

PIL CHEMICALS LIMITED

**ANNUAL REPORT
FINANCIAL YEAR 2015-16**

Board of Directors:

Mr. R. M. Gadgil Chairman

Mr. P. Srinivasan

Mr. R. M. Desai (w.e.f. 1st October 2015)

Mr. S. R. Deo (upto 1st October 2015)

Registered Office:

Mafatlal House,
H.T. Parekh Marg,
Backbay Reclamation,
Churchgate,
Mumbai 400 020.

Works:

Plot 1207, III Phase GIDC
Vapi – 396195

Phone : 0260 2422084

Bankers:

HDFC Bank Limited

Auditors:

M/s. Borkar & Majumdar
Chartered Accountants

NOTICE

NOTICE is hereby given that the Fourteenth Annual General Meeting of the Members of **PIL CHEMICALS LIMITED** will be held at Mafatlal House, Backbay Reclamation, Mumbai 400 020 on Monday, 25th July, 2016, at 3.00 p.m. to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the audited Statement of Profit & Loss, Cash Flow Statement of the Company for the year ended 31st March, 2016 and the Balance Sheet as at 31st March, 2016 and the Reports of the Directors and the Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Mr. R. M. Gadgil, who retires by rotation and being eligible, offers himself for reappointment.
4. To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Section 139(1) and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force), appointment of M/s Borkar & Muzumdar, Chartered Accountants, Mumbai (Registration No.101569W) who were appointed as Statutory Auditors of the Company to hold office for the period of 3 (three) years from the conclusion of Annual General Meeting held in 2014 until the conclusion of the Annual General Meeting to be held during the year 2017 to examine and audit the accounts of the Company for the financial year 2014-15, 2015-16 and 2016-17 be and is hereby ratified for financial year 2016-17 and the Board of Directors of the Company be authorized to fix remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors plus reimbursement of out of pocket expenses and applicable taxes.”

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass, with or without modification, the following as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to provisions of Section 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013, and the Rules made there under (including any statutory modifications or re-enactment thereof for the time being in force), Mr. R. M. Desai (holding DIN 07315943), who was appointed as a Director of the Company in a casual vacancy w.e.f. 1st October, 2015 by the Board of Directors due to casual vacancy caused by the resignation of Mr. S. R. Deo as Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation”.

6. To consider and if thought fit, to pass, with or without modification, the following as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to provisions of Section 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013, and the Rules made there under (including any statutory modifications or re-enactment thereof for the time being in force), Mr. P.Srinivasan (holding DIN 00713911), who was appointed as an Additional Director of the Company w.e.f. 20th November 2015 by the Board of Directors and who holds office up to the date of this Annual General Meeting pursuant to Section 161 (1) of the Companies Act, 2013 be and is hereby appointed as a Director of the Company, liable to retire by rotation”.

By Order of the Board
For **PIL CHEMICALS LIMITED**

Sd/-

Anuja Bhate
Company Secretary

Mumbai
April 26, 2016

NOTE:

1. A MEMBER IS ENTITLED TO ATTEND AND VOTE IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 20th July 2016 to Monday, 25th July 2016 (both days inclusive) for Annual General Meeting.

Annexure to the Notice

Explanatory Statement as required under Section 102 of the Companies Act, 2013

Item No. 5

The Board of Directors of the Company at its meeting held on 1st October, 2015, had appointed Mr. R. M. Desai as a Director appointed in casual vacancy due to casual vacancy caused by the resignation of Mr. S. R. Deo as Director. Mr. Deo would have held the Office as a Director upto the date of this Annual General Meeting and being eligible for re-appointment would have been re-appointed upon retirement by rotation, had he not vacated the Office prior to the end of his term as a Director. Mr. Desai thus holds the office upto the date of this Annual General Meeting.

Except Mr. Desai, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested (financially or otherwise) in the resolution.

The Board recommends the resolution for the approval of the Members.

Item No. 6

Due to certain technical issues, the portal of Ministry of Corporate Affairs showed the designation of Mr. P. Srinivasan as a 'Director appointed in casual vacancy' despite the fact that he had been a Director of the Company for a significant period of time. In order to rectify the above position, Mr. P. Srinivasan tendered his resignation as a Director appointed in casual vacancy effective from 20th November 2015. To comply with the requirements of minimum number of directors as prescribed under the Companies Act, 2013, the Board of Directors appointed Mr. Srinivasan as an Additional Director effective 20th November 2015 pursuant to Section 161 of the Companies Act, 2013.

As per the said section, Mr. Srinivasan holds office as Additional Director up to the date of the forthcoming Annual General Meeting and is eligible to be appointed as a Director liable to retire by rotation. The Company has received Notice under Section 160 of the Companies Act, 2013 from a member proposing Mr. Srinivasan as a candidate for office of Director of the Company.

Except Mr. Srinivasan, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested (financially or otherwise) in the resolution.

The Board recommends the resolution for the approval of the Members.

By Order of the Board
For **PIL CHEMICALS LIMITED**

Sd/-
Anuja Bhate
Company Secretary

Mumbai
April 26, 2016

Directors' Report

THE MEMBERS PIL CHEMICALS LIMITED

The Directors present their report together with the Audited Accounts of the Company for the year ended 31 March 2016.

Operations and Financial Highlights

During the year the Company did processing work of Rubber Chemicals for 1414 MT (previous year 1394 MT) for NOCIL Ltd.

The Company has recorded an income of Rs. 1135.72 lakhs (previous year Rs 1046.36 lakhs) and a Profit Before Tax (PBT) of Rs 80.86 lakhs (previous year Rs 58.98 lakhs). After providing for taxes of Rs. 28.72 lakhs (previous year Rs 23.95 lakhs), the Net Profit for the year works out to Rs. 52.14 lakhs (previous year Rs 35.03 lakhs).

