ARVIND MAFATLAL GROUP

The ethics of excellence

ACCELERATING MOMENTUM

NOCIL LIMITED

59TH ANNUAL REPORT 2020-21

NOCIL LIMITED

WHAT'S INSIDE

Please find our online version at:
http://www.nocil.com/detail/financials/annual-report/12

Or simply scan to download

INVESTOR INFORMATION

Market Capitalisation as at March 31, 2021	₹ 2,902 Crores
CIN	L99999MH1961PLC012003
BSE Code	500730
NSE Symbol	NOCIL
Bloomberg Code	NOCIL:IN
AGM Date	August 03, 2021
AGM Mode	Virtual

ACCELERATING MOMENTUM

Having been in the rubber chemicals manufacturing space for over four decades, NOCIL Limited ('NOCIL' or 'The Company') is a leading name in the industry. For NOCIL, what matters the most is customer centricity by delivering the best quality and cost-efficient products, continuous improvement in operations and consistent progress with a focus on sustainable development. We have been persistently expanding our production capacities to meet the rising demand. With capacities and capabilities in place, we are now on the launchpad to accelerate momentum!

ABOUT US

NOCIL is India's largest rubber chemical manufacturer with a broad customer base across 40 countries. As a manufacturer and supplier of global repute in the rubber chemical segment, we have thrived on the wealth of experience and knowledge garnered over decades in the industry.

Being a part of the eminent Arvind Mafatlal Group, we persistently drive towards excellence in our processes maintaining uncompromised quality, services and competitive pricing of our products. Today, we are one of the non-Chinese rubber chemical manufacturers with presence across the entire portfolio of rubber chemicals.

As a part of the NOCIL culture, we have always focussed our efforts in continuously improving our standards in terms of environment, safety and energy. We've consistently built our production capabilities and expanded our reach in terms of volume and geographies, making us one of the preferred suppliers around the world.

Our Experience + Technological Edge = Preferred Supplier

40+ years
Experience in the rubber chemical manufacturing business

- Favourable positioning
- Continuous technological improvement in products and processes
- Strong position in high-value-added products
- Exceptional R&D capabilities leading to a significant reduction in production cost
- Benefit of operating leverage due to scaling up of business

End Uses of Rubber Chemical

20+
Varieties of rubber chemicals

- Tyres and tubes
- Moulded components for vehicles
- Industrial belts
- Gloves and other latex applications
- Hoses
- Footwear

One-stop Shop

+8%*
Revenue

+14%
Growth in sales volume in FY 2020-21

+26%*
EBITDA

+35%*
Operating PBT

~30%*
Dividend payout more than 5 years

**CAGR from 2013-2021*

Key Performance Indicators

₹939 Crores
Total revenue

₹141 Crores
EBITDA

₹86 Crores
PAT

EBITDA: Earnings Before Interest, Taxes, Depreciation and Amortisation
PBT: Profit before Tax
PAT: Profit after Tax

MANAGING DIRECTOR'S MESSAGE

We ramped up our production capacity in the wake of growing demand and achieved the highest ever quarterly revenues with substantial growth in Q4 of 2020-21.

Dear Shareholders,

I hope you and your family are safe. I must begin my note by thanking all our stakeholders, customers, business partners and investors for their continued support.

Stepping into 2020, few could have anticipated the profound challenges that the world would face in the months to follow, with Covid-19 prompting an unprecedented health crisis, huge economic disruptions and repeated lockdowns around the globe. Looking back, I am proud of the effectiveness with which NOCIL navigated the crisis, and I would like to commend the commitment that all my colleagues have shown in supporting our associates throughout this daunting phase.

In the prevailing time, our first concern was to ensure the well-being of our people. We instantly adopted a Covid-19-appropriate behaviour at the workplace and around us to curtail the spread of the virus and accelerate, in whatever little way, the economic momentum of the nation.

Driving Momentum through Resilience

The first quarter of 2020-21 was indeed challenging due to the imposition of lockdowns, and subsequent curtailment of economic activities. This disrupted the supply chain and impacted all the industries far and wide. But it was the auto industry which took the major hit. Since we have the highest revenues coming from the supply of rubber chemicals to the tyre industry, we faced the impact of the auto industry's slowdown. However, despite the adverse environment, we remained resilient and kept running the wheels of momentum, though initially at a slower pace.

With the easing of lockdowns from July 2020, there were some clear signs of revival as the economy gradually opened up. Subsequently, with a steady recovery in demand and the backlog of the order book getting cleared, manufacturing operations too started picking up. A gradual ramp-up of production was thus witnessed. Our strategy entailed around having the expansion plans in place to meet anticipated growth in demand, while continuing on the expansion journey, which we started around two-three years ago. While building our capacities further, we continued maintaining our market share and exploring additional markets to amplify sales. Our comfortable liquidity position, with no long-term debts, enabled us to stay afloat, while keeping our costs at bay.

Besides, there's an echo for a China-Plus-One strategy, wherein international tyre majors are considering de-risking their value chain to reduce over dependence on a single source of supply. We already have some reputable international clients and with the global tyre majors driving their attention to other countries, there stands a good chance for India to benefit out of it. This will also bode well for players like us and enable us to expand our geographical frontiers. Moreover, the recent import restrictions on various classes of tyres in India is also likely to push domestic demand from Indian tyre makers. This again is anticipated to act in our favour.

Performance in 2020-21

Our revenues were impacted in Q1 of 2020-21 owing to the lockdowns. Lower revenues resulted in lower absorption of fixed costs, leading to a subdued EBITDA. Gradually, with easing restrictions, our sales and EBITDA margins recovered significantly in the remaining quarters.

Subsequently, with the ramping up of our production capacities, we were able to cater to the growing demands and fulfil the gradual increase in orders. It is with pride that I mention, we were able to achieve the highest ever quarterly revenues with substantial growth in Q4 of 2020-21. With our resilience and contingency plans in place, we were able to register 14% growth in volumes and 9% growth in revenue for 2020-21 compared to 2019-20.

Driving Capacity Expansion

In 2017-18, we had strategically commenced a Capex plan. It was to be implemented over a three-year period, with investments being undertaken in a phased manner to expand the production capacities of Navi Mumbai and Dahej facilities. With the immense dedication of our in-house technological support and team, we could complete the implementation 100%. The entire Capex was accrued and utilised by the end of 2020-21, completely funded using our internal accruals. We are still maintaining a zero-debt status till date.

Driving Growth Sustainably

At NOCIL, we take environment stewardship very seriously. We believe being a rubber chemical manufacturer, we have a certain degree of responsibility towards the society at large. Our dedicated sustainable operations exemplify our stand as a conscientious corporation. We strive to meet our customers' requirements by providing them products that are produced in an eco-friendly manner.

Our focus revolves around continuous improvement of our facilities and production capacities, while making them greener and environmentally relevant to stay ahead in the industry on sustainability counts. This is being done through continuous investments to adopt various innovative environmental technologies for long-term sustainability. We also take pride in being a Responsible Care-certified Company and were recently certified with ISO 50001 for energy conservation.

Outlook

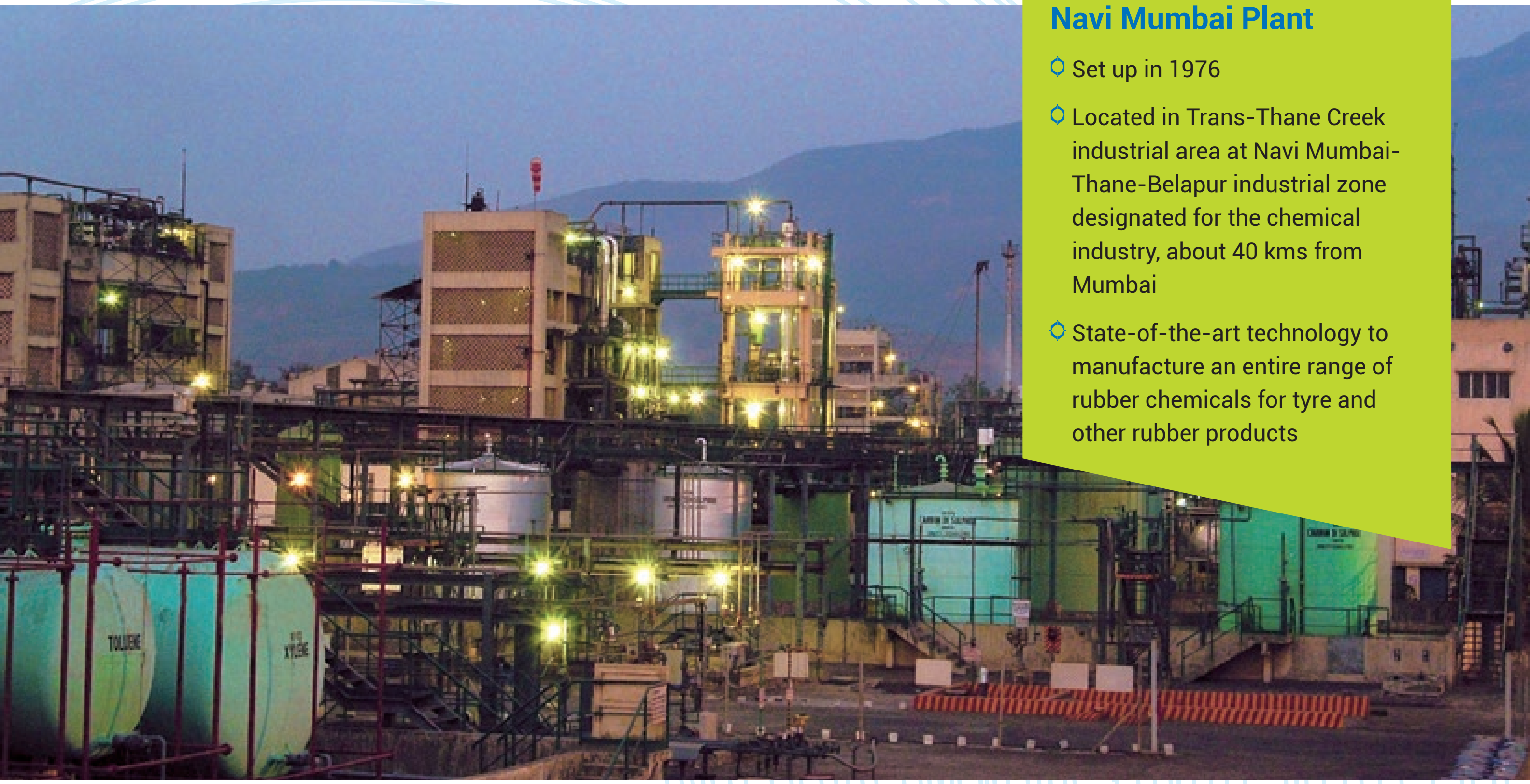
Being one of the leading non-Chinese rubber chemical manufacturers in India, we are considered as a preferred and dependable rubber chemical supplier by global tyre majors because of our niche R&D capabilities and value for money offerings.

As a leading manufacturer in India, we are also well-positioned to grow with every domestic and international opportunities coming our way. Supporting our Government's Make in India initiative, we have been the frontrunners in our industry in promoting indigenous products and exporting them to the world. Going ahead, we will leverage our dominant position to expand our network and reach.

On a concluding note, I would like to thank all the stakeholders for their continued support even during such challenging times. We are confident to sail through these testing times and hope to record better performance going ahead.

Warm regards,

S. R. Deo
Managing Director



Navi Mumbai Plant

- Set up in 1976
- Located in Trans-Thane Creek industrial area at Navi Mumbai-Thane-Belapur industrial zone designated for the chemical industry, about 40 kms from Mumbai
- State-of-the-art technology to manufacture an entire range of rubber chemicals for tyre and other rubber products

Dahej Plant

- Commenced operations in March 2013
- Located about 45 kms from Bharuch, Gujarat
- Location has synergistic proximity to petrochemicals industry and excellent connectivity with Dahej and Hazira Port
- Fully automated process plant developed completely with in-house technology

EXPANSION RESONATES GROWTH MOMENTUM

NOCIL strategically accelerated expansion plans with Capex accrual and utilisation over a period of three years. This was done after foreseeing the then market conditions, significant expansion plans of tyre customers and environmental measures affecting the production capabilities of Chinese competitors.

WHAT IS ACCELERATING OUR MOMENTUM?

China Plus One Strategy

China dominates the world market share of rubber chemical manufacturing, contributing 75% of global rubber chemicals supply. The Covid-19 outbreak and imposition of lockdown resulted in supply chain breakdown worldwide. The major dependence on a single supply source is being viewed as a concern. The tyre majors across the world are looking for an alternative market other than China after the pandemic. Hence, shifting focus from China to India, as a de-risking strategy, gives NOCIL, which takes immense pride in cost-efficiency, quality and capacity, a favourable opportunity in this segment to meet the global demand. In the China+1 Strategy, NOCIL can have a major pie of the cake, as it already enjoys a preferred supplier status among international tyre majors.

Stringent Environment Compliance

The last three years have seen pollution explosion in China and consequently, there has been increased environment compliances levied by the Chinese Government. As a result, the Chinese companies have to bear the increased compliance cost, which would lead to rise in cost of manufacturing in China. However, in case of NOCIL, the products and processes always catered to the highest level of environmental, health, safety and conservation of natural resources. Hence, no such reciprocal increase in cost may have to be borne by NOCIL. As a result, this will create a level-playing field for NOCIL and a favourable market for our products.

Rising Income Levels

This will directly result in increase in motor vehicle ownership, which in turn will steadily increase the consumption of rubber processing chemicals. Since the major chunk of revenue for NOCIL comes from the tyre industry, this will favourably assist the Company to clock a substantial growth.

Global Consumption

The H2 of 2020-21 saw an upward trend in demand for both natural and synthetic rubber. The auto industry also resonated the same growth. This was further aided by the rising demand for OEMs as well as the replacement market. NOCIL is one of the key players in non-Chinese rubber chemical manufacturing segment with a strong presence across the entire portfolio of rubber chemicals. Thus, assuring a promising future for the Company.

High Performance Tyres

To give more life to tyres, the automobile industry will increase rubber processing chemical loadings. Thus, making the growth in demand of NOCIL products quite inevitable.

