



POEL POCL ENTERPRISES LIMITED

Ref: POEL/SKK/BSE/2018 - 19/25
SEPTEMBER 2, 2018

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai- 400001

Dear Sir,

Sub: Completion of Annual General Meeting and Chairman's Speech
Ref: 539195

The 30th Annual General Meeting of POCL Enterprises Limited was held on September 1, 2018 at 10:30 A.M. at Kasturi Srinivasan Hall (Mini Hall), 'The Music Academy', No. 168, T.T.K. Road, Royapettah, Chennai – 600 014.

We enclose herewith the Chairman's Address to the shareholders at the 30th Annual General Meeting of the Company.

This is for your information and record.

Thanking You,

Yours faithfully,
For **POCL ENTERPRISES LIMITED**

AASHISH KUMAR K JAIN
COMPANY SECRETARY



Encl: As above





POCL Enterprises Limited

CIN: L52599TN1988PLC015731

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**CHAIRMAN'S ADDRESS AT THE 30TH ANNUAL GENERAL MEETING OF
POCL ENTERPRISES LIMITED**

Dear Fellow Shareholders,

On behalf of POEL Board of Directors, I am happy to welcome you all, to the 30th Annual General Meeting of your Company.

Thank you for joining us today. Your presence here is a testimony to your interest and involvement in the Company and I sincerely thank you all for that. Your support is critical to the success of the Company.

GLOBAL AND INDIAN ECONOMIC OVERVIEW

To begin with, let me give you a brief overview of Global and Indian economy.

The global economy delivered a strong growth of 3.8% for FY 2017 aided by robust growth in emerging and developing economies along with growth in advanced economies. Global manufacturing activity continued to grow on account of favourable financing conditions, accommodative policies and increase in commodity prices. This bodes well for your Company, as it implies robust economic activity in our export markets.



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Financial Year 2017-18 marked a reversal in the performance of the Indian economy. Although the GDP growth declining to 6.5% in FY 2017-18, after clocking to 7.1% in FY 2016-17, there was a distinct improvement in growth in the second half of the year.

The Goods & Services Tax (GST), the long-debated and often delayed tax reform was finally introduced on 1st July, 2017. This is the single biggest structural reform in the country that pushes for creation of a unified common market, laying aside the inefficiencies created by different tax incidences in various states. GST is overall a big positive for the industry and its benefits will accrue in the years to come.

India's macroeconomic fundamentals continued to improve last year on the back of significant policy initiatives by the Government aided by a stable monetary policy. The country saw a sovereign rating upgrade and also climbed up the charts in ease of doing business. Both these developments should result in higher foreign investments in the medium term.

Compared to the global scenario, India's story remains buoyant and holds significant potential. Firm government reforms, businesses adjusting to transformational policy changes like demonetisation, GST etc., gels well with the revival of India's growth theme. India stands tall amongst its global peers and continues to have a significant growth promise in the future.



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Now, let me turn my attention on the outlook of the industries in which the Company operates.

INDUSTRY OUTLOOK:

Lead

The Indian Lead industry has continued to grow at a rapid pace, despite the rise in production of primary Lead. Lead is the key constituent in Lead Acid Batteries with more than 80% of the lead is used for this application. Additionally, lead compounds are also used in PVC Stabilizers and other industries.

Global demand of lead is expected to remain steady at about 2%-3% per annum over the next few years with passenger and commercial vehicle sales driving lead consumption. The share of new emerging uses of batteries like Solar, e-Bikes, e-Autos will be substantial in the coming years, which will also boost the demand of lead.

Despite Lithium-ion battery packs standing at the pole position to cash-in on the electric vehicle wave, lead-acid batteries will continue to provide an economic advantage over other emerging energy storage technologies in the foreseeable future.



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Zinc

Zinc is a widely used metal particularly in the automobile industry and your Company is largely dependent on automobile sector.

The year 2017-18 was marked by a sharp decline in finished goods stocks and reduced zinc supply from China for most part of the year. The combination of scheduled mine closures, strategic production cuts and the impact of tighter environmental norms in China resulted in scarcity of zinc mined metal. The consequent constraints on refined production ensured that the rally in the zinc price that started in 2016 gained momentum in 2017.

Zinc market fundamentals remain robust with global zinc consumption expected to grow by 2.5% p.a. Government initiatives like SMART cities, digital India campaign, high-speed rail network, construction of highways and modernization of railways will boost the infrastructure industry, which uses zinc for sustainable and long lasting structures. Over the next five years, zinc demand is expected to increase by 7-8%.



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PVC Stabilizers

PVC Stabilizers is the most promising segment of the Company. PVC is widely used for manufacturing pipes, windows and doors, foamed sheets, and in electrical cable insulation.

Government – backed projects like Pradhan Mantri Krishi Sinchayee Yojana that envisages housing for all by 2022 and SMART Cities Mission will support the growth of PVC consumption in India. Further, the primary objective of the Pradhan Mantri Krishi Sinchayee Yojana is to extend the coverage of irrigation to every agricultural field and PVC pipes play a vital role in such projects.

With growing residential and commercial construction projects in India, consumption of PVC is set to see a considerable increase, at a projected growth rate of 8 to 10 percent over the next two to three years.

YEAR AT A GLANCE – COMPANY PERFORMANCE

Let me now spend a few minutes to highlight the performance of the year.

While the year was challenging from the business point of view, your Company made a significant headway in terms of order booking and reported an impressive growth of 53% in sales turnover. We have achieved a total sales turnover of Rs. 494 Crores.



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Our export performance has also improved significantly with turnover of Rs. 165 Crores coming only from exports.

Earnings before depreciation, interest and taxes for the year stood at Rs. 1369.74 Lakhs thereby leaving a margin of about 2.77% on the turnover of the Company. Our operations drove profits higher and enabled us to record a net profit before taxes of Rs. 458.03 Lakhs.

DIVIDEND

Coming to Dividend, your Company's dividend pay-out is healthy. Considering the performance of the Company, your Board of Directors has recommended a dividend of 12% for the financial year 2017-18. This represents 25% of the post-tax profits of the Company.

FUTURE PLANS

Now let me discuss some future plans of the Company.

POEL is focusing on growth and adding continued values to the shareholders. The whole POEL Team is determined to create increased infrastructure, improve productivity and enhance sales and marketing to achieve its goals.



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In the near future, the primary focus is to enhance and accelerate Lead Alloying & Refining Business. Your company has planned to increase the capacity of lead production from the existing 1250 MT per month to 2500 MT per month. This increase in capacity will help us in recording additional sales turnover of Rs. 150 Crore to Rs. 200 Crore. The commercial production from this new facility is expected to begin in Q3.

Moving ahead, we will focus on increasing our margins and profitability by enhancing our value-added products segment. We look forward to a better FY 2018-19 as we move forward with our expansion strategy.

OUR EMPLOYEES- OUR MOST IMPORTANT ASSET

I would like to place on record our sincere acknowledgement and appreciation to the Company's operating team both at the administrative level and shop floor level for all their efforts during the year gone by. They have helped us in our growth journey. I deeply appreciate all our employees for their resilience and continued support. Our Employees are our real assets.

NOTE OF APPRECIATION

Let me end by stating that I have great faith and confidence in the capability of your Company's Management and its ability to deliver good results in the future.



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I would also like to acknowledge the unfailing support of our extended family of customers, dealers, suppliers and bankers.

Dear Shareholders, we cherish your trust. I along with all the Board Members would like to thank you for the trust and confidence you have reposed in POEL, and assure you a better year ahead.

Thank you.

Dr. Padam C Bansal
Chairman

Date : September 1, 2018

Place : Chennai