Dividend

The Directors are pleased to recommend payment of dividend of Re. 0.40 per share of ₹10/- each (4 %), on the equity share capital of the Company [previous year Nil]. The dividend, together with the tax on Dividend, will absorb a sum of Rs. 40.26 Lakhs (previous year Nil).

Extract of Annual Return

The details forming part of the extract of the Annual Return in Form MGT 9 is annexed herewith and forms a part of this report.

Number of Board Meetings

During the year under review, the Board of Directors met seven times on 23rd April 2015, 19th August 2015, 1st October 2015, 19th October 2015, 20th November 2015, 11th February 2016 and 29th March 2016.

Particulars of Employees

None of the employees are drawing salary in excess of the limits prescribed as per the provisions of Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014.

Other Particulars

Additional information on conservation of energy and technology absorption as required to be disclosed in terms of Section 134(3)(m) of the Companies Act, 2013, read with the Rule 8 of the Companies (Accounts) Rules, 2014 is annexed and forms a part of this report. There was no foreign exchange earning or outgo during the year.

Directors

Mr. S.R. Deo resigned as Director and Chairman of the Company with effect from 1st October, 2015 in view of his appointment as Deputy Managing Director of Nocil Ltd. (Holding company). The Board wishes to place on record appreciation of valuable contribution made by Mr. S.R. Deo during his tenure as Director and Chairman of the Company.

In view of resignation of Mr. S.R. Deo as Director and Chairman of the Company, Effective 1st October 2015, Mr. R.M. Desai was appointed as Director in a casual vacancy caused by resignation of Mr. S.R. Deo.

Mr. R.M. Gadgil was elected as the Chairman of the Company and Board of Directors w.e.f. 2nd October, 2015.

Due to certain technical issues, the portal of Ministry of Corporate Affairs showed the designation of Mr. P. Srinivasan as a 'Director appointed in casual vacancy' despite the fact that he had been a Director of the Company for a significant period of time. In order to rectify the above position, Mr. P. Srinivasan tendered his resignation as a Director appointed in casual vacancy effective from 20th November 2015 and to comply with the requirements of minimum number of directors as prescribed under the Companies Act, 2013, fresh appointment of Mr. Srinivasan was made as an Additional Director on the same day i.e. effective 20th November 2015.

Particulars of Contracts or Arrangements with Related Parties

The Related Party transactions entered into during the Financial Year were on an arm's length basis and in the ordinary course of business. Particulars of Contracts or Arrangements with Related Parties as referred to in Section 188 (1) of the Companies Act, 2013 for Financial Year 2015-16 are furnished below:

Name of the Related Party	Particulars	Amount (Rs. In Lakh)
NOCIL Limited (Holding Company)	Material Processing Charges	1086.99

Directors' Responsibility Statement

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134 (3) (c) of the Companies Act, 2013:

- (a) That in the preparation of the annual financial statements for the year ended 31 March, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (b) That such accounting policies as mentioned in Note 1 forming part of the Financial Statements have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31 March 2016.
- (c) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) That the annual financial statements have been prepared on a going concern basis;
- (e) That proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- (f) That systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

Auditors

Pursuant to the requirement of Section 139(1) of the Companies Act, 2013, M/s Borkar and Muzumdar, Chartered Accountants, Mumbai were appointed as Statutory Auditors, for financial years 2014-15, 2015-16 and 2016-17. They have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed there under for re-appointment as Auditors of the Company. As required under the Listing Regulations, the auditors have also confirmed that they hold a valid certificate issued by the Peer Review board of the Institute of Chartered Accountants of India. As required by Section 139(1) of the Companies Act, 2013, the appointment of Statutory Auditors is placed before the Members for ratification.

Acknowledgements

Your directors acknowledge the continued support and co-operation from all the employees and trade associates.

For and on behalf of the Board

Sd/-

R.M.Gadgil
Chairman

Place: Mumbai

Date: 26th April, 2016

ANNEXURE- I

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31 March 2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i) CIN : U25209MH2002PLC135201
- ii) Registration Date : 15th March, 2002
- iii) Name of the Company : PIL CHEMICALS LIMITED
- iv) Category/Sub-Category of the Company : Public Limited Company having Share Capital.
- v) Address of the Registered office and contact details : Mafatlal House, 3rd Floor,
H.T. Parekh Marg,
Backbay Reclamation, Churchgate,
Mumbai-400020
Tel.: 9122-66576100, 66364062
Fax: 9122-66364060
Email: secretarial@pilchemicals.com
- vi) Whether listed company : No
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : The Company has not appointed any RTA being closely held Public Company.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

Sr.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Basic Organic Chemicals	24119	99%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S.No	Name and address of the company	CIN/GLN	Holding/ subsidiary / associate	% of shares held	Applicable section
1	NOCIL LIMITED Mafatlal House, H. T. Parekh Marg, Backbay Reclamation, Churchgate, Mumbai - 400020	L99999MH1961PLC012003	Holding	100	2(46)