2
Manufacturing Facilities at Navi Mumbai and Dahej

110,000 Tonnes
Production Capacity

₹ 470 Crores
Capex Phase I and Phase II

CERTIFICATIONS/ACCREDITATIONS

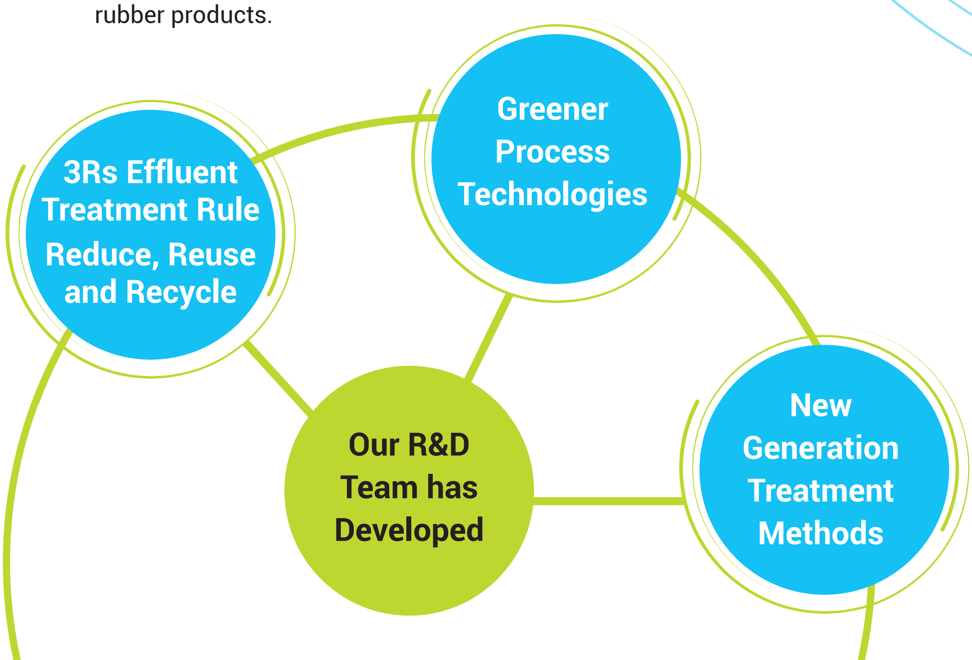
- ISO 50001:2018 (EnMS)
- ISO 9001:2015
- ISO 14001:2015
- ISO 45001:2018
- ISO/IEC 17025:2017
- RESPONSIBLE CARE CERTIFICATION BY INDIAN CHEMICAL COUNCIL
- IATF 16949:2016

ACCELERATING R&D TO INNOVATE

Our business environment is dynamic and fast evolving. It is imperative for organisations to embrace technology to keep pace with the rapid changes. At NOCIL, we have increasingly focussed on transforming our business by leveraging technology.

NOCIL's Research & Development (R&D) team plays a very important role in taking the Company to the next orbit. Its prime focus is to maintain the position of the Company as a leader in rubber chemicals manufacturing industry globally. With continuous investment in advanced environmental technologies, we aim to improve efficiencies, optimise manufacturing cost and bring long-term sustainability.

We are also in the process of developing new generation of rubber chemicals using innovative technologies and green chemistry concepts. Our manufacturing facilities at Navi Mumbai and Dahej have the state-of-the-art technology to manufacture all forms of rubber chemicals for tyre and other rubber products.



ICC awarded NOCIL with the **'Excellence in Management of Environment'** under the large chemical industry

ACCELERATING POTENTIAL

Our premium quality rubber chemical solutions are developed by our in-house manufacturing and product innovation efforts. This leads us to create cost-optimised solutions with better quality. Thus, our niche product offerings, along with cost optimisation measures, will help in accelerating margins in the long term. As we cater to an entire range of rubber chemicals, we provide a one-stop shop to our customers not only in India but globally. At NOCIL, we develop products using green chemistry concepts and new-generation environmentally sustainable processes for growth, which has a huge traction among tyre majors globally.

Products	Usage
Anti-Degradants/Anti-Oxidants	These are ingredients in rubber compounds, which deter the ageing and inhibit degradation due to oxygen attack of rubber products, thereby enhancing service life.
Accelerators	Increase the speed of vulcanisation Permit vulcanisation to proceed at lower temperature and with greater efficiency
Other Applications	Pre-vulcanisation inhibition, post vulcanisation stabilisation, latex-based applications and others Improving thermal stability of cross links in rubber products

FINANCIAL PERFORMANCE

Amount in ₹ Crores

Sr. No.	Particulars	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
STATEMENT OF PROFIT AND LOSS									
1	Total Income	607	723	718	827	1,004	1,053	856	**939**
2	EBITDA	72	116	141	167	277	300	186	**141**
3	Interest	17	17	9	2	1	1	1	**1**
4	Depreciation	18	14	14	19	23	23	32	**36**
5	Profit before Exceptional Items	37	86	118	146	253	277	152	**104**
6	Exceptional Items	(2)	-	-	-	-	-	-	**-**
7	Profit before Tax	35	86	118	146	253	277	152	**104**
8	Profit after Tax	24	57	78	97	169	184	131	**86**
9	Other Comprehensive Income	-	-	-	63	(7)	(26)	(11)	**6**
10	Total Comprehensive Income	24	57	78	160	161	158	120	**93**
11	Earning per Share (EPS): Basic (in ₹)	1.47	3.53	4.83	5.98	10.27	11.14	7.91	**5.21**
12	Dividend (₹ per share)	0.60	1.00	1.20	1.80	2.50	2.50	2.50	**2.00**
BALANCE SHEET									
13	Property Plant and Equipments (including Investment Property, Capital Work In Progress and Intangible Assets)	305	297	531	522	542	760	926	**906**
14	Investments	47	47	137	201	302	148	72	**82**
15	Long-term Loans and Advances (Net)/ Non Current Assets (Net of Non-current Liabilities)	34	23	13	2	18	30	20	**18**
16	Net Current Assets	181	235	197	288	277	320	247	**364**
17	Borrowings (including Short-term Borrowings)	152	147	16	5	-	-	-	**-**
18	Equity Share Capital	161	161	161	164	164	165	166	**166**
19	Free Reserves/Other Equity	216	253	601	741	873	988	1,010	**1,107**
20	Total Net Worth	376	413	761	905	1,037	1,153	1,176	**1,273**
21	Deferred Tax Liabilities (Net)	39	41	100	103	100	105	89	**96**
22	Book Value per Equity Share (₹) (20/No. of Shares)	23.41	25.71	47.36	55.33	63.07	69.71	71.01	**76.62**
	(Face value - ₹10 per share)								
23	Debt/Equity Ratio (17/20)	40%	36%	2%	1%	0%	0%	0%	**0%**
24	EBITDA (%) (2/1)	12%	16%	20%	20%	28%	29%	22%	**15%**
25	Profit after Tax (%) (8/1)	4%	8%	11%	12%	17%	17%	15%	**9%**
26	Return on Net Worth (%) (8/20)	6%	14%	10%	11%	16%	16%	11%	**7%**
27	Return on Capital Employed (%) {2/(13+14+15+16)}	13%	19%	16%	17%	24%	24%	15%	**10%**

Note :
The transition date for the Company for first time adoption of Ind AS is April 1, 2016. Accordingly the figures are restated wherever necessary.

CORPORATE INFORMATION

Board of Directors

Executive Directors

Mr. Hrishikesh A. Mafatlal (DIN: 00009872)
Chairman

Mr. S.R. Deo (DIN: 01122338)
Managing Director

Independent Directors

Mr. D. N. Mungale (DIN: 00007563)
Mr. Debnarayan Bhattacharya (DIN: 00033553)
Ms. Dharmishta N. Raval (DIN: 02792246)
Mr. P. V. Bhide (DIN: 03304262)
Mr. Rohit Arora (DIN: 00445753)
Mr. N. Sankar (DIN: 00007843)

Non-Independent Directors

Mr. Priyavrata H. Mafatlal (DIN: 02433237)
Mr. Vilas. R. Gupte (DIN: 00011330)

Company Secretary

Mr. Amit K. Vyas

Registered Office

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

Contact Details

Telephone: +91 22 6636 4062 / 6657 6100
Fax: +91 22 6636 4060
E-mail: investorcare@nocil.com
Website: www.nocil.com

Auditors

Kalyaniwalla & Mistry LLP
Chartered Accountants

Solicitors & Advocates

Vigil Juris
PDS Legal
Veritas Legal

Registrar & Share Transfer Agent

KFin Technologies Private Limited
Selenium Tower B, Plot 31-32, Gachibowli,
Financial Dist, Nanakramguda,
Hyderabad: 500032
Tel Ph: + 91 40 6716 2222
E-mail: einward.ris@kfintech.com
Website: www.kfintech.com

Bankers

HDFC Bank Limited
AXIS Bank Limited
IDFC First Bank Limited

Manufacturing Facilities

Navi Mumbai
C-37, Trans Thane Creek
Industrial Area,
Off. Thane-Belapur Road, Navi
Mumbai-400 705, Maharashtra

Dahej
12/A/1 & 13/B/1, Dahej Indl. Estate,
Village Ambheta, Tal. Vagra,
Dist. Bharuch-392 130, Gujarat

Name of Committees	Members
Audit Committee	Mr. D. N. Mungale (Chairman)
	Mr. Debnarayan Bhattacharya
	Mr. P. V. Bhide
	Mr. Rohit Arora
	Mr. Vilas R. Gupte
Risk Management Committee	Mr. P. V. Bhide (Chairman)
	Mr. Debnarayan Bhattacharya
	Mr. N. Sankar
	Mr. Hrishikesh A. Mafatlal
	Mr. S. R. Deo
	Mr. P. Srinivasan

Name of Committees	Members
Nomination and Remuneration Committee	Mr. Rohit Arora (Chairman)
	Mr. N. Sankar
	Mr. D. N. Mungale
	Mr. Hrishikesh A. Mafatlal
Corporate Social Responsibility Committee	Mr. Hrishikesh A. Mafatlal (Chairman)
	Ms. Dharmishta N. Raval
	Mr. Vilas R. Gupte
	Mr. S. R. Deo
Stakeholders' Relationship and Investors' Grievance Committee	Ms. Dharmishta N. Raval (Chairperson)
	Mr. Vilas. R. Gupte
	Mr. Hrishikesh A. Mafatlal
	Mr. S. R. Deo

Notice

NOCIL LIMITED
CIN: L99999MH1961PLC012003
Regd. Office: Mafatlal House, H.T. Parekh Marg, Backbay Reclamation
Churchgate, Mumbai-400 020; Tel.No. 91-22-66364062
Fax No: 91-22-66364060, Website: www.nocil.com
Email: investorcare@nocil.com

NOTICE is hereby given that the FIFTY-NINTH (59th) Annual General Meeting of the Members of NOCIL Limited ('**the Company**') will be held on Tuesday August 3, 2021 at 02.30 p.m. (IST) through Video Conferencing ('**VC**')/ Other Audio-Visual Means ('**OAVM**') at Mafatlal House, H.T. Parekh Marg, Backbay Reclamation, Churchgate, Mumbai - 400 020 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited (Standalone and Consolidated) Statements of Profit and Loss, Cash Flow Statement of the Company for the Financial Year ended March 31, 2021 and the Balance Sheet as at March 31, 2021 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. Priyavrata H. Mafatlal (holding DIN: 02433237), who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:

   "**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force), the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations), as amended from time to time and in accordance with the approval of the Board of Directors based on the recommendation of the Nomination & Remuneration Committee , approval of the Members of the Company be and is hereby accorded for the re-designation of Mr. Vilas R Gupte (holding DIN: 00011330), Director , as an Independent Director for a period of five (5) years with effect from May 27, 2021 to May 26, 2026."

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

   "**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013, and Schedule V of the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable rules, regulations issued by the Ministry of Corporate Affairs in this regard and the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any statutory amendments, modifications or re-enactment thereof and all other statutory approvals, as may be required and in accordance with the approval of the Board of Directors based on the recommendations of the Nomination & Remuneration Committee of the Board, approval of the Members of the Company be and is hereby accorded for the re-appointment of Mr. Hrishikesh A Mafatlal (holding DIN : 00009872) as the Executive Chairman of the Board for further a period of five (5) years with effect from August 19, 2021 to August 18, 2026, on such terms and conditions

Notice (Contd.)

including remuneration and perquisites (hereinafter referred to as "remuneration") as set out in the Explanatory Statement annexed to this notice

FURTHER RESOLVED THAT where in any financial year during the currency of the tenure of Mr. Hrishikesh A. Mafatlal, Executive Chairman, the Company has no profits, or if its profits are inadequate, the remuneration determined as per Schedule V of the Companies Act, 2013, be considered as minimum remuneration, subject to such statutory approvals, as may be applicable.

FURTHER RESOLVED THAT the Board of Directors be and is hereby authorised to alter, vary the terms of the remuneration, in such manner as may be deemed fit and acceptable to Mr. Hrishikesh A. Mafatlal.

FURTHER RESOLVED THAT the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable and expedient to give effect to this resolution."

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

   "RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s), amendment(s) or re-enactment(s) thereof, for the time being in force), payment of Remuneration of ₹ 8 Lakhs (apart from reimbursement of out-of-pocket expenses and applicable taxes) to M/s. Kishore Bhatia & Associates, Cost Auditors, Mumbai (Registration No. 00294), who were appointed by the Board of Directors at their meeting held on May 27, 2021 for carrying out Cost Audit of the Company for the Financial Year 2021-22, be and is hereby approved and ratified.**"**

By Order of the Board
For **NOCIL Limited**

Sd/-
Amit K. Vyas
Company Secretary

Place: Mumbai
Date: May 27, 2021

Notice (Contd.)

NOTES

1. In view of the continuing outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 issued by the Ministry of Corporate Affairs ('MCA') followed by Circular nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 issued by the Securities & Exchange Board of India (SEBI), physical attendance of the Members at the Annual General Meeting ('**AGM'**) venue is not required and the AGM needs to be held through video conferencing ('**VC'**) or other audio visual means ('**OAVM'**). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM. In compliance with the provisions of the Companies Act, 2013 ("**Act**"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**") and the above mentioned MCA Circulars, the 59th AGM of the Company is being held through VC / OAVM.

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 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 the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

3. Institutional investors, who are Members of the Company, are encouraged to attend the 59th AGM of the Company through VC/ OAVM mode and vote electronically. Corporate members are required to send a scanned copy (PDF/JPG Format) of the Board Resolution/ Power of Attorney authorizing its representatives to attend and vote at the AGM through VC / OAVM on its behalf pursuant to Section 113 of the Act. The said Resolution/Authorisation shall be sent to the Scrutinisers namely M/s Makarand M Joshi & Co, Practicing Company Secretaries , by email through its registered email address to **scrutinisers@mmjc.in** with a copy marked to **evoting@nsdl.co.in.**

4. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out the material facts concerning the Special Business is annexed hereto.

5. Details under regulation 36(3) of the SEBI Listing Regulations, in respect of the Directors seeking appointment / re-appointment at the Annual General Meeting, form integral part of the Notice.

6. All the documents referred to in the accompanying Notice and the Explanatory Statement, shall be available for inspection through electronic mode, without any fee by the Members from the date of circulation of this Notice up to the date of the AGM viz August 3, 2021.Members **seeking to inspect such documents can send an email to investorcare@nocil.com** in this regard.

7. During the AGM, the Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Act, the Register of Contracts or arrangements in which Directors are interested under Section 189 of the Act and the Certificate from the Auditors of the Company certifying that the ESOP Schemes of the Company are being implemented in accordance with, the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 shall be available for inspection upon login at NSDL e-Voting system by following the instructions for the members for the remote e-Voting process.

8. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at 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. The detailed instructions for joining the Meeting through VC/OAVM form part of the Notes to this Notice.

Notice (Contd.)

9. 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.

10. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI Listing Regulations (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 ,May 05, 2020 and January 13, 2021 the Company is providing the facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a Member using remote e-Voting system as well as e-Voting on the date of the AGM will be provided by NSDL.

11. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020 further extended vide SEBI Circular Reference: SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 the Notice calling the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories and has been uploaded on the website of the Company at **www.nocil.com**. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at **www.bseindia.com** and **www.nseindia.com** respectively. The AGM Notice is also available on the website of NSDL (agency for providing the remote e-Voting facility) i.e. **www.evoting.nsdl.com**.

