to vote electronically on CDSL/NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to CDSL/NSDL e-Voting system

(A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in Demat mode:

In terms of SEBI circular dated December 9, 2020, on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in Demat mode is allowed to vote through their Demat Account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email ID in their Demat Accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in Demat mode is given below:

Type of Shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	(i) Existing users who have opted for Easi / Easiest, they can login through their user ID and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System - Myeasi. (ii) After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. (iii) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration (iv) Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress
Individual Shareholders holding securities in Demat mode with NSDL.	(i) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under "IDeAS" section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. (ii) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. (iii) Select "Register Online for IDeAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp (iv) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit Demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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Type of Shareholders	Login Method
Individual Shareholders (holding securities in Demat mode) login through their depository participants	You can also login using the login credentials of your Demat account through your Depository Participant registered with CDSL/NSDL for e-Voting facility. Once login is complete, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to CDSL/NSDL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider-CDSL and you will be redirected to e-Voting website of CDSL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forgot User ID and Forgot Password option available at the above-mentioned website.

Helpdesk for Individual Shareholders holding securities in Demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL.

Login Type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue to login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at +91 22 2305 8738 or +91 22 2305 8542-43
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue to login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 224 430

(B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in Demat mode and shareholders holding securities in physical mode.

(i) The shareholders should log on to the e-voting website www.evotingindia.com.

(ii) Once the Home page of e-Voting system is launched, Click on "Shareholders" module.

(iii) Now enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

(iv) Next enter the Image Verification as displayed and Click on Login.

If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

(v) If you are a first-time user follow the steps given below:

Particulars	For Shareholders holding shares in Demat Form other than individual and Physical Form
PAN	Enter your 10-digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

(vi) After entering these details appropriately, click on "SUBMIT" tab.

(vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(ix) Click on the EVSN for the relevant on which you choose to vote.

(x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(C) Facility for Non – Individual Shareholders and Custodians –Remote Voting:

(i) Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.

(ii) A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

(iii) After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

(iv) The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

(v) A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutiniser to verify the same.

(vi) Alternatively Non-Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorised signatory who are authorised to vote, to the Scrutiniser at evoting.ksmassociates@gmail.com and to the Company at the email address viz; kk@pocl.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutiniser to verify the same.

INSTRUCTIONS TO MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-Voting.
2. Only those Members/ Shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-Voting.

GENERAL INSTRUCTIONS / INFORMATION FOR MEMBERS FOR VOTING ON THE RESOLUTIONS:

1. Corporate / Institutional Members (i.e., other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF / JPG Format) of the relevant Board Resolution/ Authority Letter, etc., together with attested specimen signature(s) of the duly authorised representative(s) who are authorised

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to vote, to the Scrutiniser at the email address: evoting.ksmassociates@gmail.com with a copy marked to helpdesk.evoting@cdslindia.com;

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evotingindia.com to reset the password.
3. In case of any query pertaining to e-voting, Members may refer to the Frequently Asked Questions (FAQs) for shareholders and e-Voting user manual for shareholders available at the download section of www.evotingindia.com or call on 022-23058738 and 022-23058542/43 or send a request at helpdesk Any query or grievance connected with the remote e-voting may be addressed to Mr. Rakesh Dalvi, Sr. Manager, CDSL, Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East) Mumbai – 400013 or send an email to helpdesk.evoting@cdslindia.com.
4. Any grievance or clarifications with regard to voting by electronic means may be addressed to Mr. K. Kumaravel, Company Secretary at KRM Centre, 4th Floor, No. 2, Harrington Road, Chetpet, Chennai – 600031, Tamil Nadu, India. Phone: 044-42965454, Email ID: kk@pocl.com.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL IDS ARE NOT REGISTERED WITH THE DEPOSITORIES FOR PROCURING USER ID AND PASSWORD AND REGISTRATION OF E-MAIL IDS FOR E-VOTING FOR THE RESOLUTIONS SET OUT IN THIS NOTICE:

1. In case shares are held in physical mode please provide a request letter duly signed by the first-named shareholder stating Folio No., Name of shareholder, copy of the share certificate (front and back), PAN (self-attested copy of PAN card), AADHAR (self-attested copy of Aadhar Card) to the Registrars and Transfer Agents – Cameo Corporate Services Limited;
2. In case shares are held in Demat mode, please contact your Depository Participant (DP) and register your email address in your demat account, as per the process advised by your DP;
3. If you are an Individual shareholder holding securities in Demat mode, you are requested to refer to the login method explained under Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in Demat mode;
4. Alternatively, shareholder / members may send a request to helpdesk.evoting@cdslindia.com for procuring user ID and password for e-voting by providing above mentioned documents;
5. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in Demat mode are allowed to vote through their Demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their Demat account in order to access e-Voting facility.

INSTRUCTIONS TO MEMBERS FOR ATTENDING THE AGM THROUGH VC / OAVM, ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Members may access by following the steps mentioned above for Access to CDSL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVSN of Company will be displayed.
2. Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
3. Members are encouraged to join the Meeting through Laptops for better experience.
4. Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting
5. Please note that Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
6. Facility of joining the AGM through VC / OAVM shall open 30 minutes before the time scheduled for the AGM and will be available for Members on first come first served basis.
7. Members who need assistance before or during the AGM, can contact CDSL on +91 22 2305 8738 or +91 22

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2305 8542-43 or contact Mr. Rakesh Dalvi, Sr. Manager at helpdesk.evoting@cdslindia.com.

8. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at kk@pocl.com at least 7 working days prior to the AGM. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

OTHER INFORMATION:

1. The Scrutiniser shall, immediately after the conclusion of voting at the AGM, count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses who are not in the employment of the Company and make, not later than 48 hours of conclusion of the Meeting, a consolidated Scrutiniser's Report of the total votes cast in favour or against, if any, to the Chairman or to a person authorised by the Chairman in writing who shall countersign the same;
2. The Chairman or the person authorised by him in writing shall forthwith on receipt of the consolidated Scrutiniser's Report, declare the Results of the voting. The Results declared, along with the Scrutiniser's Report, shall be placed on the Company's website and on the website of CDSL immediately after the results is declared and communicated to the Stock Exchanges where the equity shares of the Company are listed;
3. Subject to the receipt of requisite number of votes, the Resolutions forming part of the Notice of Annual General Meeting shall be deemed to be passed on the date of the AGM i.e. Friday, September 22, 2023.

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EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

As required under Section 102 of the Companies Act, 2013 (Act), the following explanatory statement sets out all the material facts relating to the Special Businesses mentioned under Item No. 4 to Item no. 8 of the accompanying 28th AGM Notice:

ITEM No. 4 & 5

The tenure of Mr. Ashish Bansal & Mr. Anil Kumar Bansal expires on March 31, 2024. Taking into consideration the valuable services rendered by them and based on the recommendation of Nomination and Remuneration Committee, the Board of Directors in their meeting held on August 11, 2023 approved their re-appointment for a further period of three years with effect from April 1, 2024, with a revised remuneration, subject to the approval of the shareholders of the Company.

Pursuant to the provisions of Sections 196 and 197 read with Schedule V of the Companies Act, 2013, approval of the shareholders by way of Special resolution is being sought for the re-appointment of Mr. Ashish Bansal as Managing Director and Mr. Anil Kumar Bansal as Whole-time Director and payment of remuneration to them.

The Proposal for reappointment of Mr. Anil Kumar Bansal as Whole-time Director, who would attain the age of 70 years during the period of 3 years, is made keeping in view of his rich and varied experience in the industry and his involvement in the operations of the Company over a long period of time and it would be in the interest of the Company to continue his employment as a Whole-Time Director. Further, in the opinion of the Board, he is also physically fit to carry out the duties of a Whole-Time Director. Hence Shareholders are requested to appoint him as a Whole-Time Director and confirm his terms of appointment and remuneration by passing a Special Resolution.

