



POCL Enterprises Limited
New No. 4, Old No. 319, Valluvarkottam High Road,
Nungambakkam, Chennai- 600034,
Ph: 044- 49145454; Website: www.poel.in

**CHAIRMAN'S ADDRESS AT THE TWENTY SEVENTH ANNUAL GENERAL
MEETING OF THE COMPANY**

Dear Fellow Shareholders,

I am glad to welcome you to the 27th Annual General Meeting of your Company.

This is my first year as the Chairman of this Company and I am honored and humbled in equal measure, to lead and contribute to POEL. Your presence here is a testimony to your interest and involvement in the Company and I sincerely thank you all for that.

THE DEMERGER AND A NEW ENTITY

Financial year 2014-15 has been an interesting but a challenging year. The Board of Directors of Company and Demerged Company collectively envisaged the Demerger of Metallic Oxides Division, Plastic Additives Division, Zinc Refining Division and Lead Alloying & Refining Division of the latter on December 18, 2013. The Demerger was successfully complemented within a year on December 22, 2014 being the effective date of the Scheme.

Post the Demerger, the Company is into manufacturing of Metallic Oxides, Plastic Additives and Lead Refining.

The Demerger is a win-win for our customers, employees and investors. I thank the Management team and Associates for the seamless completion of the Demerger.



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LISTING ON BOMBAY STOCK EXCHANGE

Your Company was listed on Bombay Stock Exchange on 25th June, 2015. Listing of your Company is a momentous event in the history of POEL which I am delighted to share with you.

Listing took almost 5 months to complete and a part of the investment of the investors was frozen on account of pending trading approval. Here, I would like to thank all the investors for reposing the confidence, trust and faith in the Company.

OUTLOOK

Stabilizers

PVC Stabilizers is the most promising segment for the Company. PVC pipes and fittings account for 70% of PVC applications. Due to the greater emphasis of government strategy to invest in the sectors of water supplies, agriculture, irrigation projects and infrastructure, the demand for PVC pipes is bound to grow and is expected to be around 12% per annum in the next two years.

Lead

2014-15 has been a good year for automobile and telecom industry. For several years, lead supply has been exceeding demand. During 2014-15, the demand increased and it led to deficit which creates opportunities for our growth. Global lead demand witnessed a growth of 3.7% over last year.

International lead prices have been cooling off for almost a year now. From about USD 2,200-2300 per tonne in July 2014, prices on the London Metal Exchange have dropped by over 25%, to around USD 1,800 per tonne now. One of the major reasons for this was due to unexpected downfall in the Chinese economy.



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China's e-bike is a major market for end-user consumption and this is levelling off to market saturation. This phenomenon witnessed reduced growth for the second consecutive year.

Zinc

Zinc is a widely used metal particularly in the automobile industry and your Company is largely dependent on automobile sector. Due to recent Chinese de-valuation of Yen all the metals have become highly volatile. With adequate systems in place, the adverse effect of such event is prevented by your Company.

Global Zinc demand witnessed a 4.3% growth in 2014-15 and is expected to grow steadily by 4–5% per annum in the coming years.

The 'Make in India' programme of the government and its supporting policies is expected to provide immense potential to the Indian metal market.

NOW LET US COME TO THE PERFORMANCE UPDATE

I am delighted to share with you that your Company recorded total sales turnover of Rs. 16,221.76 Lakhs during the year 2014 - 15. Earnings before depreciation, interest and taxes for the same period stood at Rs. 709.29 Lakhs thereby leaving a margin of about 4.36% on the turnover of the Company.

Metallic Oxides segment have contributed almost 68% of the turnover of the Company. The Plastic Additives business contributed about 5.28% to the profit of its turnover and remains to be the most profitable segment for the Company. The margin on Metallic Oxides business is about 3.60% of its turnover.

For the year 2014 – 15 the export performance of the Company was about Rs. 1853 Lakhs and the cash profit of the Company stood at 1.52%.



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The Company's overall performance during the year 2014-15 was good and we believe that we will perform even better in the years to come.

DIVIDEND

Considering the performance of the Company, your Board has recommended a dividend of 10% for the financial year 2014-15.

NOW LET ME DISCUSS SOME FUTURE PLANS OF THE COMPANY.

After the successful completion of demerger, 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.

In the near future, the primary focus is to enhance and accelerate Lead & Alloying Business which is going to add value to the shareholders. In addition, an improvement in technology is undertaken to create new products and upgrade existing technology. Such measures will create visibility, recognition in the market place and enhance growth.

OUR EMPLOYEES - OUR MOST IMPORTANT ASSET

I am impressed by the dedication, talent and sense of belongingness by all Employees, Officers and Directors at POEL. Our Employees are our real assets.

The transition after demerger was challenging but with the support and involvement of our employees, we could seamlessly complete the Demerger and identify ourselves as a separate entity.



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CLOSING COMMENTS

I, on behalf of POEL, would like to thank all our shareholders, customers, suppliers, employees and bankers for their continued support and the confidence they have reposed in the Company.

To conclude, I along with all the Board Members would like to thank you, dear shareholders for the confidence you have reposed in POEL and I sincerely look forward to your continued support in the journey of sustained growth.

Thank you.

Dr. Padam C Bansal
Chairman

September 4, 2015
Chennai