12. Members who would like to express their views/ ask questions as a speaker at the Meeting may pre-register themselves by sending a request from their registered e-mail address mentioning their names, DP ID and Client ID/folio number, PAN and mobile number at investorcare@nocil.com between Monday, July 26, 2021 (09.00 a.m. IST) to Thursday, July 29, 2021 (5.00 p.m. IST). Only those Members who have pre-registered themselves as speakers will 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 at the AGM.

<u>Book closure & Payment of Dividend</u>

13. The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, July 28, 2021 to Tuesday, August 3, 2021 (both days inclusive) for purposes of the 59th Annual General Meeting to be held on Tuesday, August 3, 2021 and for payment of dividend of ₹ 2/- per Equity Share of ₹ 10/- each (20% of the face value), if approved by the Members at the said AGM to each Member whose name appears in the Register of Members as on July 27, 2021.

14. Members may note that the Board, at its meeting held on May 27, 2021, has recommended a final dividend of ₹ 2/- per equity share of ₹ 10/- each . The said dividend for the year ended March 31, 2021 , if approved by the Members at the 59th AGM will be paid to those Members whose names appear on the Company's Register of Members on July 27, 2021. In respect of shares held in demat form, the dividend will be paid to the beneficial owners of shares as per details furnished by the Depositories as on July 27, 2021. The said dividend will be paid at par on or after August 6, 2021. In order to enable the Company to directly credit the dividend amount in the bank accounts:

    a) Members holding shares in demat accounts are requested to update their Bank Account details with their respective Depository Participants (DPs).

    b) Members holding shares in physical form are requested to submit a covering letter, duly signed by the first Member, along with a cancelled cheque leaf with name and bank account details and a copy of their PAN card, duly self-attested, to Mr. Anil Dalvi, Manager, KFin Technologies Private Limited (hereinafter referred to as the RTA) Selenium Tower B, Plot no. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad 500032. In case the cancelled cheque leaf does not bear the Member's name, please attach a copy of the bank pass-book statement, duly self-attested.Such Members are requested to opt for the Electronic Clearing System ("ECS") mode to receive dividend on time in line with the Circulars.

Notice (Contd.)

Tax Deduction at source / Withholding Tax:- Payment of Dividend

15. Pursuant to Finance Act, 2020, Dividend income will be taxable in the hands of the Members w.e.f April 01, 2020, and hence the Company is required to deduct tax at source (TDS) under sections 194/195 /196D of the Income Tax Act, 1961 (the I.T Act) at the time of distribution or payment of the said dividend. TDS rate depends upon the residential status and category of the Shareholder as well as documents submitted to the Company/RTA/Depository Participant.

S. No	Category of Shareholder	TDS Rate (%)	Documents required (if any) / Remarks
A	***RESIDENT SHAREHOLDERS***		**(all documents to be submitted on or before July 23, 2021)**
	1 Any resident Shareholder	**10**	No document required if Valid PAN updated in the Company's Register of Members .
	Note: No deduction of tax in the following cases:		
	• If dividend income to a resident Individual Shareholder during FY 2021-22 does not exceed Rs. 5,000/- and it is paid by any mode other than cash ;	**NIL**	-
	• If Shareholder is exempted from TDS provisions on the basis of any circular(s) or notification(s).	**NIL**	Necessary documentary evidence as per Circular No. 18/2017 dated 29.05.2017 issued by the Central Board of Direct Taxes (CBDT)
	2 Individual Shareholder submitting Form 15G/ Form 15H	**NIL**	Declaration in Form 15G (applicable to an Individual who is below 60 years)/ Form 15H(applicable to an individual who is 60 years and above) fulfilling certain conditions.
	3 Insurance Companies Shareholders to whom section 194 of the Income Tax Act, 1961 does not apply as per second proviso to Section 194 such as Life Insurance Corporation of India, General Insurance Corporation of India, National Insurance Company Limited, New India Assurance Company Limited, Oriental Insurance Company Limited, United India Insurance Company Limited and any other insurer as per Section 2(28BB) of the Act	**NIL**	Documentary evidence for exemption u/s 194 of the Income Tax Act, 1961
	4 Mutual Funds specified under clause (23D) of Section 10 of the Act (covered under section 196 of the Income Tax Act, 1961)	**NIL**	Documentary evidence for coverage under section 196 of the Income Tax Act, 1961
	5 Corporation established by or under a Central Act which is, under any law for the time being in force, exempt from income-tax on its income.(covered under section 196 of the Income Tax Act, 1961)	**NIL**	Documentary evidence for coverage under section 196 of the Income Tax Act, 1961

Notice (Contd.)

S. No	Category of Shareholder	TDS Rate (%)	Documents required (if any) / Remarks
	6 Category I & II Alternative Investment Funds	**NIL**	SEBI Registration certificate to claim benefit under section 197A (1F) of the Income Tax Act, 1961
	7 New National Pension Scheme (NPS) Trust	**NIL**	No TDS as per section 197A (1E) of the Income Tax Act, 1961
	8 • Recognized Provident Funds; • Approved Superannuation Fund; • Approved Gratuity Fund	**NIL**	Necessary documentary evidence as per Circular No- 18/2017 issued by the Central Board of Direct Taxes (CBDT)
	9 Any Shareholder who has obtained Order u/s. 197 of the Act.	**Rate specified in the Order**	Documentary evidence in form of the Order
	10 Other resident Shareholder without PAN/ Invalid PAN	**20**	Tax will be deducted regardless of dividend amount if PAN of the shareholder is nor registered with the Company /RTA/Depository Participant
	11 Non-filers of income-tax return	**20**	-
B	***NON-RESIDENT SHAREHOLDERS***		**(all documents to be submitted on or before July 23, 2021 , failing which tax will be deducted at source @20% plus applicable surcharge and cess)**
	1 Foreign Institutional Investors, Foreign Portfolio Investors (FII, FPIs) /Other Non resident shareholders	**Lower of-** **i. 20% (plus applicable surcharge and cess) or** **ii. Tax Treaty rate.**	FPI Registration certificate in case of FIIs /FPIs To avail the beneficial rate of tax treaty the following documents would be required : • Tax residency certificate issued by the Revenue authority of the country of residence of the shareholder for the year in which dividend is received; • PAN or declaration as per Rule 37BC of the Income Tax Rules 1962 in a specified format; • Form 10F filed an signed; • Self declaration for non existence of permanent establishment/base in India

Notice (Contd.)

S. No	Category of Shareholder	TDS Rate (%)	Documents required (if any) / Remarks
			(Imp Note:- Application of beneficial tax treaty rate shall depend upon the completeness of the documents submitted by the Non resident shareholder and review to the satisfaction of the Company)
	2 Shareholder submitting Order under section 197 of the Act.	**Rate mentioned in the order**	Documentary evidence in form of the copy of the Order under section 197 of the Act.
	3 Indian Branch of a Foreign Bank	**NIL**	Lower tax deduction certificate u/s 195(3) obtained from the Income Tax Authority . Self declaration confirming that the income is received on its own account and not on the behalf of the Foreign Bank and the same will be included in the taxable income of the branch in India.
	4 Any non resident shareholder exempted from the deduction of tax at source as per the provisions of the Income Tax Act, 1961 or any such other Law such as the United Nations (Privileges and Immunities Act, 1947)	**NIL**	Necessary documentary evidence substantiating exemption from the deduction of tax at source.

Imp instructions:

(i) The Company will issue soft copy of the TDS certificates to its shareholders through registered e-mails registered with the Company /RTA , post payment of the dividend. Shareholders will be able to download Form 26AS from the Income Tax Dept's website **https://incometaxindiaefiling.gov.in**;

(ii) The documents as mentioned herein-above such as Form 15G/15H and documents under sections 196, 197A, FPI Registration certificate, Tax residency certificate , lower tax certificate etc are required to be uploaded with KFin Technologies Private Limited, the Registrar and Transfer Agent at **https://ris.kfintech.com/form15** or emailed to **einward.ris@kfintech.com.** Please mention your folio / demat account number, contact detail etc. in all your communication. **No communication on the tax determination / deduction shall be entertained after July 23, 2021, in order to enable the Company to determine and deduct appropriate TDS / withholding tax rate ;**

(iii) Formats of Form 15G/15H and all other forms mentioned hereinabove can be downloaded from the Company's website **http://www.nocil.com/detail/investors/downloads/92**

(iv) Application of TDS rate is subject to necessary verification by the Company of the Shareholder details as available in Register of Members as on the Record date , and other documents available with the Company /RTA.

Notice (Contd.)

(v) In case TDS is deducted at a higher rate , an option is still available with the shareholder to file the return of income and claim an appropriate refund.

(vi) No TDS will be deducted in case of resident individual shareholders who furnish their PAN details and whose dividend does not exceed Rs.5, 000/-.However where the PAN is not updated in Company/RTA /Depository Participants records or in case of an invalid PAN, the Company will deduct TDS u/s 194 without considering the exemption limit of Rs. 5,000/-

All the shareholders are requested to update their PAN with their Depository Participant (if shares are held in electronic form) and Company/RTA (if shares are held in physical form) against all their folio holdings on or before 23rd July,2021

(vii) In the event of any income tax demand (including interest, penalty etc) arising from any misrepresentation, inaccuracy or omission of information provided by the shareholder, such shareholder will be responsible to indemnify the Company and also, provide the Company with all the information/documents and co-operation in any appellate proceedings.

This communication is not exhaustive and does not purport to be a complete analysis or listing of all potential tax consequences in the matter of dividend payment. Shareholders may consult their tax advisors for requisite action to be taken by them.

16. Unclaimed/Unpaid Dividends

Members are requested to note that pursuant to the provisions of Section 125 (2) of the Companies Act, 2013, the dividend remaining unclaimed /unpaid for a period of seven years from the date it becomes due for payment shall be credited to the Investor Education and Protection Fund (IEPF) set up by the Central Government, Members who have so far not claimed the dividends are requested to make claim with the Company immediately as no claim shall lie against the Company in respect of individual amounts once credited to the said IEPF.

Due dates for transferring unclaimed and unpaid dividends declared by the Company are as under:

Financial Year ended	Date of declaration of dividend	Due date of transfer of unclaimed & unpaid Dividend
March 31, 2014	June 30, 2014	August 6, 2021
March 31, 2015	July 23, 2015	August 29, 2022
March 31, 2016	July 27, 2016	September 2, 2023
March 31, 2017	July 27, 2017	September 2, 2024
March 31, 2018	July 25, 2018	August 31, 2025
March 31, 2019	July 30, 2019	September 5, 2026
March 31, 2020*	March 6, 2020	April 12, 2027

** Interim Dividend declared for the FY 2019-20.*

a) Attention of the Members is also invited towards the provisions of Section 125 of the Companies Act, 2013 read together with IEPF (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017 which requires the companies to also transfer the Equity shares corresponding to the Dividend which has remained unclaimed and consequently unpaid for a period of seven consecutive years or more. Members are requested to refer para on 'Transfer of Unpaid Dividend and corresponding Equity Shares to the Investor Education and Protection Fund (IEPF)' in the Directors' Report for the FY 2020-21. Members wishing to claim dividends that remain unclaimed are requested to correspond with Mr. Anil Dalvi from the RTA's office. Members are requested to note that dividends that are not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will be transferred to the Investor Education and Protection Fund ("IEPF"). Shares on which dividend remains unclaimed for seven consecutive years shall be transferred to IEPF as per Section 124 of the Act, read with applicable IEPF Rules.

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b) Members are requested to address all correspondence, including dividend-related matters, to Mr. Anil Dalvi, Manager KFin Technologies Private Limited, email id: **einward.ris@kfintech.com** Unit: NOCIL Limited, Selenium Tower B, Plot 31-32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad 500 032.

17. Registration / Updation of e-mail addresses

a. Members who have not registered their e-mail addresses so far, are requested to register the same in respect of electronic holdings with the depository through their Depository Participants (DPs). Members who are holding shares in physical form are requested to get their e-mail addresses registered with the RTA by request letter duly signed by the shareholder along with self-attested copy of Pan Card and Aadhar Card to Mr. Anil Dalvi, Manager KFin Technologies Private Limited, email id: **einward.ris@kfintech.com** Unit: NOCIL Limited, Selenium Tower B, Plot 31-32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad 500 032.

b. Members holding shares in dematerialised form are requested to intimate all changes pertaining to their Bank account numbers / update, PAN , E-mail ID/mandates/nominations/ power of attorney/change of name/change of address/contact numbers etc. to their Depository Participants ("DP") with whom they are maintaining their demat accounts. Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's RTA to provide efficient and better services. Members holding shares in physical form are requested to advise such changes to RTA to Mr. Anil Dalvi, Manager KFin Technologies Private Limited, email id: **einward.ris@kfintech.com** Unit: NOCIL Limited, Selenium Tower B, Plot 31-32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad 500 032 along with the following documents:

i. Request Letter duly signed by the shareholder (first holder in case of joint holding)

ii. Original cancelled cheque leaf

iii. Self-attested copy of PAN card

iv. Self-attested copy of Aadhar card (Address Proof)

18. Dematerialisation of shares

Members holding shares in physical form are requested to consider converting their holding to dematerialised form. As per the SEBI norms, with effect from April 1, 2019, share transfers cannot be affected in physical form.

19. Nomination facility for Members

As per Section 72 of the Companies Act, 2013, members are entitled to make nomination in respect of shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members holding shares in physical form may submit the same to the RTA. Members holding shares in electronic form may submit the same to their respective Depository Participants (DPs).

20. Instructions for members for remote e-voting: -

i. **The remote e-voting period commences on Thursday, July 29, 2021 at 09:00 am (IST) and ends on Monday, August 2, 2021 at 05:00 pm (IST)**. During this period, the members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date, i.e., Tuesday, July 27, 2021, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter.

ii. The members who have casted their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their votes thereat again.

iii. Once the vote on a resolution is cast by the member, such member shall not be allowed to change it subsequently.

iv. The Board of Directors have appointed M/s Makarand M Joshi & Co, Practicing Company Secretaries , as the Scrutinisers for scrutinizing the e-voting process in a fair and transparent manner.

v. A person who is not a member as on cut-off date should treat this Notice for information purpose only.

Notice (Contd.)

How do I vote electronically using NSDL e-Voting system?

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meetings 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 are 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 NSDL.	1. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. **https://eservices.nsdl.com** either on a Personal Computer or on a mobile. On the e-Services home page click on the "**Beneficial Owner**" icon under **"Login"** which is available under **'IDeAS'** section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on **"Access to e-Voting"** under e-Voting services and you will be able to see e-Voting page. Click on Company name or **e-Voting service provider i.e., NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at **https://eservices.nsdl.com**. Select **"Register Online for IDeAS Portal"** or click at **https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp** 3. 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 Company name or **e-Voting service provider i.e., 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. 4. Shareholders/Members can also download NSDL Mobile App "**NSDL Speede**" facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play

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Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	1. 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. 2. 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. 3. If the user is not registered for Easi/Easiest, option to register is available at **https://web.cdslindia.com/myeasi/Registration/EasiRegistration**
	4. 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) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on Company name or e-Voting service provider i.e., 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.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e., NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in 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 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at **helpdesk.evoting@cdslindia.com** or contact at 022- 23058738 or 022-23058542-43

B) Login Method for e-Voting and joining virtual meetings for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. 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.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen. *Alternatively, if you are registered for NSDL eservices i.e., IDEAS, you can log-in at* **https://eservices.nsdl.com/** *with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e., Cast your vote electronically.*

4. Your User ID details are given below :

Manner of holding shares i.e., Demat (NSDL or CDSL) or Physical	**Your User ID is:**
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example, if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

      (i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e., a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

      (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

   a) Click on **Forgot User Details/Password?** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on **www.evoting.nsdl.com.**

   c) If you are still unable to get the password by aforesaid two options, you can send a request at **evoting@nsdl.co.in** mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

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7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, home page of e-Voting will open.