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State Govt	--	--	--	--	--	--	--	--	--
Venture Capital Funds	--	--	--	--	--	--	--	--	--
Insurance Companies Funds	--	--	--	--	--	--	--	--	--
Others (specify) FIIs	--	--	--	--	--	--	--	--	--
Sub-total (B) (1):	--	--	--	--	--	--	--	--	--
2. Non- Institutions									
Bodies Corporate									
i) Indian	--	--	--	--	--	--	--	--	--
ii) Overseas	--	--	--	--	--	--	--	--	--
Individuals									
i) Individual shareholders holding nominal share capital upto ` 1 lakh	--	--	--	--	--	--	--	--	--
ii) Individual shareholders holding nominal share capital in excess of ` 1 lakh	--	--	--	--	--	--	--	--	--
Others (specify) NRI	--	--	--	--	--	--	--	--	--
Sub-total (B)(2):	--	--	--	--	--	--	--	--	--
Total Public shareholding (B)= (B)(1)+(B) (2)	--	--	--	--	--	--	--	--	--
C. Shares held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--
Grand Total (A+B+C)	--	8354833	8354833	100.00	--	8354833	8354833	100.00	--

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(ii) Shareholding of Promoters

Sr No	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	% change in share holding during the year
1	NOCIL Limited	8354533	100.00	--	8354533	100.00	--	--
2	NOCIL Ltd. jointly with Mr. P. Srinivasan	50	--	--	50	--	--	--
3	NOCIL Ltd. jointly with Mr. R.M. Gadgil	50	--	--	50	--	--	--
4	NOCIL Ltd. jointly with Mr. S.R. Deo	50	--	--	50	--	--	--
5	NOCIL Ltd. jointly with Mr. V.K. Gupte	50	--	--	50	--	--	--
6	NOCIL Ltd. jointly with Mr. Shankar Mani	50	--	--	50	--	--	--
7	NOCIL Ltd. jointly with Ms. Mugdha Bakre	50	--	--	50	--	--	--

iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the	No. of shares	% of total shares of the
1	At the beginning of the year	8354533	--	8354533	--
2	Additions during the year - acquisition from Secondary Market.	--	--	--	--
3	At the End of the year	8354533	--	8354533	--

There is no change in Promoters' shareholding.

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(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Not Applicable				

(v) Shareholding of Directors and Key Managerial Personnel

Sr. No.	For Each of the Directors and KMP	Beginning of the year		End of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total Shares of the
1.	S.R.Deo *	50	-	-	-
2.	R.M. Gadgil (Joint shareholder)	50	-	50	-
3.	P.Srinivasan (Joint shareholder)	50	-	50	-
4	R. M. Desai#	-	-	-	-

* - Mr. S. R. Deo ceased to be a Director effective 1st October 2015.

- Mr. R. M. Desai has been appointed as a Director in casual vacancy effective 1st October 2015.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(' In lakhs)

	Secured Loans excluding	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-

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iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	-	-	-	-
Change in Indebtedness during the financial year				
Addition	-	-	-	-
Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year	-	-	-	-
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(in Lakhs)

Sr.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		-	-	-
1	Gross salary	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity			
4	Commission	-	-	-
	-- as % of profit	-	-	-
	Others, please specify	-	-	-
5	Others, (Includes retirement benefits and variable pay)	-	-	-
	Total (A)	-	-	-
	Ceiling as per the Act	-	-	-

B. Remuneration to other directors:

(in Lakhs)

Particulars of Remuneration	Name of Directors				Total Amt
1. Independent Directors	-	-	-	-	-
• Fee for attending board committee	-	-	-	-	-
• Commission	-	-	-	-	-
• Others, please specify	-	-	-	-	-
Total (1)	-	-	-	-	-

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2. Other Non-Executive Directors	S.R. Deo *	R.M. Gadgil	P. Srinivasan	R. M. Desai#	-
• Fee for attending board committee	-	-	-		-
• Commission					
• Others, please specify	-	-	-		-
Total (2)	-	-	-		-
Total (B)=(1+2)	-	-	-		-
Total Managerial Remuneration	-	-	-		-
Overall Ceiling as per the Act	-	-	-		-

* - Mr. S. R. Deo ceased to be a Director effective 1st October 2015.

- Mr. R. M. Desai has been appointed as a Director in casual vacancy effective 1st October 2015.

C. Remuneration To Key Managerial Personnel Other Than MD/Manager/WTD

(In Lakhs)

Sr. no.	Particulars of Remuneration	Key Managerial Personnel			
					Total
		-	-	-	Total
1	Gross salary				
	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	others, specify...				
5.	Others (Includes retirement benefits and variable pay)	-	-	-	-
	Total	-	-	-	-

VII. Penalties / Punishment / Compounding of Offences :

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding	Authority (RD/CLT/Court)	Appeal made, if any (Give details)
A. COMPANY					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. DIRECTORS					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. OTHER OFFICERS IN DEFAULT					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

For and on behalf of the Board

Sd/-
R. M. Gadgil
Chairman

Place: Mumbai

Date: 26th April, 2016

FORM A

Disclosure of particulars with respect to conservation of energy

APRIL 2015 TO MARCH 2016

<u>A. POWER AND FUEL CONSUMPTION</u>		2015-16	2014-15
1. <u>ELECTRICITY (FOR MANUFACTURING)</u>			
(a) Purchased			
Unit	MWH	3629	3571
Total amount	Rs.Lakhs	270.36	250.95
Rate/Unit (average)	Rs./KWH	7.45	7.03
(b) Own Generation			
(Through Diesel Generator)			
Unit	MWH	16	15
Unit/MT of Diesel Oil	MWH	2.65	2.41
Fuel Cost/Unit	Rs./KWH	20.92	24.21
Through Steam/Turbine Generator			
		NIL	NIL
2 <u>COAL</u>			
Quantity	MT	3131.29	3135.51
Total Cost	Rs.Lakhs	140.48	159.34
Average rate	Rs/MT	4486	5082
3 <u>BRIQUETTES</u>			
Quantity	MT	1.50	18.73
Total Cost	Rs.Lakhs	0.08	0.78
Average rate	Rs/MT	5620	4184
4 <u>COAL and BRIQUETTES</u>			
Quantity	MT	3132.79	3154.24
Total Cost	Rs.Lakhs	140.57	160.12
Average rate	Rs/MT	4487	5076
5 <u>FURNACE OIL</u>			
		NIL	NIL
<u>B. CONSUMPTION PER UNIT OF PRODUCTION</u>			
Electricity	MWH/MT	2.58	2.57
Coal	MT/MT	2.21	2.25
Briquettes	MT/MT	0.00	0.01
Coal and Briquettes	MT/MT	2.22	2.26