A summary of the material terms and conditions relating to the appointment of above directors are as follows:

Director	Mr. Ashish Bansal	Mr. Anil Kumar Bansal
Tenure	For a period of three years from April 1, 2024	
Basic Salary	₹ 1,50,00,000 p.a	₹ 75,00,000 p.a
Perquisites & Allowances	House Rent Allowance, Medical Allowance, Special Allowance, Provident Fund, Conveyance, Medical Reimbursement for self and family, Bonus, Leave Travel Concession, Gratuity, Utilities expenses, House maintenance, Books, Periodicals and Annual subscription for residence, use of company maintained car for business and personal use and communication expenses as may be provided by the Company as agreed upon by the Board of Directors of the Company and the respective director subject however that the total value of allowances and perquisites payable in a year shall not exceed the amount of annual salary.	
Reimbursement of Official Expenses	On actual basis	
Profit Based commission (excluding the above)	₹ 2.50 Crore	---
Annual Increment	Not exceeding 30%	Not exceeding 30%

The Disclosures required to be given under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meeting (SS-2) is provided as Annexure of this Notice.

Minimum Remuneration:

In the years where the Company has no profits or the profits are inadequate, the remuneration to the managerial personnel will be within the limits set out in Part II - Section II of Schedule V to the Companies Act, 2013 as amended from time to time. 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 197 of the Companies Act, 2013 read with Schedule V thereof and stipulations contained in and any other applicable provision of the Companies Act, 2013. In view of above, the Company is seeking approval of the Shareholders by way of special resolution.

Information as required under the Part II - Section II of Schedule V to the Companies Act, 2013 in respect of each appointee is produced below:

I. General Information

1. **Nature of Industry**

   The Company is engaged in the manufacture of Lead Metal and Alloys and other Non-ferrous metals.

2. **Date or expected date of commencement of commercial production**

   The Company has been in business for the past 28 years and focusing on the manufacturing metals and alloys and other non-ferrous metals.

3. **Financial performance based on given indicators (for previous 3 Financial Years)**

   ₹ in Lakhs

Particulars	FY 2022-23	FY 2021-22	FY 2020-21
Sales (Net)	1,47,166.84	1,45,480.10	1,00,427.16
Profit Before Tax	6,575.67	6,435.65	1,377.50
Profit After Tax	4,920.12	4,824.76	1,077.78
Shareholders' Funds	25,414.56	20,814.67	16,132.29

4. **Foreign investments or collaborations, if any:** NIL

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II (A) Information about Mr. Ashish Bansal, Managing Director

1. Background details

Mr. Ashish Bansal aged about 42 years is a part of the Board of the Company since 2009. In the 20th Annual General Meeting he was appointed as Managing Director with effect from June 1, 2015. He was re-appointed as Managing Director with effect from April 1, 2021 for a period of 3 years.

2. Past remuneration

The total remuneration drawn by Mr. Ashish Bansal during the financial year 2022-23 was ₹ 234.57 Lakhs.

3. Recognition or awards

During the year, he received an award on behalf of the Company which was facilitated with a Certificate of recognition as "Three Star Export House" from Directorate General of Foreign Trade, Ministry of Commerce & Industry, Govt. of India based on an exceptional performance in international trade and successful achievement of desired export performance.

4. Job profile and his suitability

Mr. Ashish Bansal graduated in Management studies from University of Wales, United Kingdom. He is in charge of overall functioning of various departments. Mr. Ashish Bansal devotes his time and attention to the business of the Company and carries out such duties as may be entrusted to him by the Board from time to time and separately communicated to him and exercises such powers as may be assigned to him, subject to superintendence, control and directions of the Board. He takes steps to start new projects in the Company as part of Company's Expansion and Diversification strategies.

5. Remuneration proposed

The remuneration proposed for Mr. Ashish Bansal is as stated in the resolution at Item No. 4 of this Notice.

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

The remuneration of Mr. Ashish Bansal is as per Section 197 and 198 of the Companies Act, 2013 read with Schedule V and is commensurate with the remuneration in similar sized industries in same/similar segment of business for this position and profile.