Step 2: Cast your vote electronically and join the General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join the General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of Company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e., assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutiniser by e-mail to **scrutinisers@mmjc.in** with a copy marked to **evoting@nsdl.co.in.**
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.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of **www.evoting.nsdl.com** or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to **evoting@nsdl.co.in**

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 Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to **investorcare@nocil.com.**
2. In case shares are held in demat mode, please provide DPID-CLID (16-digit DPID + CLID or 16-digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to **investorcare@nocil.com.** If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e., **Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in demat mode.**
3. Alternatively, shareholder/members may send a request to **evoting@nsdl.co.in** for procuring user id and password for e-voting by providing above mentioned documents.

Notice (Contd.)

4. 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 FOR 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 at 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.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of “VC/OAVM link” placed under **“Join General meeting”** menu against the Company’s 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 EVEN of Company will be displayed. Please note that the 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.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. 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.

Annexure to the Notice

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4

Mr. Vilas R. Gupte has been holding office as a Non -Executive Non-Independent Director on the Board of the Company since July 29, 2005, after superannuating as the Chief Executive Officer of the Company.

Mr. Vilas R. Gupte, a Chartered Accountant, has more than 40 years of experience at Senior Management levels in various Companies. Mr. Vilas R. Gupte was also a Chief Executive Officer of a Business Solution Consultancy for four years in the recent past.

Mr. Vilas R. Gupte now meets with the criteria of 'Independence' as stipulated by section 149(6) of the Companies Act, 2013, and Regulation 16 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended (SEBI Listing Regulations), and hence the Nomination & Remuneration Committee of the Board has recommended and based on the said recommendation the Board of Directors have approved (subject to approval of the members) the re-designation of Mr. Vilas R. Gupte as an Independent Director for a period of five (5) years with effect from May 27, 2021 to May 26, 2026.

The Company has received a declaration of independence from Mr. Vilas R. Gupte as per the provisions of the Companies Act, 2013 as well as the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

A brief profile of Mr. Vilas R. Gupte as required under Regulation 36(3) of the SEBI Listing Regulations with the Stock Exchanges, is given in **Annexure A** to this Explanatory Statement.

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

Except Mr. Vilas R. Gupte, none of the Directors and Key Managerial Personnel of the Company and /or their relatives is deemed to be concerned or interested (financially or otherwise) in the said resolution

A Copy of the draft letter for the appointment of Mr. Vilas R. Gupte as an Independent Director setting out the terms and conditions would be available for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday and Sunday.

Item No. 5

Mr. Hrishikesh A Mafatlal was appointed as the Executive Chairman of the Company for a period of five (5) years w.e.f. August 19, 2016 to August 18, 2021 by a Special Resolution passed by the Members through the Postal Ballot process on December 20, 2016. The tenure of Mr. Hrishikesh A. Mafatlal as the Executive Chairman thus expires on August 18, 2021.

The Board of Directors, based on the recommendations of the Nomination & Remuneration Committee, thought it fit and in the interest of the Company to reappoint Mr. Hrishikesh A. Mafatlal as the Executive Chairman for a further period of 5 years w.e.f August 19, 2021 to August 18, 2026 . During the aforesaid tenure , Mr. Hrishikesh A. Mafatlal attains the age of 70 years on November 24, 2024 and hence the Board has proposed to seek consent of the Members by means of a Special Resolution at the ensuing Annual General Meeting.

The appointment and payment of remuneration and perquisites to Mr. Hrishikesh A. Mafatlal are subject to the approval of the Members of the Company and other statutory approvals as may be required.

The terms of remuneration and perquisites payable to Mr. Hrishikesh A. Mafatlal are as follows:

A. i) Salary : ₹ 138/-Lakhs (Rupees One Hundred and Thirty Eight Lakhs only) p.a.

ii) Perquisites and Allowances, the aggregate monetary value of which shall not exceed ₹ 36/- Lakhs(Rupees Thirty-Six Lakhs only) p.a. or as may be decided by the Board from time to time.

These perquisites and other allowances will be in addition to items mentioned in Clause (C) below.

The salary and perquisites as mentioned under (i) and (ii) above will be exclusive of:

- Contribution to the Provident Fund to the extent they are not taxable under the Income Tax Act, 1961.
- Gratuity as per the prevailing rules of the Company.
- Encashment of leave as per Company's Rules at the end of the tenure of service from the Company.

Annexure to the Notice (Contd.)

B. Performance Bonus/Commission as may be decided by the Board from time to time on the basis of the performance of Mr. Hrishikesh A. Mafatlal and of the Company subject to and within the limits of the Companies Act, 2013 or any amendments thereto.

C. Apart from the above mentioned remuneration, he shall be entitled to:

   i. Leave as per the rules of the Company.

   ii. Reimbursement of Domiciliary Medical Expenses actually and properly incurred by him and his family and Mediclaim Policy for hospitalisation.

   iii. Expenses actually and properly incurred by him in the course of legitimate business of the Company.

   iv. Club Membership Fees subject to a maximum of two Clubs.

   v. Personal Accident Insurance Policy.

   vi. Provision for use of motor car with driver for both official and personal use and reimbursement of telephone, gas and electricity expenses incurred at his residence.

   vii. Life Insurance as per the rules of the Company.

A copy of the draft Letter of Appointment is kept open for inspection by any Member of the Company under Section 190 (2) of the Companies Act, 2013 at the Registered office of the Company on any working day (excluding Saturday and Sunday) during business hours.

Where in any financial year during the currency of the tenure of Mr. Hrishikesh A. Mafatlal, Executive Chairman, the Company has no profits or if its profits are inadequate, the remuneration determined as per Schedule V of the Companies Act, 2013 be considered as minimum remuneration, subject to such statutory approvals as may be applicable.

The Board may alter or vary the above referred terms of appointment, salary, commission, performance bonus and perquisites including minimum remuneration payable in such manner as the Board in its absolute discretion deems fit and acceptable to Mr. Hrishikesh A. Mafatlal provided that such alterations are within the limits specified in Schedule V of the Companies Act, 2013 or any amendments, modifications or re-enactments made thereof from time to time.

Mr. Hrishikesh A. Mafatlal shall not be entitled to receive sitting fees for attending the meetings of the Board of Directors or any Committee thereof.

Mr. Hrishikesh A. Mafatlal shall not be liable to retire by rotation.

Other particulars pertaining to the Company, which are required to be disclosed as per Section II of Part II of the Schedule V of the Companies Act, 2013 and also Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, are given in **Annexure A** to this Explanatory Statement.

Except Mr. Hrishikesh A. Mafatlal (being the appointee) and Mr. Priyavrata H. Mafatlal (being a relative of appointee), none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested in the resolution.

The Directors recommend this resolution for approval by the Members.

Annexure A to the Explanatory Statement

STATEMENT AS REQUIRED UNDER SECTION II OF PART II OF SCHEDULE V TO THE COMPANIES ACT, 2013 GIVING DETAILS IN RESPECT OF APPOINTMENT OF MR HRISHIKESH A. MAFATLAL AS THE EXECUTIVE CHAIRMAN.

I. General Information:

a) Nature of Industry:

The Company is engaged in the business of manufacture and sale of Rubber Chemicals. It has manufacturing facilities at TTC Industrial Area in Thane, Maharashtra and at Dahej, Gujarat and its Regional Sales Offices at Mumbai, Delhi, Chennai and Kolkatta.

b) Date of commencement of Commercial Production:

The Company started its commercial production in the year 1976.

c) Financial Performance

(₹ in Lakhs)

	Financial year ended March 31, 2021	Financial year ended March 31, 2020
Total Revenue	93,894	85,599
Profit Before Tax	10,418	15,241
Profit after Tax	8,649	13,098

d) Export Performance:

(₹ in Lakhs)

	Financial year ended March 31, 2021	Financial year ended March 31, 2020
FOB Value of Exports	30,244	28,652
Net Foreign Exchange Earnings	15,084	13,444

e) Foreign Investments or Collaborations:

The Company does not have any foreign investments or collaborations.

II. Information about the appointee:

a) Background details:

Mr. Hrishikesh A. Mafatlal is a commerce graduate {B.Com. (Hons.)}and has attended the Advanced Management Programme at the Harvard Business School, USA.

Mr. Hrishikesh A. Mafatlal is the past president and is presently a Managing Committee member of the Mill owners' Association, Mumbai. He was a Member on the Board of Governors of IIM Ahmedabad for 12 years and Vice-Chairman of the Cotton Textiles Export Promotion Council (TEXPROCIL)

b) Past remuneration:

The remuneration paid to Mr. Hrishikesh A. Mafatlal in the Financial Year 2020-21 is as under

Particulars	Amount (₹ in Lakhs)
Salary, Allowances / Perquisites & Performance Bonus, ESOPs	327.40
Contribution to Funds	28.06
Total	**355.46**

c) Recognition or award: Nil

d) Job Profile and his suitability:

Mr. Hrishikesh A. Mafatlal is a Promoter-Director and overall, in-charge of the affairs of the Company. Looking at the overall business exposure and rich experience of Mr. Hrishikesh A. Mafatlal in diversified areas and responsibilities to be shouldered by him, it is in the interest of the Company to avail his business expertise and hence his suitability for the position.

e) Proposed Remuneration :

As mentioned in the Explanatory Statement.

f) Comparative Remuneration:

Considering the size of the Company, the industry benchmarks, experience of and the responsibilities shouldered by the appointee, the proposed remuneration payable to Mr. Hrishikesh A. Mafatlal is commensurate with the remuneration paid to similar appointees in other companies.

Annexure A to the Explanatory Statement (Contd.)

g) Pecuniary Relationship:

Except for the proposed remuneration, Mr. Hrishikesh A. Mafatlal does not have any pecuniary relationship directly or indirectly with the Company or Managerial Personnel of the Company.

III. Other information:

a)	Reasons for inadequacy of profits	Not Applicable
b)	Steps taken or proposed to be taken for improvement	Not Applicable
c)	Expected increase in productivity and profits in measurable terms	Not Applicable

IV. The following disclosures are mentioned in the Directors' Report under the heading "Corporate Governance":

(i) all elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors;

(ii) details of fixed component and performance linked incentives along with the performance criteria;

(iii) service contracts, notice period, severance fees; and

(iv) 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.

Item No. 6

Pursuant to Sections 142 and 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the Members of the Company are required to approve and ratify the payment of remuneration of ₹ 8 Lakhs per annum and reimbursement of out-of-pocket expenses and taxes as may be applicable to the Cost Auditors as considered and approved by the Board of Directors in their meeting held on Thursday, May 27, 2021 for the Financial Year 2020-21.

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

None of the Directors and Key Managerial Personnel of the Company and /or their relatives is deemed to be concerned or interested (financially or otherwise) in the resolution.

By Order of the Board
For **NOCIL Limited**
Sd/-
Amit K. Vyas
Company Secretary

Place: Mumbai
Date: May 27, 2021

Particulars of the Directors seeking appointment / re-appointment at the ensuing Annual General Meeting pursuant to Regulation 36(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Name	**Mr. Priyavrata H. Mafatlal (DIN: 02433237)**	**Mr. Vilas R. Gupte (DIN : 00011330)**	**Mr. Hrishikesh A. Mafatlal (DIN : 00009872)**
Age	33 years.	76 years.	66 years.
Qualifications	M.Com. and B.M.S. (with specialisation in Marketing) and has attended 3 Tier Management Program at IIM, Ahmedabad.	B.Com., and Member of the Institute of Chartered Accountants of India.	B.Com. (Hons.) and has attended the Advanced Management Programme at the Harvard Business School, USA
Date of Appointment/ Re-appointment	August 28, 2020	July 30, 2019	August 19, 2016
Date of first appointment on the Board	May 8, 2017	July 29, 2005	August 22, 1984
Expertise in Specific Functional Areas	After his graduation in 2008, Mr. Priyavrata H. Mafatlal spent three years understanding various facets of management in NOCIL Limited and the other companies namely Navin Fluorine International Limited and Mafatlal Industries Limited Over the next decade he went on to gain valuable experience and exposure in working with the different businesses and divisions at Mafatlal Industries Limited and has now been elevated to the role of Managing Director & CEO of Mafatlal Industries Limited w.e.f. July 1, 2020.	Mr. Vilas R. Gupte has more than 40 years of experience at various companies. He has rich experience in various facets of finance and treasury namely banking, mergers and acquisitions, corporate restructuring etc. His areas of expertise also include commercial, sales and marketing, legal, corporate governance and general management.	Mr. Hrishikesh A. Mafatlal is the past President and now a Managing Committee Member of the Millowners' Association, Mumbai (MOA). He was a Member on the Board of Governors of IIM Ahmedabad for 12 years (1995-2007), and the Vice-Chairman of The Cotton Textiles Export Promotion Council (TEXPROCIL).He is a Trustee of N.M Sadguru Water and Development Trust, Chairman of Sri Chaitanya Seva Trust, and Chairman of BAIF Development Research Foundation.

Name	Mr. Priyavrata H. Mafatlal (DIN: 02433237)	Mr. Vilas R. Gupte (DIN : 00011330)	Mr. Hrishikesh A. Mafatlal (DIN : 00009872)
Terms & conditions of appointment or re-appointment along with details of remuneration sought to be paid and the remuneration last drawn.	—	The remuneration paid to him for the year ended March 31, 2021 has been disclosed in the Corporate Governance Report for the year ended on that date. Mr. Vilas R. Gupte will be entitled to receive the Sitting Fees for attending each meeting of the Directors and the Committees thereof, of which he is a Member and profit related commission, as may be decided by the Board of Directors every year in accordance with the approval granted by the shareholders.	Refer Explanatory Statement
Directorship held in other listed entities	Managing Director and CEO - Mafatlal Industries Limited	- Mafatlal Industries Limited	Executive Chairman - Mafatlal Industries Limited
Membership / Chairmanship of Committees	Member - Share Transfer Committee	Mafatlal Industries Limited Chairman - Audit Committee Member - Nomination & Remuneration Committee	Mafatlal Industries Limited Member - Share Transfer Committee - Stakeholders Relationship Committee Chairman - Corporate Social Responsibility Committee
Number of shares held in the Company, including shareholding as a beneficial owner	12,495 Equity Shares of ₹10/- each.	600 Equity Shares of ₹10/- each. (As Joint holder)	7,91,468 Equity Shares of ₹10/- each.
Disclosure of relationship	Mr. Priyavrata H. Mafatlal is related to Mr. Hrishikesh A. Mafatlal.	N.A.	Mr. Hrishikesh A. Mafatlal is related to Mr. Priyavrata H. Mafatlal
Number of Board Meetings attended during the year	6 out of 6 meetings held in the FY 2020-21	6 out of 6 meetings held in the FY 2020-21	6 out of 6 meetings held in the FY 2020-21

Directors' Report

Dear Members,

Your Board of Directors are pleased to present their Board Report together with the Audited Financial Statements of the Company for the financial year ended March 31, 2021.