For PIL Chemicals Limited

Date: 26th April 2016
Place: Mumbai

Sd/-
R. M. Gadgil
Chairman

INDEPENDENT AUDITOR'S REPORT

**TO
THE MEMBERS
PIL CHEMICALS LIMITED**

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **PIL CHEMICALS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information,

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Independent Auditor's Report (Continued)

PIL CHEMICALS LIMITED

Auditor's Responsibility (Continued)

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

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

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Companies(Auditor Report) Order, 2016, issued by the Central Government of India in terms of sub-section(11) of Section 143 of the Act, we give in Annexure A, a statement on matters specified in the paragraph 3 and 4 of the Order
2. As required by section 143(3) of the Act, we report:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, Statement of Profit and Loss and Cash flow Statement 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none

of the directors is disqualified as on 31st March, 2016 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", and

- g) 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, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.

 - ii. The Company does not have any long-term contracts including derivative contracts and hence has not made provision on such contracts.

 - iii. There were no amounts which were required to be transferred the Investor Education and Protection Fund by the Company.

**For Borkar & Muzumdar
Chartered Accountants
(Firm Registration No. 101569W)**

**Supriya Bhat
Partner,
(Membership No. 048592)**

Place: Mumbai
Date: 26th April 2016

ANNEXURE TO AUDITORS' REPORT

1. FIXED ASSETS:

- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) Fixed assets have been physically verified by the management at reasonable intervals. We are informed that no material discrepancies were noticed on such verification.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, all the title deeds of immovable properties are held in the name of the Company.

2. INVENTORIES :

- a) The management has informed us that they have physically verified the inventory at the end of the year and that no discrepancies were noticed on such physical verification. In our opinion, considering the nature of business and size of the Company, the frequency of verification is reasonable.
- b) In our opinion and according to the information and explanation given to us, the Company has maintained proper records of its inventories.

3. LOANS GIVEN BY COMPANY :

Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

4. LOAN TO DIRECTOR AND INVESTMENT BY COMPANY

Company has not granted any loan to any directors or parties covered under section 185 and in respect of investments the Company has complied with the provisions of section 186 of the Companies Act, 2013 during the year. No such Guarantee or Security was given during the year.

5. DEPOSITS FROM PUBLIC :

The Company has not accepted any deposits from the public during the year.

6. COST RECORDS :

According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148 (1) of the Companies Act, 2013 in respect of operations carried out by the Company.

7. STATUTORY DUES :

- a) According to the records, the Company is regular in depositing undisputed statutory dues including provident fund, income-tax, sales-tax, custom duty, excise duty, service tax, cess and other statutory dues with the appropriate authorities.

b) According to the information and explanations given to us, there are no disputed amounts payable in respect of income tax, sales tax, customs duty, excise duty and cess and other applicable statutory dues as at 31st March 2016, for a period of more than six months from the date they became payable.

8. REPAYMENT OF LOANS :

In our opinion and according to the information and explanations given to us, the Company has not taken any loans from banks and financial institutions.

9. UTILISATION OF IPO AND FPO

The Company has not raised moneys by way of Initial Public offer (IPO) or Further Public Offer (FPO) or term loans during the year.

10. REPORTING OF FRAUD

According to the information and explanations given by the management, there was no fraud noticed or reported by the company or any fraud on the Company by its officers or employees during the year.

11. APPROVAL OF MANAGERIAL REMUNERATION

The Company has not paid/provided for any managerial remuneration during the year.

12. NIDHI COMPANY

The Company is not a Nidhi Company.

13. RELATED PARTY TRANSACTIONS

According to the information and explanations given to us, the Company has disclosed all the transactions with related parties during the year in the Financial Statements the same are in accordance with the provisions of Section 188 of Companies Act 2013. The provisions of section 177 of Companies Act, 2013 are not applicable to the Company.

14. PREFERENTIAL ALLOTMENT / PRIVATE PLACEMENT

According to the information and explanations given to us the Company has not made any preferential allotment or private placement of shares / fully or partly convertible debentures, during the year under audit.

15. NON CASH TRANSACTIONS

According to the information/explanations given to us and based on our examination of the records the Company has not entered into any non-cash transactions with directors or persons connected with directors.

16. REGISTRATION U/S 45IA OF RBI ACT, 1934

The Company is not required to be registered under section 45-IA of RBI Act, 1934.