7. Pecuniary relationship directly or indirectly with the Company, or relationship with managerial personnel, if any

During the Financial Year 2022-23, Mr. Ashish Bansal has advanced unsecured loan to an extent of ₹ 199.00 Lakhs to the Company. He holds 17,17,924 equity shares as on March 31, 2023 in the Company.

Mr. Ashish Bansal is the son of Mr. Anil Kumar Bansal, Chairman and Whole-Time Director of the Company.

II (B) Information about Mr. Anil Kumar Bansal, Chairman and Whole-Time Director.

1. Background details

Mr. Anil Kumar Bansal, aged 69 years is the Promoter-Director of the Company and holding the position of Managing Director from the date of incorporation of the Company in 1995. With effect from June 1, 2015 he was appointed as Chairman and Whole-Time Director of the Company.

2. Past remuneration

The total remuneration drawn by Mr. Anil Kumar Bansal during the financial year 2022-23 was ₹ 108.71 Lakhs.

3. Recognition or awards

Nil

4. Job profile and his suitability

Mr. Anil Kumar Bansal is a Science graduate, specialised in production and R&D areas of Metals, Alloys and Lead Compounds. He is the Chairman of the Company and he oversees the activities of the Board and gives directions to the Managing Director and other Directors on the policies of the Company.

5. Remuneration proposed

The remuneration proposed for Mr. Anil Kumar Bansal is as stated in the resolution in Item No. 5 of this Notice.

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

The remuneration of Mr. Anil Kumar Bansal is as per Section 197 and 198 of the Companies

Act, 2013 read with Schedule V and is commensurate with the remuneration paid in the similar sized industries in same/similar segment of business for this position and profile.

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

During the Financial Year 2022-23, Mr. Anil Kumar Bansal has advanced unsecured loan to an extent of ₹ 368.00 Lakhs to the Company. He holds 12,53,622 equity shares as on March 31, 2023 in the Company.

Mr. Anil Kumar Bansal is related to Mr. Ashish Bansal, Managing Director of the Company.

III. OTHER INFORMATION

1. **Reasons in case if the Company has inadequate profits, if any, in any financial year**

Managing growth and price stability are the major challenges of macroeconomic policy making. Your Company has taken steps to mitigate the challenges and improved the turnover and profitability during the past 3 years. Though the profitability of the Company is adequate to pay the remuneration for the Managerial Personnel(s), in many of the years, taking into account the eventuality of inadequate profit during any financial year(s), hence approval of the members is obtained for payment of minimum remuneration as an abundant caution.

2. **Steps taken or proposed to be taken for improvement**

To overcome the above problems, if arisen during any financial year(s), the Company would continue to lock the price for import of raw materials on average London Metal Exchange (LME) basis every month as the sale realisation also based on the average LME price of the previous month. Further, the Company also introduced value added products along with venturing into other Non-ferrous metals for maximising the profitability. Hedging Mechanism is in place to safeguard against volatility risk.

3. **Expected increase in productivity and Profits in measurable terms**

In view of the steps taken by the Company, turnover has increased in the year 2022-23 compared to the previous years and the Company was able to maintain its profitability from the previous year despite geo-political and other macro-economic issues. Further, the Company is also aiming to increase the profitability in coming years as per the initiatives taken by the Management.

IV. DISCLOSURES.

The following information is provided under Corporate Governance Section of this Annual Report:

(a) all elements of the revenue package, if any, such as salary, benefits, bonuses, stock options, pension etc. of all Directors;

(b) details of fixed component and performance linked incentives, if any, along with performance criteria;

(c) service contracts, notice period, severance fees;

(d) stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.

The Explanatory Statement together with the accompanying Notice may be treated as an abstract of the terms of appointment and Memorandum of interest under Section 190 of the Companies Act, 2013 on fixing the payment of remuneration for Mr. Anil Kumar Bansal, Chairman and Whole-time Director and fixing the payment of remuneration with profit based commission for Mr. Ashish Bansal, Managing Director of the Company.