FINANCIAL SUMMARY

(₹in Crores)

Particulars	Financial year ended March 31, 2021	Financial year ended March 31, 2020
Total Revenue	938.94	855.99
Profit before Interest, Depreciation & Tax	141.21	186.14
Less: Interest	0.96	1.32
Less: Depreciation	36.07	32.42
Profit before tax	104.18	152.41
Less: Tax Expenses	17.69	21.43
Net Profit after tax	**86.49**	**130.98**
Earnings per share of face value of ₹10 each - Basic	5.21	7.91
Earnings per share of face value of ₹10 each - Diluted	5.20	7.91

PERFORMANCE OF THE COMPANY

The year started with the unprecedented nationwide lockdown on account of the surge of COVID-19 pandemic in India which resulted in sub-optimal operations during the first quarter of the year under review with operating rates falling below 50% than the preceding quarter.

The Board of Directors wish to inform you despite the setbacks experienced during the first quarter of the year under review, the Company recorded a turnover of ₹939 Crores for the year as against ₹856 Crores, a growth of over 9%. This was on the back of growth in sales volume by about 14% for the year under review.

It is heartening to see that considering the challenges experienced, the Company could achieve this volume growth as against the de-growth in the global rubber consumption by 6.50% for the calendar year 2020. The recent quarter ended March 21 performance gives us the confidence that the Company can touch many more heights in the coming years, save and except any interruptions which may come about on account of the resurgence of COVID-19 second wave for the coming 2021-22.

The Company continues to practice its ethical business strategy and all regular customers were served in a timely manner with the best quality and services at affordable prices.

Domestic Market

The Company recorded a Net turnover of ₹615 Crores for the year under review registering a growth of about 10%. On the volumes front, the domestic business registered a growth of about 14%. To maintain and garner additional market share, the Company consciously undertook an aggressive pricing approach.

The Auto sector which experienced a recessionary situation from October, 2018 experienced further setbacks during the initial months of COVID-19 Pandemic. The US China trade tensions compounded the problem for the Company as the Chinese competitors started dumping rubber chemicals into India (India being the third largest market) on account of their exports becoming difficult in US markets. Post June, 2020, on account of tire imports restriction into India, the domestic customers started to operate at a higher utilisation rate resulting in improving operating rates for the Company, month over month, beginning July, 2020.

The recent surge in the major input prices resulted in contraction of margins, though in our view these disproportionate price increases are not sustainable in the long term given that the building blocks of these inputs did not experience such massive increases.

Though China accounts for about 75% of world's rubber chemical production, it only consumes about 35% of the rubber chemicals, resulting in exportable surplus, which makes it possible to dump it into nearby markets, including India. To counter the same, the Company made necessary applications before the Director General of Trade Remedies (DGTR) for imposition of anti-dumping duty in respect of four of the main products. We are happy to inform that the matter has been initiated by DGTR.

Directors' Report (Contd.)

Exports

Despite the above challenges, for the year under review, Exports showed a volume growth of 12%. In view of our expanded presence in the international market, the Company is hopeful of participating more fruitfully in certain key accounts and the exports business activity is likely to experience further growth from the current level of ₹310 Crores.

The Company strategically continues to promote some high quality and high value speciality products in the export market which contribute significantly to our export turnover and margins. In case of other products, where competition is acute from China/Korea/EU/USA and pricing unattractive, the Company continues to maintain only a strategic presence in certain select key accounts, focusing on long term business strategy as well as to ensure better capacity utilisation.

Operations

As stated above, the production of all products was aligned with the operating conditions prevalent due to the lockdown imposed by the Central Government for large part of the first quarter. Thereafter after devising proper COVID-19 protocols within the manufacturing sites along with the various corporate/regional offices of the Company, all operating guidelines issued by the various regulatory bodies of the respective States have been complied with.

In line with the approvals from the customers for the new products along with increased offtakes from customers, your operational parameters registered a higher utilisation of the production capacities marking a growth of over 13% for the year.

On the input front, Crude Oil price was low at USD 30 per Barrel at the beginning of the year which touched USD 65 per Barrel at the end of year. However, due to the skewed supply demand pattern, multiple cases of force majeure, logistic bottlenecks, and scramble for securing supply resulted in raw material prices skyrocketing with availability constraints. This resulted in significant cost increases in raw materials for the Company. Fortunately, due to the tapering of temporary supply excess situation of rubber chemicals, all the players in the rubber chemical industry started increasing their selling prices to cover up the significant cost increases. By end of year, availability of raw material substantially improved which may result into realistic costs in the near future.

Project

It may be recalled that the Board of Directors of the Company had approved a capital expenditure of ₹470 Crores in financial year 2017-18. In terms of the said plan, the second leg capex towards finished goods was completed during the previous year. As stated in the previous Annual Report, the capital expenditure on intermediates and infrastructure got commissioned during the second half of the financial year. Given that the finished products manufactured out of the Dahej expansion projects have started receiving customer approvals, capacity utilisation will be scaled up in line with the commercial orders. There are a few ongoing capital expenditures amounting to ₹14 Crores with regard to environmental aspects, which we expect to commission during the first half of the financial year 2021-22

As stated in our earlier reports, in view of the Company's comfortable liquidity position, the entire capex is financed through internal accruals.

Finance Rating

During the year under review, the Company has judiciously utilised its resources and consequently, the Company generated cash profits and did not utilise any fund based working capital facilities for the whole year. The Company has remained debt free.

The Credit Ratings Agencies CARE and CRISIL Limited have reaffirmed ratings as CARE AA (Double A) (Stable) and CRISIL AA for long term Bank Facilities (Term loan as well as Fund Based facilities) and CARE A1+ (A One plus) and CRISIL A1+ (stable) rating for short term Non-Fund Bank facilities, respectively.

Dividend Policy

The Company forms part of the List of top 500 listed entities and top 1000 listed entities based on Market Capitalisation as on March 31, 2020. In view thereof, pursuant to the provisions of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 as amended, at its meeting held on May 4, 2018, the Board of Directors have approved the Dividend Distribution Policy

Directors' Report (Contd.)

effective from the Financial Year 2018-19. The said Policy is attached as **Annexure "G "** and is also available on the Company's website, the weblink of which is

http://www.nocil.com/images/fckeditor/file/Dividend-Distribution-Policy-2018.pdf.

Dividend Pay-out

The Board of Directors at their meeting held on May 27, 2021 recommended a dividend of ₹2 per equity share of the face value of ₹10/- each to be paid to those shareholders whose names appear in the Register of Members of the Company or in the records of Depositories as beneficial owners of Equity Shares, as on July 27, 2021.

This is subject to approval of the approval of the Members at the forthcoming 59th Annual General Meeting convened on August 3, 2021. The cash outflow on account of dividend (if approved) will involve a sum of ₹33.20 Crores which will be utilised from the Free Reserves prevailing as on the date of 59th Annual General Meeting.

Transfer of Unpaid Dividend and corresponding Equity Shares to the Investor Education and Protection Fund (IEPF)

Pursuant to the applicable provisions of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the IEPF Rules"), all unpaid or unclaimed dividends are required to transferred by the Company to the IEPF; established by the Government of India, after completion of seven years. Further, according to the IEPF Rules, the shares on which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account of the IEPF Authority.

The total amount lying in the Unclaimed Dividend Account of the Company as on March 31, 2021 in respect of the last seven years from 2013-14 to 2019-20 is ₹3.72 Crores.

During the year, all Unclaimed / Unpaid Dividends up to 2012-13 amounting to ₹0.22 Crores have been transferred to the Investor Education and Protection Fund and the Unclaimed / Un-encashed Dividend for the 2013-14 paid on June 30, 2014 is due for transfer to IEPF on August 6, 2021. As per the IEPF Rules, as amended, the due date for transfer of equity shares in respect of Dividend pertaining to the 2012-13 was September 4, 2020. The Company had intimated individually to concerned shareholders and published necessary notice in the newspapers intimating the shareholders about the impending transfer and the modus operandi for the same.

In compliance with the Amended Rules, during the year, the Company has transferred 1,47,774 equity shares to the designated demat account opened by IEPF Authority with National Securities Depository Limited (NSDL) through Punjab National Bank, belonging to those shareholders holding shares both in dematerialised form as well as physical form, who had not encashed their Dividend for a period of 7 years or more beginning from the Financial Year 2012-13. The shares held in demat / physical mode were transferred in October, 2020.

The Company has also uploaded the details of the shareholders whose shares were liable to be transferred to IEPF on its website viz., www.nocil.com.

The nodal officer for the purpose of IEPF is Mr. Amit K. Vyas, Assistant Vice-President (Legal) & Company Secretary of the Company. The details of the same are mentioned on the website of the Company. The web link is:

http://www.nocil.com/detail/investors/transfer-of-unclaimed-shares-to-iepf/75

Fixed Deposits

Since, the Company no longer accepts deposits from public, there are no outstanding / unclaimed deposits as of March 31, 2021.

Insurance

The Company has taken all the necessary steps to insure its properties and insurable interests, as deemed appropriate and as required under the various legislative enactments. There were no major incidents or accidents to warrant Insurance claims during the year under review. In terms of the applicable COVID-19 regulations, the Company undertook the insurance cover to address the potential hospitalisation issues in respect of its employees as well as regular contract work force.

Directors' Report (Contd.)

Health, Safety and Environment (HSE)

Health, Safety and Environment continues to be a strong cultural backbone of the Company. This was challenged during the COVID-19 pandemic. The Plants had to be shut down within a short notice period, the closed sites had to be monitored and the Plants had to be restarted with highest safety precautions and ensuring adherence to COVID-19 protocols. Strict safety culture was seamlessly blended with COVID-19 protocols to ensure safety of all employees during the pandemic. All the directions published by various government agencies were strictly followed and were included as COVID-19 – SOP.

Monitoring health parameters of each person entering the premises, strict social distancing while travelling to workplace and at workplace, hygiene, discipline, contact tracing and isolation and monitoring the health of affected persons resulted into overcoming the pandemic challenge. Occupational health centers of the Company, at both the locations and the administration did a commendable job to ensure safe operations with highest priority to health of everyone on the sites and at the office premises.

Life and Livelihood were given top and equal priority by the Company during the pandemic. All employees including regular contract employees were paid their full salaries even for closure and subsequent period where employees were unable to attend offices due to the restrictions imposed by the Government(s).

During the pandemic, necessary medical help and guidance was provided by the Occupational Health Centre to the family members of employees who were affected.

During the year, the highest priority was process safety since the Plants were shut down in emergency mode. Comprehensive manuals were suitably modified while restarting the Plants so as to include the pandemic situation. Necessary training was imparted to operations team to ensure safe startup of Plants. All Plants were safely restarted and the onstream rates were achieved quickly.

As a part of HSE culture, high emphasis is placed on laid down policies, systems and procedures, collective learning, and continuous improvement by encouraging all employees including contract employees to report "near miss accidents". "Safe Attitude Encouragement" is a humane interactive approach, which is initiated by the Senior Management on a weekly basis to strengthen the safety culture of the organisation.

Research Centre of the Company has a core team which focuses on developing and implementing the technologies which ensures continuous improvement in the environment standards of all manufacturing locations. Highest emphasis is placed on the environment standards by the Company management and substantial capital expenditure is allocated to implement new technologies developed by the Research Centre.

Conservation of natural resources is a major initiative as a part of HSE. Capital expenditure is encouraged and reviewed periodically by the Board of the Company to ensure continuous reduction in consumption of natural resources.

Highest priority to HSE, enabled the Company to successfully mitigate the challenges and threats posed during this pandemic year.

Total Quality Management (TQM)

In the Company, Total Quality Management (TQM) has played a very vital role. It has ensured focused quality assurance across all our processes. It has ensured integration of customer requirements into processes and systems across all the departments and locations in the organisation. TQM has increased the customer satisfaction by boosting quality of product and services. TQM played key role in workforce motivation and increasing their participation to improve the way the Company operates. To overcome increasing multifaceted challenges, the Company acted creatively and strategically to gain and sustain competitive advantage.

Customers and Stakeholders' confidence is achieved through third party certifications such as ISO 9001:2015 (QMS), IS0 14001:2015 (EMS), ISO 45001: 2018 (OHSMS), HALAL certification and IATF 16949: 2016 (Automotive QMS) covering the Company's Plants situated at Navi Mumbai and Dahej (Gujarat) and the Plant of PIL Chemicals Limited at Vapi (Gujarat). The Company is also certified as a member of ***Responsible Care*** and enjoys the privilege of using ***Responsible Care*** Logo. The Company is also practising **"5S methodology"** to improve productivity, safety and to reduce waste as a way of operating standard. Quality Assurance laboratory of the Company, Navi Mumbai location is having accreditation as per ISO 17025:2017 standard.

Directors' Report (Contd.)

TQM is accelerating growth of the Company.

Research & Development

In line with the Company's vision to be a "World Class Innovative Organisation in the field of Rubber Chemicals", the Company's Research & Development team is continuously pursuing improvement in current Rubber Chemicals manufacturing processes as well as development of new innovative process technologies to create long term sustainable business advantage. The major focus of the Company's R&D team is to develop Cost-effective, Environmentally Benign & Safer Manufacturing processes by adopting principles of "GREEN CHEMISTRY" and "GREEN ENGINEERING" to meet competitive challenges & sustainability. Continuous efforts are on to strengthen the resources, attract talented Scientists & Technologists to ensure the focus on development & to foster innovations.

Company's R&D focus is on the following key areas:

Continuous improvement in current manufacturing processes to improve Production Capacity, Quality of products & to reduce natural resources through reduction of Carbon & Water footprint.

Development of Greener Process Technologies & Adoption of Innovative Effluent Treatment Technologies including reduction, recovery & recycling of raw materials, intermediates & reagents.

Development of Niche intermediates & products in line with our business by exploring innovative & novel technologies.

Continuous technical support for new as well as improvement Projects which are in the stages of expansion/ Plant de-bottlenecking.

R&D efforts in the above areas resulted in increase in production capacity of current products through process & Plant de-bottlenecking, cost reduction through lower raw material usage, recovery of value-added products & reagents from process streams, significant reduction in environmental load & in the development of niche products.

The research program of the Company is approved by DSIR (Department of Scientific & Industrial Research – New Delhi) & well recognised by leading Tire manufactures across the globe. Your R&D team is building a strong network with the Academic and Research Institutions for collaborative research on new generation Products & Technologies and also making efforts to participate in Government of India (GOI's) **"ATMANIRBHAR BHARAT"** mission.

Successful implementation of in-house technologies and continued encouragement from top management & regular investment in R&D, provided enhanced motivation for R&D Chemists, Scientists & Technologists to perform better in pursuing the development of innovative technologies and ensure long term business sustainability in rubber chemicals & explore new business segments.