**For Borkar & Muzumdar
Chartered Accountants
(Firm Registration No. 101569W)**

**Supriya Bhat
Partner,
(Membership No. 048592)**

Place: Mumbai
Date: 26th April, 2016

ANNEXURE B to the Auditors' Report

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 **PIL CHEMICALS LIMITED** ("the Company") as of 31st March, 2016 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 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 issued by the Institute of Chartered Accountants of India". 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 Company's internal financial controls over financial reporting 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 judgement, 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 Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 internal financial control over financial reporting 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, 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 Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For Borkar & Muzumdar
Chartered Accountants
(Firm Registration No. 101569W)

Supriya Bhat
Partner,
(Membership No. 048592)

Place: Mumbai
Date: 26th April 2016

PIL Chemicals Limited				
Balance Sheet as at 31st March, 2016				
<i>(Currency: Indian Rupees in lacs)</i>				
Sr. No.		Note No.	2015-16	2014-15
I	EQUITY AND LIABILITIES			
1	<u>Shareholders' funds</u>			
a.	Share capital	2	835.48	835.48
b.	Reserves and surplus	3	1,834.64	1,822.76
2	<u>Non-current liabilities</u>			
a.	Deferred tax liabilities (Net)	23	181.63	152.91
b.	Long-term provisions	4	40.37	23.32
3	<u>Current liabilities</u>			
a.	Trade payables	5		
	i) total outstanding dues of micro and small enterprises		29.66	19.93
	ii) total outstanding dues of creditors other than micro and small enterprises		34.22	38.80
b.	Other current liabilities	6	3.04	3.04
c.	Short-term provisions	7	44.41	1.67
	TOTAL		3,003.45	2,897.91
II	ASSETS			
1	<u>Non-current assets</u>			
a.	Fixed assets			
	-Tangible assets		1,679.44	1,762.71
	-Intangible assets	8	3.48	0.18
	Capital WIP			
	-Intangible assets under development		-	3.85
	-Tangible assets under development		4.07	-
b.	Non-current investments	9	16.71	16.71
c.	Long-term loans and advances	10	215.62	189.70
2	<u>Current Assets</u>			
a.	Inventories	11	22.08	22.72
b.	Trade receivables	12	169.13	600.94
c.	Cash and cash equivalents	13	837.06	280.07
d.	Short-term loans and advances	14	25.36	16.89
e.	Other current assets	15	30.50	4.14
	TOTAL		3,003.45	2,897.91

Significant accounting policies

The accompanying Notes 1 to 29 are an integral part of the financial statements.

PIL Chemicals Limited

Statement of Profit and Loss for the year ended 31st March, 2016

(Currency: Indian Rupees in lacs)

Sr. No.		Note No.	2015-16	2014-15
	<u>Revenue</u>			
I	Revenue from Operations	16	1087.00	1,037.88
II	Other Income	17	48.72	8.48
			1135.72	1,046.36
III	<u>Expenses</u>			
a.	Employee benefits expense	18	295.06	218.45
b.	Depreciation and amortization expense	8	90.42	89.45
c.	Other expenses	19	669.38	679.48
			1054.86	987.38
IV	Profit before tax		80.86	58.98
V	<u>Tax Expense</u>			
a.	Current tax		15.15	11.20
	Less: MAT Credit entitlement		15.15	11.20
	Net Current tax		-	-
b.	Deferred tax		28.72	23.95
			28.72	23.95
VI	Profit after tax for the year		52.14	35.03
VII	Earnings per equity share (face value of Rs 10/- each):	20		
a.	Basic		0.62	0.42
b.	Diluted		0.62	0.42

Significant accounting policies

1

The accompanying Notes 1 to 29 are an integral part of the financial statements.

PIL Chemicals Limited

Cash Flow Statement for the year ended 31 March, 2016

(Currency: Indian Rupees in lacs)

	2015-16		2014-15
A. CASH FLOW FROM OPERATING ACTIVITIES :			
Net Profit before tax		80.86	58.98
Adjustments for :			
Depreciation	90.42		89.45
Interest Income	(44.08)		(8.13)
Dividend Income on Shares	(1.46)		(0.34)
		44.88	
Operating profit before working capital changes		125.74	139.96
Adjustments for :			
(Increase)/Decrease in Trade and other receivables	431.80		139.47
(Increase)/Decrease in Inventories	0.64		1.65
(Increase)/Decrease in Current Assets	(26.36)		(4.12)
(Increase)/Decrease in Short Term Loans & Advances	(8.48)		(4.44)
(Increase)/Decrease in Long Term Loans & Advances	(25.92)		(8.80)
Increase / (Decrease) in Trade payables	5.15		1.22
Increase / (Decrease) in other Current Liabilities	(0.01)		(5.29)
Increase / (Decrease) in Short Term Provisions	2.48		0.39
Increase / (Decrease) in Long term provisions	17.07	396.37	8.51
Cash generated from operations		522.11	268.55
Direct Taxes paid		-	(5.52)
Net cash generated from operating activities		522.11	263.03
B. CASH FLOW FROM INVESTING ACTIVITIES :			
Purchase of fixed assets	(10.66)		(18.68)
Interest & Dividend Income Received in Cash	45.54		8.48
Sale of Fixed assets	-		-
Net Cash (used in)/ generated from Investment activities		34.88	(10.20)
Net (decrease)/increase in cash and cash equivalents		556.99	252.83
Opening balance of cash and cash equivalents		279.07	26.24
Closing balance of cash and cash equivalents		836.06	279.07
Cash and cash equivalents comprise of:			
Cash on Hand		0.10	0.11
Balances with Banks		16.96	4.96
Highly liquid investments (Fixed Deposits)		819.00	274.00
Total		836.06	279.07

PIL Chemicals Limited

Notes to Financial Statements

Note 1: CORPORATE INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

1A. Corporate Information:

PIL Chemicals Limited is engaged in the business of manufacturing of Rubber Chemicals on Job Work basis for its 100% holding Company NOCIL Limited. The Company has converted its status from deemed public company to Public Limited Company. The Company has manufacturing plant at Vapi Gujarat, and carries out the manufacturing activities on job work basis solely for NOCIL Limited.

1B. Significant Accounting Policies:

a. Basis of preparation of financial statements

The financial statements have been prepared to comply with the accounting principles generally accepted in India, the accounting standards notified under Section 133 of the Companies Act, 2013) and other relevant provisions of the Companies Act, 2013.

b. Use of estimates

The preparation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognised in the period in which the results are known/materialize.

c. Fixed Assets

Tangible Assets:

Fixed Assets are stated at their cost of acquisition or construction less accumulated depreciation and impairment losses.