Your directors recommend the resolution set out in Item No. 4 & 5 of the Notice for approval by the Members as a Special Resolution

Except for Mr. Ashish Bansal and Mr. Anil Kumar Bansal none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in the resolutions set out at item nos. 4 & 5.

ITEM NO. 6

Increase in the borrowing powers of the Company

The members of the Company in the 26th Annual General Meeting held on September 18, 2021, authorised the Board of Directors of the Company to borrow in excess of paid-up capital and free reserves upto an amount of ₹ 300 Crore (Rupees Three Hundred Crore only), excluding the temporary loans.

Keeping in view your Company's business requirements and growth plans, it is considered desirable to increase the said borrowing limits under the provisions of Section 180(1)(c) of the Companies Act, 2013 (the "Act"). The borrowings by a Company, in general, are required to be secured by mortgage or charge on all or any of the moveable or immovable properties of the Company in such form, manner and ranking as may be determined by the Board from time to time, in consultation with the lender(s).

NOTICE TO THE 28TH ANNUAL GENERAL MEETING (Contd.)

Your consent is required under the provisions of Sections 180(1)(c) and Section 180(1)(a) of the Act, to authorise the Board to borrow in excess of Paid-up share Capital, free reserves and Securities Premium of the Company and accordingly the resolution is proposed to increase the borrowing limits from ₹ 300 Crore to ₹ 400 Crore.

The resolutions as set out in Item No. 6 of this Notice requires your approval as Special Resolution. None of the Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested in the said resolution. Your directors recommend the resolution set out in Item No. 6 of the Notice for approval by the Members as a Special Resolution

ITEM NO. 7

Re-appointment of Mr. A Vijay Anand (DIN: 06431219) as Independent Director of the Company:

The Shareholders of the Company, in their Meeting held on September 18, 2019, appointed Mr. A Vijay Anand as an Independent Director of the Company for a period of 5 years commencing from December 27, 2018 till December 26, 2023. Mr. A Vijay Anand is a retired civil servant with over 36 years of experience in the Central Government, in positions ranging from Revenue Collection, adjudication, administration and appeals in Indirect Taxes. He is the Chairperson of all the Board Committees. Taking into account, the expertise and contribution made by him to the Board and as recommended by the Nomination and Remuneration Committee, the Board proposes to re-appoint him as an Independent Director for a second consecutive term of 5 years commencing from December 27, 2023 to December 26, 2028.

In the opinion of the Board, Mr. A Vijay Anand fulfills the conditions for appointment as Independent Director as specified in the Companies Act, 2013 and SEBI Listing Regulations. The Details as required by the Secretarial Standard on the General Meetings and SEBI Listing Regulations are provided in the Annexure to this Notice.

Other than Mr. A Vijay Anand, none of the other Directors, Key Managerial Personnel or their respective relatives are, in any way, concerned or interested, financially or otherwise, in this resolution. Your directors recommend the resolution set out in Item No. 7 of the Notice for approval by the Members as a Special Resolution.

ITEM NO. 8

Ratification of remuneration of the Cost Auditors for the Financial Year ended March 31, 2023:

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the members of the Company.

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. Vivekanandan Unni & Associates as the Cost Auditor (having Firm Registration Number 00085) to conduct the audit of the cost records of the Company for the Financial Year ended March 31, 2023. The remuneration payable to the cost auditor is ₹ 40,000 (Rupees Forty Thousand Only) excluding taxes and reimbursement of incidental expenses incurred by the Auditor for carrying out the cost audit

Accordingly, the Directors recommend the consent of the members for passing an Ordinary Resolution as set out in Item No. 8 of the Notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year ended March 31, 2023.

None of the Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested in the resolution.

Inspection of documents:

The Documents pertaining to the above Special Businesses are available for inspection at the Registered Office of the Company on any day prior to the meeting during working hours.