Risk Assessment and Management

The Company has a well-defined Risk Management System in place, as a part of its good Corporate Governance practices. The Company has assigned the ownership of key risks to various Risk Owners and has made the concerned departments and officials responsible for mitigation plans and review of these risks from time to time. The risks are identified at various departmental levels and suitable mitigation measures are thereafter adopted. These are further subjected to a quarterly review by the Risk Co-ordination Committee as well as by the Board. The Business plans are devised and approved by the Board keeping in mind risk factors which can significantly impact the performance of the business. All major capital expenditure commitments are subjected to a thorough scrutiny by the Board and investments are permitted only on being satisfied about their return or utility to the Company. Expansion projects are subject to detailed risk assessment and sensitivity tests and approved only after found to pass eligibility criteria.

In terms of the applicable regulations, the Board has constituted the Risk Management Committee (RMC) w.e.f. April 1, 2019 as required under Regulation 21(4) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018. RMC specifically covers inter alia the risk factors related to Cyber Security. The composition of the Risk Management Committee, terms of reference and number of committee meetings held during the year are given in the Corporate Governance Report. The Company has also approved a Risk Management Policy to address any risk factors that may arise on account of the regulatory changes/amendments as applicable to the Company are being followed and monitored closely.

Directors' Report (Contd.)

Internal Control Systems and their Adequacy

Adequate internal controls, systems, and checks are in place, commensurate with the size of the Company and the nature of its business. The Management exercises financial control on the Company's operations through a well-defined budget monitoring process and specifying standard operating procedures. The Company has appointed an external professional agency M/s. Aneja Associates, Chartered Accountants, to conduct the internal audit, and the findings and recommendations of the Internal Auditors are placed before the Audit Committee of your Board regularly.

The Internal Auditors monitor and evaluate the efficacy and adequacy of internal controls in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of Internal Auditors, the Management undertakes corrective action in the respective areas and thereby further strengthens the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board. The Audit committee ensures that necessary corrective actions suggested are put in place. In addition, during the year under report, the Audit Committee and the Board have specifically reviewed the Internal Financial Controls with reference to the Financial Statements and process prevalent in the Company. On a case-to-case basis, the Board also engages the services of professional experts in the said field, to ensure that adequate financial controls and systems are in place. At the end of a period, the CEO/CFO give a declaration in the prescribed format to certify that the financial statements prepared are accurate and complete in all aspects and that there are no significant issues that can impair the financial performance of the Company. Overall, the Internal as well Statutory Auditors were satisfied with the Internal Control Systems including Compliances and SAP – IT related security.

Vigil Mechanism / Whistle Blower Policy

The Company has a Vigil Mechanism Policy to deal with instances of fraud or mismanagement, if any. It is heartening to note that no untoward or fraud case was reported. The details of the Policy are explained in the Corporate Governance Report and are also posted on the website of the Company. The link of the same is mentioned as below:

http://www.nocil.com/images/fckeditor/file/NOCIL_Vigil_Mechanism.pdf

Policy on Prevention of Sexual Harassment of Women at Workplace

As per the requirement under the provisions made under section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, an appropriate Committee has been formed to attend to the complaints of the sexual harassment at workplace, if any, made by female employees. This Committee of 4 members consists of two women employees, Vice President-Human Resources, and a practicing Advocate in the field of labour laws and regulations. The Company has in place a Policy on the Prevention of Sexual Harassment. During the year under review, no complaints were received.

DIRECTORS

Number of Board Meetings

The Board of Directors met six (6) times during the financial year under review, as per details stated in the report on Corporate Governance.

Details of Committee Meetings

Audit Committee Meeting

The Members of the Audit Committee met five (5) times during the financial year under review, as per the details stated in the Corporate Governance report.

Nomination & Remuneration Committee Meeting

The Members of the Nomination & Remuneration Committee met twice during the financial year under review, as per the details stated in the Corporate Governance report.

Stakeholders' Relationship and Investors' Grievance Committee

The Members of the Stakeholders' Relationship and Investors' Grievance Committee met twice during the financial year under review, as per the details stated in the Corporate Governance report.

Risk Management Committee

The Members of the Risk Management Committee met twice during the financial year under review, as per the details stated in the Corporate Governance report.

Directors' Report (Contd.)

Corporate Social Responsibility Committee

The Members of the Corporate Social Responsibility Committee met three (3) times during the financial year under review, as per the details stated in the Corporate Governance report.

Composition of Audit Committee:

The total strength of the Audit Committee is 5 out of which, 4 members fall under the Independent Category. The norms require 2/3rd of the members to be Independent Directors.

The composition of the Audit Committee is given below:

Name of Members	Category
Mr. D.N. Mungale – Chairman	Independent Director
Mr. Rohit Arora	Independent Director
Mr. Vilas R. Gupte	Non-Executive Director
Mr. P. V. Bhide	Independent Director
Mr. Debnarayan Bhattacharya	Independent Director

During the year under review, all the recommendations made by the Audit Committee were accepted by the Board.

Board Evaluation

Pursuant to the applicable provisions of the Companies Act, 2013, as amended from time to time and Regulations 17 and 25 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, of individual Directors as well as the evaluation of the working of its Audit, Nomination & Remuneration, and other Committees. The various criteria considered for evaluation of Whole Time / Executive Directors included Qualification, Experience, Knowledge, Commitment, Integrity, Leadership, Engagement, Transparency, Analysis, Decision making, Governance etc. The Board commended the valuable contributions and the guidance provided by each Director in achieving the desired levels of growth. This is in addition to evaluation of Non-Independent Directors and the Board as a whole by the Independent Directors in their separate meeting being held every year.

Declaration by Independent Directors

As required under Section 149(7) of the Companies Act, 2013, read with SEBI (Listing Obligations and Disclosure Requirements), (Amendment) Regulations, 2018, the Independent Directors have placed the necessary declaration of their independence in terms of the conditions laid down under Section 149(6) of the Companies Act, 2013, as amended, at the Board Meeting held on Monday, April 20, 2021. Further, pursuant to the Companies (Appointment and Qualification of Directors), Rules, 2014 as amended, the said declaration also includes a confirmation to the effect that the Independent Directors have included their names in the Database maintained by the Indian Institute of Corporate Affairs, and that they have paid the necessary fees for the said registration.

Familiarisation Programme for the Independent Directors

The Company provides suitable familiarisation programme to Independent Directors to help them familiarise with the nature of the Industry in which the Company operates and the business model of the Company in addition to regular presentations on expansion plans and their updates, technical operations, marketing and exports and financial statements. In addition to the above, Directors are periodically advised about the changes effected in the Corporate Law, Listing Regulations, about their Roles, Rights, and Responsibilities as Directors of the Company. There is a regular interaction of Directors with the Key Management Personnel of the Company. The details of the familiarisation programme have been disclosed and updated from time to time on the Company's website and its web link is:

http://www.nocil.com/images/fckeditor/file/Familiarization-Programme-for-IDS.pdf.

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 March 31, 2021, the Indian Accounting Standards (Ind AS), the provisions of the Companies Act, 2013, as applicable and the guidelines issued by the Securities and Exchange Board of India (SEBI) have been followed along with proper explanations 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 to give a true and fair view of state of affairs of the Company as of March 31, 2021.

(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 proper systems are devised to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

(g) That all the applicable Secretarial Standards have been complied with by the Company during the year under review.

The above assessment of the Board was further strengthened by periodic review of internal controls by both internal as well as external auditors.

Remuneration policy

During the Financial Year 2014-15, based on the recommendations of the Nomination & Remuneration committee, the Board of Directors had approved a Policy for selection and appointment of Directors, Senior Management, and their remuneration.

There has been change in the said Policy for the financial year. Necessary amendments to the Policy have been carried out in line with the Regulatory Requirements.

The weblink of the Policy is:

http://www.nocil.com/images/fckeditor/file/Remuneration-Policy.pdf.

Scheme of Amalgamation

As Members are aware that during the Financial Year 2019-20, the Board of Directors of the Company approved the draft Scheme of Amalgamation of Suremi Trading Private Limited ('Suremi') and Sushripada Investments Private Limited, ('Sushripada') being promoter group companies with the Company under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013.

After receiving No Objection Certificates (NOCs) from BSE Limited and National Stock Exchange of India Limited respectively, an application was made to National Company Law Tribunal (NCLT), Mumbai Bench to pass an order to convene the meeting of the Members of the Company. Accordingly, NCLT passed an order dated July 7, 2020, directing the convening of meeting of Members of NOCIL Limited on September 15, 2020, while exempting convening of such meetings for the Preference Shareholders and Equity Shareholders of Suremi and Sushripada.

At the Extra Ordinary General Meeting of the Members held on September 15, 2020 the said Scheme was approved, following which a petition was made to NCLT for approval of the said Scheme.

The Hon'ble National Company Law Tribunal (NCLT) vide its order dated March 3, 2021 sanctioned the scheme of Amalgamation and the certified true copy of the Order, as received on March 16, 2021 was filed with the Registrar of Companies (ROC) on March 19, 2021, being the effective date.

The Board of Directors of the Company fixed March 26, 2021 as the record date for the allotment of the shares to the Shareholders of Suremi and Sushripada.

In accordance with the said order of the NCLT an Amalgamation Committee constituted by the Board of the Company approved the allotment of 3,11,17,689 Equity shares to the Shareholders of Suremi and Sushripada on March 30, 2021. Further the existing shares held by Suremi and Sushripada in the Share Capital of the Transferee Company have been cancelled pursuant to the said scheme.

Directors' Report (Contd.)

We made applications to BSE Limited and National Stock Exchange of India Limited for Listing of 3,11,17,689 shares, pursuant to the said Scheme and the said Stock Exchanges have given their approvals on April 20, 2021 and on April 30, 2021, respectively. The approvals for listing and dematerialisation of the equity shares have been received and the shares are now held in the Dematerialised form.

Related Party Transactions

All related party transactions that were entered into during the financial year were at an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, and Key Managerial Personnel, Wholly Owned Subsidiary Company or other designated persons which may have a potential conflict with the interest of the Company at large, except as stated in the Financial Statements / Directors' Report.

As per the Related Party Transactions Policy, approved by the Board of Directors of the Company, during the year under review, the Company has entered into related party transactions based upon the omnibus approval granted by the Audit Committee. The Audit Committee reviewed such transactions on quarterly basis for which omnibus approval was given.

Particulars of contracts or arrangements with related parties as referred to in Section 188(1) of the Companies Act, 2013 along with the disclosures as mentioned in Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in the prescribed form AOC-2 for the Financial Year 2020-21 are given in **Annexure " F ".**

The policy on Related Party Transactions as amended and approved by the Board is uploaded on the Company's website and its weblink is:

http://www.nocil.com/images/fckeditor/file/Policy-on-Related-Party-Transaction.pdf

Loans, Guarantees or Investments

Particulars of loans, guarantees or investments under Section 186 of the Companies Act, 2013, are given in the Notes forming part of Financial Statements for the year ended March 31, 2021.

Extract of Annual Return

Extract of Annual Return for the Financial Year ended March 31, 2021 as required by Section 92 (3) of the Companies Act 2013. The weblink of the same is **http://www.nocil.com/images/fckeditor/file/Draft-Annual-Return-2020-21.pdf**

Subsidiary Company, Associates and Joint Ventures

PIL Chemicals Limited, (PIL), a Wholly Owned Subsidiary (WOS) has recorded a Turnover of ₹15.18 Crores and Profit before Tax of ₹2.95 Crores, for the year under review. The Board of Directors of PIL declared a Dividend of ₹. 1.20/-per share. (Previous year Dividend was ₹ 0.60/- per share).

The Company does not have any material subsidiary, however, the Company has formulated a policy for determining material subsidiary(ies) and such policy has been disclosed on the Company's website and its weblink is **http://www.nocil.com/images/fckeditor/file/Policy-on-Material-Subsidiaries.pdf.**

Pursuant to the requirements of Regulation 34 (3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the details of Loans / Advances made to and investments made in the subsidiary have been furnished in Notes forming part of the Accounts.

A statement containing the salient features of the financial statements of the Company's wholly owned subsidiary under the provisions of section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014 has been annexed in prescribed **Form AOC -1.**

The Audited Accounts of the WOS Company are placed on the Company's website and the Members interested in obtaining copy of Annual Report of the WOS Company are requested to get in touch with the Office of the Company Secretary.

Further, the Company does not have any joint venture or Associate Companies during the year or at any time after the closure of the year and till the date of the report.

Consolidated Financial Statements

Consolidated Financial Statements are prepared by the Company in accordance with the applicable Indian Accounting Standards (Ind AS) issued by the Ministry of Corporate Affairs and the same together with Auditors'

Directors' Report (Contd.)

Report thereon form part of the Annual Report. The financial statements have been prepared as per Division II of Schedule III issued by the Ministry of Corporate Affairs vide its Notification dated April 6, 2016 as amended from time to time.

Personnel

The relations, during the year, between the Employees and the Management of the Company continued to be cordial.

Your Directors wish to thank all the employees for their continued support and co-operation during the year under review.

Stock Options

In terms of your approval, read with the SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999, as amended, the details required to be provided under the said guidelines set out in **Annexure "C"** to this Report.

Particulars of Employees

The information required under section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 in respect of employees of the Company is provided in **Annexure "E".**

Appointment/Reappointment of Directors and Key Managerial Personnel

Directors

Pursuant to Section 152(6) of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Priyavrata H. Mafatlal Non - Executive Director retires by rotation at the forthcoming Annual General Meeting. Being eligible, he offers himself for re-appointment.

Re-Designation Mr. Vilas R. Gupte as an Independent Director:

Mr. Vilas R. Gupte is a Non - Executive Non-Independent Director of the Company. Mr. Vilas R. Gupte got appointed as a Non-executive Director effective from 29th July 2005 after superannuating as the CEO.

Mr. Vilas R. Gupte meets the criteria of independence as stated under Section 149 (6) of the Companies Act, 2013, as amended and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, as amended.

Having regard to his qualifications, knowledge, and vast experience, his re-designation on Board of the Company as an Independent Director will be in the interest of the Company and hence, your Board on the recommendation of the Nomination and Remuneration committee, has proposed his re-designation for a period of 5 years effective from May 27, 2021 up to May 26, 2026. In this regard the Company has proposed to pass a Special Resolution at the ensuing 59th Annual General Meeting.

Reappointment of Mr. Hrishikesh A. Mafatlal as the Chairman

Mr. Hrishikesh A. Mafatlal was appointed as the Executive Chairman of the Company for a period of 5 years w. e. f. August 19, 2016 to August 18, 2021 by a Special Resolution passed by the Shareholders through the Postal Ballot process on December 20, 2016. The tenure of Mr. Hrishikesh A. Mafatlal as the Executive Chairman thus expires on August 18, 2021.

Having regard to his qualifications, knowledge and vast experience, his reappointment as the Executive Chairman will be in the interest of the Company and hence, the Company has proposed his re-appointment for a period of five (5) years w.e.f August 19, 2021 to August 18, 2026. During the aforesaid tenure, he attains the age of 70 years on November 24, 2024. In this regard the Company has proposed to seek consent of the Members by means of a Special Resolution at the ensuing 59th Annual General Meeting.

There has been no change in Key Managerial Personnel of the Company during the year.