Costs of acquisition comprise all costs incurred to bring the assets to their location and working condition up to the date the assets are put to use. Costs of construction are composed of those costs that relate directly to specific assets and those that are attributable to the construction activity in general and can be allocated to the specific assets up to the date the assets are put to use.

Intangible Assets:

Intangible assets are stated at their cost of acquisition, less accumulated amortisation and impairment losses. An asset is recognised, where it is probable that the future economic benefits attributable to the assets will flow to the enterprise and where its cost can be reliably measured. The depreciable

amount on intangible assets is allocated over the best estimate of its useful life on a straight line basis.

Capital Work in Progress:

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

d. Depreciation

- i) Depreciation on tangible fixed assets is provided, pro rata for the period of use, by the straight line method at the rates and in manner prescribed under Schedule II to the Companies Act, 2013.
- ii) Cost of leasehold land is written off over the period of lease.
- iii) Intangible assets are amortised over their estimate useful life of 10 years.
- iv) Assets costing Rs.5000/- or less are fully depreciated in the year of purchase.

e. Impairment of Assets:

At the end of each year, the Company determines whether a provision should be made for impairment loss on fixed assets by considering the indications that an impairment loss may have occurred in accordance with Accounting Standard 28 on 'Impairment of Assets'. An impairment loss is charged to Statement of Profit and Loss in the year in which, an asset is identified as impaired, when the carrying value of the asset exceeds its recoverable value. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

f. Leases:

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the Company are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

g. Investments

Investments are classified as current or long-term in accordance with Accounting Standard 13 on "Accounting for Investments".

Current investments are stated at lower of cost and fair value. Any reduction in the carrying amount and any reversals of such reductions are charged or credited to the statement of profit and loss.

Long term investments are stated at cost. Provision for diminution is made to recognize a decline, other than temporary, in the value of such investments.

h. Inventories

Inventories are measured at lower of the cost and net realisable value. Cost of inventories comprises all costs of purchase (net of input credits), costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost of stores and spares and consumables are determined on weighted average basis.

i. Employee Benefits

Employee Benefits such as salaries, allowances, non-monetary benefits and employee benefits under defined contribution plans such as provident and other funds, which fall due for payment within a period of twelve months after rendering service, are charged as expense to the statement of profit and loss in the period in which the service is rendered.

Defined Contribution Plans

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined Benefits Plans

Employee Benefits under defined benefit plans, such as compensated absences and gratuity which fall due for payment after a period of twelve months from rendering service or after completion of employment, are measured by the projected unit credit method, on the basis of actuarial valuations carried out by third party actuaries at each balance sheet date. The company's obligations recognized in the balance sheet represents the present value of obligations as reduced by the fair value of plan assets, where applicable.

Actuarial Gains and losses are recognised immediately in the Statement of profit and loss.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date.

j. **Foreign currency transactions and translations**

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Monetary items outstanding at the balance sheet date are restated at the year-end rates. The exchange difference between the rate prevailing on the date of transaction and on the date of settlement as also on translation of monetary items at the end of the year is recognised as income or expense, as the case may be.

k. **Borrowing Costs**

Borrowing costs attributable to the acquisition or construction of qualifying assets, as defined in Accounting Standard 16 on “Borrowing Costs” are capitalized as part of the cost of such asset up to the date when the asset is ready for its intended use. Other borrowing costs are expensed as incurred.

l. **Revenue recognition**

Revenue is recognized when it is earned and no significant uncertainty exists as to its realization or collection.

Interest: Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend: Dividend income is recognised when the right to receive dividend is established.

m. **Taxation**

Income tax is accounted for in accordance with Accounting Standard 22 on Accounting for Taxes on Income. Taxes comprise both current and deferred tax.

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred income tax reflect the current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years / period. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available except that deferred tax assets, in case there are unabsorbed depreciation and losses, are recognized if there is virtual certainty that sufficient future taxable income will be available to realize the same.

n. **Earnings Per Share**

The Company reports Earnings Per Share (EPS) in accordance with Accounting Standard 20 on Earnings Per Share. Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares, except where the results are anti-dilutive.

o. **Employee Share based payments**

The Company has constituted an Employee Stock Option Plan 2008. Employee Stock Options granted on or after 1 April, 2005 are accounted under the 'Intrinsic Value Method' stated in the Guidance Note on Employee Share Based Payments issued by the Institute of Chartered Accountants of India.

p. **Cash Flow statement**

The Cash Flow Statement is prepared as set out in Accounting Standard 3 on "Cash Flow Statements". Cash flows are reported using the indirect method, whereby profit before extraordinary items and 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. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

Cash and cash equivalents presented in the Cash Flow Statement consist of cash on hand, balance in current accounts and demand deposits with banks.

q. **Provisions and contingencies**

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Contingent liabilities, if any, are disclosed in the Notes. Disclosure is not made if the possibility of an outflow of future economic benefits is remote. Contingent assets are not recognised in the financial statements.

2 SHARE CAPITAL

	2015-16		2014-15	
	Number of shares	Amount	Number of shares	Amount
A <u>Authorised</u>				
Equity Shares of Rs.10/- each	1,00,00,000	1,000	1,00,00,000	1,000
B <u>Issued, Subscribed and Fully paid</u>				
Equity Shares of Rs. 10/- each	83,54,833	835.48	83,54,833	835.48
Total	83,54,833	835.48	83,54,833	835.48

C Reconciliation of number of shares

Particulars	2015-16	2014-15
	Number of shares	
Shares outstanding at the beginning and end of the year	83,54,833	83,54,833

D Rights attached to Equity shares

The company has a single class of equity shares. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders. In the event of liquidation, the equity shareholders are eligible to receive the assets of the company, in proportion to their shareholding.