By Order of the Board
For **Pondy Oxides and Chemcials Limited**

Place : Chennai
Date : August 11, 2023

K. Kumaravel
Director Finance & Company Secretary

ANNEXURE TO THE 28TH AGM NOTICE

DETAILS OF DIRECTOR SEEKING APPOINTMENT / RE-APPOINTMENT AT THE 28th ANNUAL GENERAL MEETING

[Pursuant to 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India]

Name of the Director(s)	Mr. Anil Kumar Bansal	Mr. Ashish Bansal	Mr. A Vijay Anand
DIN	00232223	01543967	06431219
Date of Birth/ Age	November 2, 1953 / 69 years	July 15, 1981 / 42 years	August 18, 1956 / 67 years
Designation / Category of Director	Chairman & Whole-time Director	Managing Director	Independent Director
Original date of Appointment on the Board	March 21, 1995	July 30, 2009	December 27, 2018
Remuneration drawn (for FY March 31, 2023)	₹ 234.57 Lakhs	₹ 108.71 Lakhs	No remuneration drawn except for sitting fees
Qualification and Brief resume of the Director	Mr. Anil Kumar Bansal is a Science graduate, specialised in production and R&D areas of Metals, Alloys and Lead Compounds. He is the Chairman of the Company and he oversees the activities of the Board and gives directions to the Managing Director and other Directors on the policies of the Company.	Mr. Ashish Bansal is qualified MBA from University of Wales, UK, is a part of the Board of the Company since 2009. In the 20th AGM he was appointed as Managing Director (MD) with effect from June 1, 2015. He was re-appointed as MD with effect from April 1, 2021 for a period of 3 years. He takes steps to start new projects as part of Company's Expansion & Diversification strategies	Mr. A Vijay Anand, a qualified M.A. International Politics, is a part of the Board from December 2018. He has held the position of Nominee Director in Antrix Corporation, a Mini Ratna PSE from 2012 to 2016 and Principal Chief Commissioner of Indirect Taxes and Customs, South Zone
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Mr. Anil Kumar Bansal is the father of Mr. Ashish Bansal. He is not related to any of the other Directors or Key Managerial Personnel of the Company	Mr. Ashish Bansal is the son of Mr. Anil Kumar Bansal, He is not related to any of the other Directors or Key Managerial Personnel of the Company	Mr. A Vijay Anand is not related to any of the other Directors or Key Managerial Personnel of the Company
Expertise in Specific Functional areas	Expertise Knowledge in Metal/ Chemicals Industry and in its manufacturing process	Overall Management of the Company with specialisation in Raw Material Procurement and Sale of finished goods	Financial Advisor, Revenue collection, administration to Govt. of India, Indirect Tax dept.,
Directorship in other Public Companies (Excluding Foreign, Private and Section 8 Companies)	NIL	1) Material Recycling Association of India (MRAI) w.e.f September 29, 2021 2) POCL Future Tech Private limited (w.e.f. May 27, 2022) 3) Harsha Exito Engineering Private Limited (w.e.f. January 12, 2023)	1) Sasmos Het Technologies Limited (w.e.f May 29, 2019)
Listed companies from where the Directors resigned during the past 3 years	NA	NA	NA

ANNEXURE TO THE 28TH AGM NOTICE (Contd.)

Name of the Director(s)	Mr. Anil Kumar Bansal	Mr. Ashish Bansal	Mr. A Vijay Anand
No. of Shares held in the Company as on March 31, 2023	12,53,622	17,17,924	8474
Skills and Capabilities required for the Role of Independent Directors and the manner in which the proposed person meets such requirements	NA	NA	Global Business, Finance, Technology & Regulatory requirements
Memberships / Chairmanships of Committees of other Public Companies (includes only Audit Committee and Stakeholders Relationship Committee)	NIL	NIL	NIL
Terms and Conditions of Appointment along with the Remuneration proposed to be paid	As stated in the notice of the 28th AGM & explanatory statement	As stated in the notice of the 28th AGM & explanatory statement	As stated in the notice of the 28th AGM & explanatory statement
Number of Board Meetings held and attended during the year (FY 2022-23)	Held – 4 Attended – 4	Held – 4 Attended – 4	Held – 4 Attended – 4