Auditors

Pursuant to the requirements of Section 139(1) of the Companies Act, 2013, at the Annual General Meeting held on July 27, 2017, the Members had accorded their approval for the appointment of M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants, Mumbai as the Statutory Auditors of the Company to examine and audit the accounts of the Company for the Financial Years 2017-18 to 2021-22. They have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed thereunder for re-appointment as Auditors of the Company. As required under Regulation 33(1) (d) of the SEBI (Listing Obligations

Directors' Report (Contd.)

and Disclosure Requirements), Regulations, 2015, 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. The amended provision of Section 139(1) of the Companies Act, 2013, has dispensed with the ratification of appointment of Statutory Auditors each year by the Members.

Explanations or comments on the qualification, reservation, adverse remark, or disclaimer made by the Statutory Auditors or by the Company Secretary in practice in their report

During the year under review, there is no qualification, reservation or adverse remark or disclaimer made by the Statutory Auditor is appointed under section 139 of the Companies Act, 2013. Hence, the need for explanation or comments by the Board does not arise. The report of the Statutory Auditors forms a part of the financial statements.

During the year under review, there were no material or serious instances of fraud falling within the purview of Section 143 (12) of the Companies Act, 2013 and rules made there under, by officers or employees reported by the Statutory Auditors of the Company during the course of the audit conducted and therefore no details are required to be disclosed under Section 134 (3) (ca) of the Act.

Cost Auditors

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the Company are required to be audited.

M/s. Kishore Bhatia & Associates, the Cost Auditors have given a Certificate to the effect that the appointment, if made, will be within the prescribed limits specified under section 141 of the Companies Act, 2013.

The Audit Committee has obtained a certificate from the Cost Auditor certifying their independence and arm's length relationship with the Company. The Cost Audit Report in respect of Financial Year 2019-20 was filed on December 7, 2021 and the Report for the Financial Year 2020-21 will be filed within the time limit as prescribed under the Companies (Cost Records and Audit), Rules, 2014.

Your Directors, on the recommendation of the Audit Committee, appointed M/s Kishore Bhatia & Associates to audit the cost accounts of the Company for the financial year 2021-22 on a remuneration of ₹8.00 lakhs.

As required under the Companies Act, 2013, the remuneration payable to the Cost Auditor is placed before the Members for their ratification.

Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had appointed M/s. Makarand M. Joshi & Co., Company Secretaries, a firm of Company Secretaries in Practice to carry out the Secretarial Audit of the Company for the Financial Year 2020-21. The Report of the Secretarial Audit is annexed herewith as **Annexure "B".**

The Secretarial Audit Report does not contain any qualifications, reservations or adverse remarks or disclaimers.

Further, PIL Chemicals Limited, is the only wholly owned subsidiary of the Company and not a material unlisted subsidiary. Therefore, the provisions regarding the Secretarial Audit as mentioned in Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements), 2015, as amended, do not apply to PIL Chemicals Limited.

Report on Corporate Governance

As per Regulation 34 read with Schedule V (C) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, a separate section on Report on Corporate Governance practices followed by the Company, together with a certificate received from the Company's Secretarial Auditor confirming compliance is attached.

Report on Management Discussion and Analysis

As required under Regulation 34 read with Schedule V (B) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, a report on "Management Discussion and Analysis" is attached and forms a part of this Report.

Business Responsibility Report

The Company forms part of top 1000 listed entities based on market capitalisation calculated as on March 31, 2020. In view of this, as required under Regulation 34(2)(f) SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, report on Business Responsibility is attached and forms a part of this report.

Directors' Report (Contd.)

Corporate Social Responsibility

In line with the provisions of the Companies Act, 2013 as amended from time to time and the rules framed there under with respect to the Corporate Social Responsibility (CSR), the Company has formulated a Policy on CSR and has also constituted a CSR Committee to recommend and monitor expenditure on CSR. Based on the recent amendments, the Company has amended the CSR policy. In terms of the requisite requirements, due processes and controls have been set up by the Company to ensure that all CSR contributions sanctioned by the CSR committee are expended by the relevant organisations for the purpose for which it was sanctioned.

The details of CSR Expenditure are given in the prescribed format and forms part of this Report.

The same is annexed as **Annexure "A".**

The Company continues to actively support deserving social causes for improvement and upliftment of various sections of the society as has been its practice for the past several years.

Other Particulars

Additional information on conservation of energy, technology absorption, foreign exchange earnings and outgo as required to be disclosed in terms of section 134(3)(m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules 2014 is set out in **Annexure "D"** and forms a part of this Report.

Green Initiative

Your Directors would like to draw your attention to Section 20 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, as may be amended from time, which permits paperless compliances and also service of notice/documents (including annual report) through electronic mode to its members. To support this green initiative of the Central Government in full measure, we hereby once again appeal to all those members who have not registered their e-mail addresses so far are requested to register their e-mail address in respect of electronic holdings with their concerned Depository Participants and / or with the Company.

Further, the Company shall also send the Annual Report for the Financial Year 2020-21 to all the shareholders through electronic means only as per the relaxations provided by MCA Circular dated May 5, 2020 and January 13, 2021 and SEBI Circular dated May 12, 2020 and January 15, 2021 due to the COVID-19 pandemic which shall also enhance the Green Initiative measures taken by the Company.

General:

Your Directors state that no disclosures or reporting is required in respect of the following items as there were no transactions on these items during the year under the review:

a) No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

b) Issue of Equity Shares with differential voting rights, dividend or otherwise as per Section 43(a)(ii) of the Companies Act, 2013.

c) Issue of Shares including Sweat Equity Shares to the employees of the Company under any scheme as per provisions of Section 54(1)(d) of the Companies Act, 2013.

d) No instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Companies Act, 2013.

e) There was no revision to the financial statements for the year under review.

Acknowledgements

Your Directors would like to acknowledge the continued support and co-operation from its Bankers, Government Bodies, and Business Associates which has helped the Company to sustain its growth during the year.

For and on behalf of the Board of Directors

Place : Mumbai — **Hrishikesh A. Mafatlal**
Date : May 27, 2021 — Chairman

Directors' Report (Contd.)

ANNEXURE "A"

Report on Corporate Social Responsibility (CSR) Activities

1. Brief outline on CSR Policy of the Company.

   This policy, which encompasses the Arvind Mafatlal Group's and the Company's philosophy for describing its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programs for welfare & sustainable development of the community at large, is titled as **'NOCIL Limited – Corporate Social Responsibility (CSR) Policy'**.

   This policy applies to all CSR initiatives and activities taken up at the various locations, as decided by the CSR Committee and / or the Board of NOCIL Limited (NOCIL) for the benefit of various segments of the society.

   This Policy is governed by the applicable provisions of the Companies Act, 2013, the rules framed thereunder by the Ministry of Corporate Affairs i.e., the Companies (Corporate Social Responsibility Policy) Rules, 2014 (as amended from to time) and other statutory provisions governing the matter and in event of any conflict between the terms of this Policy and the said Act and Rules, the latter shall prevail and shall be deemed to have been a part and parcel of this Policy as if the same were contained in the Policy itself.

2. Composition of the CSR Committee:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of the CSR Committee held during the year	Number of meetings of the CSR Committee attended during the year
1	Mr. Hrishikesh A. Mafatlal	Chairman	3	3
2	Mr. Vilas R. Gupte	Non-Executive Director	3	3
3	Mr. S. R. Deo	Managing Director	3	3
4	Ms. Dharmishta N. Raval	Independent Director	3	3

3. Provide the web-link where composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company.

   The composition of CSR Committee and the same is available on the web link:
   http://www.nocil.com/detail/investors/committees-of-board-of-directors/73

4. The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is available on the web link: **http://www.nocil.com/images/fckeditor/file/CSR-Policy-NOCIL.pdf**

   The CSR Projects approved by the Board and the same is available on the web link:
   http://www.nocil.com/images/fckeditor/file/List%20of%20CSR%20Projects%20for%20FY%202020-21.pdf

5. Provide the details 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 (attach the report).

   Not Applicable as the total CSR Expenditure is below ₹10 Crores.

6. Details of the amount available for set off in pursuance of Sub-Rule (3) of Rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any.

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1	NA	Nil	Nil
2	NA	Nil	Nil
3	NA	Nil	Nil
Total		Nil	Nil

Directors' Report (Contd.)

7. Average Net Profit of the Company as per Section 135(5) for last three financial years - ₹ **23,866 Lakhs**

   a. 2% of average net profit of the Company as per section 135(5) - ₹ **477.32** Lakhs

   b. Surplus arising out of the CSR projects or programmes or activities of the previous financial years. - **Nil**

   c. Amount required to be set off for the financial year, if any. -**Nil**

   d. Total CSR obligation for the financial year (7a+ 7b+7c) - ₹ **477.32 Lakhs**

8. a. CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹)	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
₹ 477.32 Lakhs	Nil	NA	NA	Nil	NA

*Since the entire amount has been spent, disclosure in respect of unspent amount as per the provisions of section 135(5) and 135(6) read with Rules are not applicable for the year under review.

   b. Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project District State	Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency Name CSR Registration Number
1	-	-	-	-	-	-	-	-	-	-
2	-	-	-	-	-	-	-	-	-	-

Directors' Report (Contd.)

c. Details of CSR amount spent against **other than ongoing projects** for the financial year:

(₹ in Lakhs)

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project District State	(6) Amount spent for the project (in ₹)	(7) Mode of implementation - Direct (Yes/No)	(8) Mode of Implementation - Through Implementing Agency - Name - CSR Reg. No.
1	RAWA Academy.	Rehabilitation of deserted, parentless, and abandoned children (Covered under Item -(iii) of the Schedule VII)	No	Bhubaneswar, Odisha	10.00	No*	--
2	Gujarat CM Relief Fund.	The Ministry of Corporate Affairs vide its General Circular No. 10/2020 dated March 23, 2020 has clarified that spending of CSR funds for COVID-19 shall be considered as an eligible CSR activity. As per the circular, funds may be spent for various activities related to COVID-19 under item nos. (i) and (xii) of Schedule VII relating to promotion of health care, including preventive health care and sanitation, and disaster management	Yes	Gujarat	25.00	Yes Direct	--
3	Maharashtra State Disaster Management Authority.	Contribution made to State Disaster Management Authority to combat COVID-19 under item no (xii) of Schedule VII to the Act and clarified by the Ministry of Corporate Affairs (MCA) vide general circular No. 10/2020 dated March 23, 2020.	Yes	Maharashtra	25.00	Yes Direct	--

Directors' Report (Contd.)

(₹ in Lakhs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	**Name of the Project**	**Item from the list of activities in Schedule VII to the Act**	**Local area (Yes/No)**	**Location of the project District State**	**Amount spent for the project (in ₹)**	**Mode of implementation - Direct (Yes/No)**	**Mode of Implementation - Through Implementing Agency - Name - CSR Reg. No.**
4	PM CARES.	The Central Govt had set up the Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund ("PM CARES Fund") with the primary objective of dealing with emergency or distress situations in light of the COVID-19 pandemic. Contribution made to 'PM CARES Fund' qualifies as CSR expenditure under item no (viii) of Schedule VII to the Act and it has been further clarified by the Ministry of Corporate Affairs (MCA) vide Office memorandum F. No. CSR-05/1/2020-CSR-MCA dated March 28, 2020.	Not Applicable	Not Applicable	100.00	Yes Direct	--
5	Shreerang Provision Stores.	Purchase of food grains for distribution to the poor labourers of the nearby Village (near Dahej Plant) during the lockdown. (necessitated by the COVID-19 pandemic). (covered by Item Nos-(i) & (xii) of Schedule VII}	Yes	Dahej Gujarat	1.10	Yes Direct	--

Directors' Report (Contd.)

(₹ in Lakhs)

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project District State	(6) Amount spent for the project (in ₹)	(7) Mode of implementation - Direct (Yes/No)	(8) Mode of Implementation - Through Implementing Agency - Name - CSR Reg. No.
6	Gayatri Traders.	Purchase of food grains for distribution to the poor labourers of the nearby Village (near Dahej Plant) during the lockdown. (necessitated by the COVID-19 pandemic). (covered by Item Nos-(i) & (xii) of Schedule VII .}	Yes	Dahej, Gujarat	0.98	Yes Direct	--
7	Utkarsh Global Foundation.	Stray Animals welfare (covered by Item No- (iv) of the Schedule VII.}	Yes	Mumbai, Maharashtra	2.40	No*	--
8	B.Y.L Nair Charitable Hospital.	Promoting health care including preventive health care. {covered by Item No- (i) of Schedule VII}	Yes	Mumbai, Maharashtra	10.00	Yes Direct	--
9	Sri Chaitanya Seva Trust.	Rendering Community Health Programs for the poor and the needy spectrum of society staying in rural and tribal areas. {covered under Item No- (i) of Schedule VII}	Yes	Mira Road, Thane Dist.	150.00	No*	--
10	N M Sadguru Water and Development Foundation.	Developing and expanding environmentally, technically, socially sound natural resource interventions leading to empowerment of rural community including women to ensure equitable and sustainable development and poverty reduction. {covered by Item Nos- (i) and (iii) of Schedule VII}	Yes	Dahod, Gujarat	50.00	No*	--

Directors' Report (Contd.)

(₹ in Lakhs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	**Name of the Project**	**Item from the list of activities in Schedule VII to the Act**	**Local area (Yes/No)**	**Location of the project District State**	**Amount spent for the project (in ₹)**	**Mode of implementation - Direct (Yes/No)**	**Mode of Implementation - Through Implementing Agency - Name - CSR Reg. No.**
11	Foundation for Democratic Reforms.	Civic Research and Analysis of the functioning of democratic and constitutional institutions in India towards formulating and promoting political and governance reforms. {covered under Item No- (ii) to Schedule VII}	Yes	Mumbai, Maharashtra	10.00	No*	--
12	Foundation for Promotion of Sports and Games (Olympic Gold Quest).	Promotion of Sports and Games with a mission to support Indian athletes in winning Olympic Gold medals. {covered under Item No- vii of Schedule VII}	Yes	Mumbai, Maharashtra	25.00	No*	--
13	Seva Sahyog Foundation.	Development and welfare for the underprivileged section of the urban slum lives. {covered under Item No- xi of schedule VII}	Yes	Mumbai, Maharashtra	15.00	No*	--
14	Shabari Seva Samiti.	Eradication of malnutrition of children and improving health of pregnant Tribal women of Maharashtra. Providing innovative solutions to other socioeconomic problems such as hunger, illiteracy, poverty and unemployment or underemployment {covered by Item Nos- (i) and (ii) of Schedule VII}	Yes	Thane, Raigad and Nandurbar, Maharashtra	15.00	No*	

Directors' Report (Contd.)