E The entire issued share capital is held by the holding company i.e. NOCIL Limited

3 RESERVES AND SURPLUS

	2015-16	2014-15
a. Capital Reserves		
As per last Balance Sheet	0.00	0.00
(+) Current Year Transfer (Net of Goodwill - refer note 26)	-	-
(-) Written Back in Current Year	-	-
Closing Balance	0.00	0.00
b. Securities Premium Account		
As per last Balance Sheet	1,668.97	1,668.97
Add : Securities premium credited on Share issue	-	-
Closing Balance	1,668.97	1,668.97
c. Surplus		
As per last Balance Sheet	153.79	118.76
Add: Net Profit for the current year	52.14	35.03
(-) Proposed Dividends	33.42	-
(-) Corporate Dividend Tax	6.84	-
Closing Balance	165.67	153.79
Total	1,834.64	1,822.76

PIL Chemicals Limited

Notes to Financial Statements

4 LONG TERM PROVISIONS

	2015-16	2014-15
Provision for employee benefits (refer note 7)	40.37	23.32
	40.37	23.32

Note:

The Company did not have any long-term contracts including derivative contracts for which any provision was required for foreseeable losses.

5 TRADE PAYABLES

	2015-16	2014-15
Sundry Creditors		
a) Payable to Micro and Small enterprises	29.66	19.93
b) Payable to Others	34.22	38.80
	63.88	58.73

6 OTHER CURRENT LIABILITIES

	2015-16	2014-15
(a) Statutory Liabilities	3.04	2.38
(b) Sundry Creditors for Capital Goods	-	0.66
	3.04	3.04

7 SHORT TERM PROVISIONS

	2015-16	2014-15
(a) Provision for employee benefits	4.15	1.67
(b) Proposed Dividend on Equity Shares	33.42	-
(c) Corporate dividend tax	6.84	-
	44.41	1.67

PIL Chemicals Limited

Notes to Financial Statements

(Currency: Indian Rupees in lacs)

9 NON-CURRENT INVESTMENTS

		2015-16	2014-15
	Investments		
	(a) Quoted Equity Investments		
1	19,900 Equity Shares of Rs.10 each (March 31,2015: 19900) Held in Bank of India	8.96	8.96
2	12000 Equity Shares of Rs.2 each (March 31,2015: 12000 of Rs. 2 each) Held in Corporation Bank	1.89	1.89
	(b) Unquoted equity instruments		
1	32,000 Equity Shares of Mafatlal UK (March 31, 2015: 32,000)	0.00	0.00
2	22,320 Equity Shares of Mafatlal Services Ltd(March 31, 2015: 22,320)	0.00	0.00
	(c) Investments in Quoted Mutual Funds		
1	50,000 units of Rs.10 each of JM Mutual Fund (March 31,2015: 50,000)	5.00	5.00
2	10560 Units of Rs.10 each of UTI Master Shares (March 31,2015: 10,560)	0.86	0.86
	Total	16.71	16.71

		2015-16	2014-15
a)	Aggregate amount of quoted investments		
	Cost/Carrying value	16.71	16.71
	Market value*	37.03	60.25
b)	Aggregate amount of unquoted investments.	0.00	0.00

PIL Chemicals Limited

Notes to Financial Statements

(Currency: Indian Rupees in lacs)

10 LONG TERM LOANS AND ADVANCES

	2015-16	2014-15
<i>Unsecured considered good unless otherwise stated</i>		
a. Security Deposits		
Balance with Excise & Customs	1.57	1.57
Balance with other authorities	34.82	34.73
b. Advance tax (Net)		
Advance Tax (Net of Provision for Tax)	38.46	25.84
MAT Credit Entitlement	109.66	94.51
c. Other advances	31.11	33.05
Total	215.62	189.70

11 INVENTORIES

	2015-16	2014-15
Stores, spares and consumables	22.08	22.72
	22.08	22.72

12 TRADE RECEIVABLES

	2015-16	2014-15
<i>Unsecured considered good unless otherwise stated</i>		
Trade receivables outstanding for a period less than six months from the date they are due for payment	169.13	600.94
	169.13	600.94

PIL Chemicals Limited

Notes to Financial Statements

(Currency: Indian Rupees in lacs)

13 CASH AND CASH EQUIVALENTS

Cash and cash equivalents	2015-16	2014-15
Cash on hand	0.10	0.11
Bank Balances		
In current accounts	16.96	4.96
In Margin Money	1.00	1.00
In Demand deposits (less than 1 year maturity)	819.00	274.00
Total	837.06	280.07

14 SHORT TERM LOANS AND ADVANCES

a. Loans and advances to related parties	2015-16	2014-15
Loans and advances to employees	13.03	16.48
Prepaid Expenses	1.31	0.41
Advance to suppliers and others	11.02	-
Total	25.36	16.89

15 OTHER CURRENT ASSETS

	2015-16	2014-15
Unsecured, considered good:		
Interest accrued on deposits	27.09	3.74
Other Advances	3.41	0.40
Total	30.50	4.14

PIL Chemicals Limited

Notes to Financial Statements

(Currency: Indian Rupees in lacs)