FIVE YEARS FINANCIAL HIGHLIGHTS

[₹ In Lakhs]

Particulars	FY 2022-23	FY 2021-22	FY 2020-21	FY 2019-20	FY2018-19
OPERATING RESULTS					
Net Sales	1,47,166.84	1,45,480.10	1,00,427.16	1,21,987.10	1,04,888.55
Profit Before Tax and Exceptional items [PBTE]	6,575.67	6,435.65	1,377.50	2,122.78	5,187.81
Profit Before Tax [PBT]	6,575.67	6,435.65	1,377.50	2,122.78	5,187.81
Profit After Tax [PAT]	4,920.12	4,824.76	1,077.78	1,634.56	3,372.83
Total Comprehensive Income	4,915.52	4,836.03	1,105.32	1,644.15	3,376.96
Net Cash Accrual	5,926.45	5,723.42	1,917.00	2,421.23	3,892.09
Dividend [incl. Div. Tax]	581.24	290.62	145.31	201.05	201.66
SOURCES AND APPLICATION OF FUNDS					
SOURCES OF FUNDS					
Equity Share Capital[1]	1,162.48	581.24	581.24	581.24	557.60
Reserves & Surplus	2,787.20	2,878.44	2,398.44	2,288.44	1,313.79
Profit and Loss Account	21,464.88	17,354.99	13,152.61	12,175.30	11,168.64
Net Worth	25,414.56	20,814.67	16,132.29	15,044.98	13,040.03
Loan Funds	14,202.60	10,717.88	14,368.96	5,127.91	13,981.48
Deferred Tax Liability [Net]	-	-	-	-	-
Funds Employed	39,617.16	31,532.55	30,501.25	20,172.89	27,021.51
APPLICATION OF FUNDS					
Fixed Assets: Net [Incl. WIP]	9,324.10	5,430.39	4,964.25	5,278.57	3,350.94
Deferred Tax Assets [Net]	213.26	162.51	72.24	11.47	58.66
Net Non Current Assets	5,438.41	1,113.34	1,117.32	1,266.55	455.74
Net Current Assets	24,641.39	24,826.31	24,347.44	13,616.30	23,724.17
Net Assets	39,617.16	31,532.55	30,501.25	20,172.89	27,589.51
RATIOS					
PBTE to Sales (%)	4.47	4.42	1.37	1.74	4.95
PAT to Sales (%)	3.34	3.32	1.07	1.34	3.22
Return on Assets[2] (%)	22.05	23.95	7.49	13.52	24.88
Return on Net worth[3] (%)	21.29	26.12	6.91	11.64	29.45
Return on Capital Employed[4] (%)	18.32	23.09	6.00	15.45	23.35
Debt : Equity (times)	0.02	0.04	0.12	0.05	0.06
Fixed Assets Turnover (times)	15.78	26.79	20.23	23.11	31.30
Earning per share	42.32	83.01	18.54	29.28	60.49
Dividend (%)	50.00	50.00	25.00	30.00	40.00
Dividend per share	5.00	5.00	2.50	3.00	4.00
Book value per share	218.62	358.11	277.55	258.84	233.86

Notes:

1. During the Year, the Company had issued and alloted Bonus Equity Shares in the ratio of 1:1
2. Return on assets is PBIT divided by Average Net Operating Assets.
   Net operating assets exclude Capital work in progress, Cash and Non-trade investments.
3. Return on Net worth is computed based on average net worth.
4. Return on Capital Employed is PBIT divided by Funds employed.
5. All the Figures are in compliance with IndAS

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POCL®

Pondy Oxides and Chemicals Limited

Recycling is our forte

Registered Office

KRM Centre, 4th Floor

2 Harrington Road, Chetpet

Chennai - 600 031

Tamil Nadu, India

Phone No.: +91-044-42965454

Fax No.: +91-044-42965455

Email: info@pocl.com

Web: www.pocl.com