16 REVENUE FROM OPERATIONS

	2015-16	2014-15
Processing Charges	1,087.00	1,037.88
Total	1,087.00	1,037.88

17 OTHER INCOME

	2015-16	2014-15
<i>Income from Non Current Investments:</i>		
-Dividends from Shares of other companies	1.16	0.05
-Dividends from Units of mutual funds	0.30	0.29
<i>Other Income:</i>		
-Interest on Fixed Deposits from Banks/Others	43.30	6.89
-Interest on Income Tax Refund	-	0.61
-Sundry Balances written Back	0.43	-
-Interest on Staff Loan	0.68	0.64
-Intrest on Bank Gaurantee	0.10	-
-Miscellaneous Income	2.75	-
Total	48.72	8.48

PIL Chemicals Limited**Notes to Financial Statements***(Currency: Indian Rupees in lacs)***18 EMPLOYEE BENEFITS EXPENSE**

	2015-16	2014-15
(a) Salaries, Wages & Bonus	247.12	183.12
(b) Contributions to Provident Fund and other funds (<i>Refer note 24</i>)	13.56	12.30
(c) Gratuity	11.79	6.08
(d) Leave Encashment	15.94	12.75
(c) Staff welfare expenses	6.65	4.20
Total	295.06	218.45

19 OTHER EXPENSES

	2015-16	2014-15
Consumption of stores and spare parts	56.70	41.71
Power, fuel and Other Utilities	428.55	428.01
Repairs and maintenance - Buildings	11.85	5.01
Repairs and maintenance - Machinery	49.14	39.67
Insurance	3.17	2.77
Rates and taxes	9.03	7.40
Donations and contributions	0.76	2.56
Payments to auditors (<i>Refer Note 19A</i>)	5.01	3.58
Miscellaneous expenses	105.17	148.77
Total	669.38	679.48

19A PAYMENT TO AUDITORS

	2015-16	2014-15
Payments to the auditor as:		
a. Audit Fee	3.21	2.02
b. Tax Audit Fee	0.57	0.56
c. Reimbursement of expenses	1.23	1.00
Total	5.01	3.58

PIL Chemicals Limited

Notes to Financial Statements

(Currency: Indian Rupees in lacs)

20 Earning Per Share

	2015-16	2014-15
Profit available for equity shareholders	52.14	35.03
Weighted average number of Equity shares for Basic EPS	8354833	8354833
Weighted average number of Equity shares for Diluted EPS	8354833	8354833
Nominal value of Equity share (Rs.)	10.00	10.00
Earnings per share (Rs.) - Basic	0.62	0.42
Earnings per share (Rs.) - Diluted	0.62	0.42

PIL Chemicals Limited

Notes to Financial Statements

21. The company is primarily engaged in the business of processing of rubber chemicals, which in the context of AS 17 on 'Segment Reporting' constitute a single reporting segment.

22. Capital Commitments:

(Currency: Indian Rupees in lacs)

	2015-16	2014-15
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	57.05	-

23. Deferred Tax Liabilities /(Assets) (Net)

The components of Deferred Tax Liabilities / (Assets) are as under

(Currency: Indian Rupees in lacs)

	2015-16	2014-15
Depreciation	248.30	243.39
Carry forward losses	(50.96)	(82.76)
Expenses allowed on payment basis	(15.71)	(7.72)
Net deferred tax liability	181.63	152.91

24. Related Party Disclosures:

(A) Name of related parties and nature of relationship:

(i) Where control exists:

Holding Company:

NOCIL Limited

(B) Related Parties with whom transactions have taken place during the year:

(Currency: Indian Rupees in lacs)

Name of the Party	Relation	Nature of Transaction	2015-16	2014-15
NOCIL Limited	Holding Company	Income from Processing Charges	1087.00	1037.88
Amount Outstanding		Trade Receivables	169.13	600.94

Notes: Related party relationship is as identified by the Company and relied upon by the auditors

25. Employee benefits:

(Currency: Indian Rupees in lacs)

		2015-16	2014-15
1	Post employment Benefits		
(a)	<u>Defined contribution plans</u>		
(i)	Company's contribution to Provident Fund	10.03	9.94
(b)	<u>Defined benefit scheme (unfunded)</u>		
	Gratuity		
	Present Value of Obligation		
	As At 1 April	15.26	9.46
	Service Cost	2.10	1.45
	Interest Cost	1.22	0.88
	Actuarial Loss on obligation/ change in demographic and financial assumptions	8.47	3.75
	Benefit paid directly from Employer	(0.45)	(0.28)
	As at 31March	26.60	15.26
	Expense during the year		
	Service cost	2.10	1.45
	Interest cost	1.22	0.88
	Actuarial Loss on obligations	8.47	3.75
	Principal Actuarial Assumptions		
	Rate of Discounting	7.81%	7.99%
	Rate of increase in salaries	6.00%	4.00%

Other Disclosure:

Particulars	2015-16	2014-15	2013-14	2012-13	2011-12
Defined benefit obligation	26.60	15.26	9.46	8.13	7.53
Experience adjustment on liabilities – loss / (gain)	0.80	1.71	0.17	(1.11)	1.34

26. During the previous year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from April 1, 2014, the Company revised the estimated useful life of some of its assets to align the useful life with those specified in Schedule II.

27. Dues to micro, small and medium scale enterprises

As at March 31, 2016, Rs. 3,45,158 /- is outstanding to enterprise classified under Micro Small and Medium Enterprises Development Act 2006 (Rs.2,70,787/- as at March 31, 2015). There are no interests due or outstanding on the same.

28. Details of Loans given, Investment made and Guarantee given covered under section 186(4) of the Companies Act, 2013:

- (i) The Company has not given any loans or guarantees.
- (ii) Investments made by the Company as at 31 March 2016 (*Refer note no. 9*)

29. Previous year figures have been regrouped/ reclassified wherever necessary to correspond with current year's classification/ disclosure.