(₹ in Lakhs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	**Name of the Project**	**Item from the list of activities in Schedule VII to the Act**	**Local area (Yes/No)**	**Location of the project District State**	**Amount spent for the project (in ₹)**	**Mode of implementation - Direct (Yes/No)**	**Mode of Implementation - Through Implementing Agency - Name - CSR Reg. No.**
15	Vayam.	Empowerment of tribal Communities. {covered under Item No- (x) of Schedule VII to the Act}	No	Doyapada, Vikramgad Taluka	10.00	No*	--
16	Vidyasagar.	Working on strategies to empower parents of children with neurological impairments to include their children within their homes and support their inclusion in the community. {covered under Item No- (ii) of Schedule VII}	No	Karapakkam, Chennai	10.00	No*	--
17	Mumbai Police Foundation.	Raising funds for the welfare of the Police personnel who died due to the COVID-19 while discharging duty as front liners {covered under Item No-xii of Schedule VII}	Yes	Mumbai, Maharashtra	6.00	No*	--
18	Consumer Education and Research Centre.	Empowering consumers through awareness and education; Enhancing consumer protection and safety through progressive legislations and prevention of unfair trade practices; Ensuring access to affordable and effective grievance redressal mechanism {covered under Item No- ii of Schedule VII}	No	Ahmedabad, Gujarat	12.00	No*	--
19	Maharashtra Pollution Control Board.	Environment Protection & Sustainability (covered under Item No-(iv) of Schedule VII}	**Yes**	Kalyan, Maharashtra	2.12	No*	--
		Total			**479.60**		

*Through Implementing Agency as permitted by the CSR rules.

Directors' Report (Contd.)

d. Amount spent in Administrative Overheads: **Not Applicable.**

e. Amount spent on Impact Assessment, if applicable: **Not Applicable**.

f. Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ **479.60 Lakhs**

g. Excess amount for set off if any

Sl. No.	Particular	Amount (in ₹ Lakhs)
(i)	2% of average net profit of the Company as per section 135(5)	477.32
(ii)	Total amount spent for the Financial Year	479.60
(iii)	Excess amount spent for the financial year [(ii)-(i)]	2.28
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1.		Nil	Nil	Nil	Nil	Nil	Nil
2.		Nil	Nil	Nil	Nil	Nil	Nil
3.		Nil	Nil	Nil	Nil	Nil	Nil
Total		Nil	Nil	Nil	Nil	Nil	Nil

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed / Ongoing
1		Nil	Nil	Nil	Nil	Nil	Nil	Nil
2		Nil	Nil	Nil	Nil	Nil	Nil	Nil
3		Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total		Nil	Nil	Nil	Nil	Nil	Nil	Nil

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: **Not Applicable.**

S. R. Deo
Managing Director

H.A. Mafatlal
Chairman CSR Committee

P. Srinivasan
Chief Financial Officer

Place: Mumbai
Date: May 27, 2021

Directors' Report (Contd.)

ANNEXURE "B"

FORM NO. MR. 3

SECRETARIAL AUDIT REPORT

For The Financial Year Ended 31st March, 2021

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
NOCIL Limited
Mafatlal House, H T Parekh Marg
Backbay Reclamation, Churchgate
Mumbai – 400020.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **NOCIL Limited** (hereinafter called '**the Company'**). 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 the Company'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 authorized 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 31st March, 2021 (hereinafter called the **'Audit Period'**) 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 the Company for the financial year ended on 31st March, 2021 according to the provisions of:

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

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

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

(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; **(Not Applicable to the Company during the Audit Period);**

(v) 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**; (Not Applicable to the Company during the Audit Period);**

d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008**; (Not Applicable to the Company during the Audit Period);**

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, 2009**; (Not Applicable to the Company during the Audit Period)** and;

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not Applicable to the Company during the Audit Period).**

Directors' Report (Contd.)

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India;

(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015.

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

We further report that, having regard to the compliance system prevailing in the Company and on the examination of the relevant documents and records in pursuance thereof, on test- check basis, the Company has complied with the following laws applicable specifically to the Company:

(i) The Petroleum Act, 1934;

(ii) The Inflammable Substances Act, 1952;

(iii) Manufacturing, Storage and Import of Hazardous Chemicals Rules, 1989;

(iv) Chemical Accidents (Emergency Planning, Preparedness and Response) Rules, 1996;

(v) Chemical Weapon Convention Act, 2000 and Chemical Weapon Convention Appeal Rules, 2005;

(vi) Petroleum Rules, 2002;

(vii) Gas Cylinder Rules, 2004;

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Independent Directors. 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.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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 the Company:

(i) issued and allotted 3,11,17,689 fully paid-up Equity Shares of Rs. 10/- each at par, to the Shareholders of the Suremi Trading Private Limited and Sushripada Investments Private Limited pursuant to the Scheme of Amalgamation with NOCIL Limited and their respective shareholders pursuant to Section 230 to Section 232 of the Act and other applicable provisions as sanctioned by the Hon'ble National Company Law Tribunal, Mumbai Bench vide its Order dated 3rd March, 2021.

(ii) issued and allotted 613,175 Equity Shares pursuant to Exercise of the Options granted under Employees Stock Options scheme of the Company.

For Makarand M. Joshi & Co.
Practicing Company Secretaries

Makarand Joshi
Partner
FCS No. 5533
CP No.3662
UDIN: F005533C000377608
Peer Review No: P2009MH007000

Place: Mumbai
Date: 27-05-2021

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

Directors' Report (Contd.)

Annexure A

To,
The Members,
NOCIL Limited
Mafatlal House, H T Parekh Marg
Backbay Reclamation, Churchgate
Mumbai – 400020.

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

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

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. 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 procedures on test basis.

6. 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 Makarand M. Joshi & Co.
Practicing Company Secretaries

Makarand Joshi
Partner
FCS No. 5533
CP No.3662
UDIN: F005533C000377608
Peer Review No: P2009MH007000

Place: Mumbai
Date: 27-05-2021

Directors' Report (Contd.)

ANNEXURE "C"

Disclosure in the Directors' Report as per SEBI Guidelines:

	Particulars	Till the year ended March 31, 2021	
	Options outstanding as at the beginning of the year	2,103,725	
a	Options granted during the year	-	
b	Pricing Formula	Exercise Price shall be the latest available closing market price of the equity shares of the Company, prior to the date of grant	
c	Options Vested**	1,231,300	
d	Options Exercised**	613,175	
e	Total no. of shares arising as result of exercise of Options	613,175	
f	Options lapsed *	7,200	
g	Variation in terms of Options	None	
h	Money realised by exerise of Options (in lakhs)	370	
i	Total number of options in force**	14,83,350	
	** The number of options have been reported as on 31.03.2021 * Lapsed Options includes options cancelled/lapsed.		
j	Employee wise details of options granted to:	**For the Grant made in 2020-21**	
		Name of the employee	**No: of options granted**
	- Senior Management	NIL	
	- any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	NOT APPLICABLE	
	- employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding warrants and conversions) of the Company at the time of grant	NOT APPLICABLE	
k	Diluted earnings per share pursuant to issue of shares on exercise of option calculated in accordance with Ind AS 33 'Earnings per Share'		
l	Impact of employee compensation cost calculated as difference between intrinsic value and fair market value in accordance with SEBI Guidelines on ESOP	96	
m (i)	Weighted average exercise price of Options granted during the year whose		
	Exercise price equals market price	NOT APPLICABLE	
m (ii)	Weighted average fair value of options granted during the year whose		
	Exercise price equals market price	NOT APPLICABLE	

Directors' Report (Contd.)

	Particulars	Till the year ended March 31, 2021
n	Description of method and significant assumptions used to estimate the fair value of options	The fair value of the options granted has been estimated using the Black-Scholes option pricing Model. Each tranche of vesting have been considered as a separate grant for the purpose of valuation. The assumptions used in the estimation of the same has been detailed below: Weighted average values for options granted during the year
	Variables	
	Stock Price	NOT APPLICABLE
	Volatility	NOT APPLICABLE
	Riskfree Rate	NOT APPLICABLE
	Exercise Price	NOT APPLICABLE
	Time To Maturity	NOT APPLICABLE
	Dividend yield	NOT APPLICABLE

Details of options granted to Senior Managerial Personnel outstanding/ in force at the end of the year:

	Name	Designation	No. of Options
1	S.R. Deo	Managing Director	328,775
2	C.R. Gupte	Former Managing Director	56,700
3	R.M. Gadgil	Former President - Marketing	302,950
4	P. Srinivasan	President Finance & Chief Financial Officer	274,850
5	Dr. C.N. Nandi	Vice President - Research & Development	87,150
6	Dr. N.D. Gangal	Vice President - QA, Analytical and Outsourced Research	62,650
7	R. M. Desai	Vice President - Operations, Corporate HR and Personnel	50,925
8	Milind Shevte	Vice President - Marketing	20,600
9	Ashwin Bhende	Assistant Vice President - Technology	35,975
10	Rakesh Srivastava	Assistant Vice President - Exports	42,550
11	Padam Bahal	Assistant Vice President - Financial and Cost Accounts	34,600
12	Manoj Shah	Assistant Vice President - Materials	34,725
13	Vikas Gupte	Former Assistant Vice President - Legal & Company Secretary	21,400
14	D S Desai	Assistant Vice President - MTS	37,200
15	Suresh Shetty	Assistant Vice President - Operations	41,900
16	Nitin Shastri	Assistant Vice President - Project Execution & Purchase	19,200
17	K R Subramanian	General Manager Financial and Cost Accounts	17,700
18	Amol Pradhan	General Manager Information Technology	13,500
			14,83,350

Note: All the grants are being given at the price of equity shares of the Company on the day prior to the date of grant.

Directors' Report (Contd.)

ANNEXURE "D"

Statement pursuant to Section 134(3)(m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the year ended March 31, 2021.

A. CONSERVATION OF ENERGY

i. The steps taken or impact on conservation of energy

- Installation of energy efficient pumps for Chillers & Utility equipment
- Provision of Condensate recovery systems for Steam headers
- Insulation audits of Steam distribution systems and Chiller systems to conserve energy
- Installation of temperature sensors on supply temperature of Cooling water
- Installation of LED lights in plants & internal roads

ii. The steps taken by the Company for utilizing alternate sources of energy

- Generation of Electricity and regular use from solar Panels at Dahej

iii. The capital investment on energy conservation equipment

- Installation of energy efficient pumps for Chillers & Utility equipment: ₹3 lakhs
- Provision of Condensate recovery systems for Steam headers: ₹2 lakhs
- Insulation audits of Steam distribution and Chiller systems to conserve energy: ₹6 lakhs
- Installation of temperature sensors on supply temperature of Cooling water: ₹1 lakh
- Installation of LED lights in plants & internal roads: ₹12 lakhs

B. TECHNOLOGY ABSORPTION

Efforts in brief made towards technology absorption

- Replacement of few Steam Ejectors with efficient Dry vacuum pump to reduce both water consumption and effluent generation
- Recycle of plant steam condensate & Agitator gland cooling water
- Capacity increase of stabiliser plant through process de-bottlenecking & plant modification
- Capacity increase of Accelerator plant through process changes and upgradation of Drying & Extruder systems
- Capacity expansion of Intermediate to enhance Antidegradants/Antioxidants Production
- Replacement of direct condensation in water by an efficient Heat Exchanger to condense vapour in a critical distillation step, thus avoiding chemical contamination of cooling water

Benefits derived as a result of above efforts:

- Increase in Plant capacity of Antidegradants/ Antioxidants, Accelerators and Stabiliser
- Reduction of water consumption at source and effluent generation
- Reduction in utility and energy consumption due to increase in capacity
- Reduction of Effluent generation by using dry vacuum pumps instead of steam Ejectors & efficient heat exchanger to condense vapours from process and avoid chemical contamination in Cooling Towers

Expenditure on R & D

(₹ in Lakhs)

	FY 2020-21	FY 2019-20
Capital	**41**	33
Recurring	**552**	518
Total	**593**	551
Total R & D Expenditure as % to total turnover	**0.64**	0.65

Directors' Report (Contd.)

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

₹ in Lakhs

Foreign exchange used	
i) Raw materials, stores and spare parts, Capital goods and other products	14,926
ii) Expenditure in foreign currency	234
Foreign exchange earned	
iii) Export of goods on FOB basis, Commission and Service Charges	30,244

For and on behalf of the Board of Directors

Place : Mumbai
Date : May 27, 2021

Hrishikesh A. Mafatlal
Chairman

Directors' Report (Contd.)

ANNEXURE "E"

Disclosure u/s 197(12) and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1 Ratio of remuneration of each director to the median remuneration of the employees of the Company for the financial year ended March 31, 2021

Sr. No.	Director	Remuneration (₹ in lakhs)	Median Remuneration (₹ in lakhs)	Ratio
1	Mr. Hrishikesh A. Mafatlal - *Executive Chairman*	355.46	8.00	43
2	Mr. Vilas R. Gupte	25.50	8.00	3
3	Mr. N. Sankar	20.25	8.00	2
4	Mr. Rohit Arora	15.75	8.00	2
5	Mr. Debnarayan Bhattacharya	24.00	8.00	3
6	Mr. D. N. Mungale	24.00	8.00	3
7	Mr. P. V. Bhide	24.00	8.00	3
8	Ms. Dharmishta Raval	22.50	8.00	3
9	Mr. Priyavrata H. Mafatlal	18.75	8.00	2
10	Mr. S. R. Deo - *Managing Director*	273.90	8.00	34

2 The Percentage increase in remuneration of each Director and Key Managerial Personnel in the financial year

Sr. No.	Director/Key Managerial Personnel	Percentage increase/ (decrease)
1	Mr. H A Mafatlal -*Executive Chairman*	(5)
2	Mr. Vilas R. Gupte	(13)
3	Mr. N. Sankar	(13)
4	Mr. Rohit Arora	(13)
5	Mr. Debnarayan Bhattacharya	(13)
6	Mr. D. N. Mungale	(13)
7	Mr. P. V. Bhide	(13)
8	Ms. Dharmishta Raval	(13)
9	Mr.Priyavrata Mafatlal	(13)
10	Mr. S. R. Deo - *Managing Director*	(11)
11	Mr. R M Gadgil- *President Marketing*	#
12	Mr. P Srinivasan- *President Finance & Chief Financial Officer*	(7)
13	Mr. Amit K. Vyas - *Company Secretary*	##

 # Not comparable with previous year since ceased to be President Marketing w.e.f. May 15, 2020

Not comparable with previous year since appointed to be the Company Secretary w.e.f. Jan 1, 2020

3 Percentage increase in the median remuneration of employees in the financial year: 0%.

Directors' Report (Contd.)

4 The number of permanent employees on the rolls of the Company as at March 31, 2021: 634.

5 Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

Average increase in salaries of employees other than the managerial personnel is Nil. Remuneration of KMP is duly approved by NRC of the Board which is in line with industry trends, future business plans and the performance of the Company for the year under review.

6 It is affirmed that the remuneration paid is as per the remuneration policy of the Company.

For and on behalf of the Board of Directors

Hrishikesh A. Mafatlal
Chairman

Place : Mumbai
Date : May 27, 2021

Directors' Report (Contd.)

Disclosure under Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules,2014

(A) The following details are given in respect of top ten employees in terms of remuneration or the employees who were employed throughout the year and were in receipt of remuneration of not less than ₹ 102 lakhs per annum:

Name & age (years), designation/ nature of duties, remuneration (₹ in lakhs), qualifications & experience (Years), date of commencement of employment, last employment held (Name of employer, post held and period (years)

1. Mr. H A Mafatlal (66) Executive Chairman, ₹ 355 lakhs, B.Com. (Hons.), (5), 19.08.2016, Navin Fluorine International Limited (14), Related to Mr. Priyavrata Mafatlal (Director of the Company)
2. Mr. S R Deo (66), Managing Director, ₹ 274 lakhs, M.Tech -Chemical Engineering from I.I.T. Kanpur (41), 01.11.1979, None.
3. Mr. P. Srinivasan (55), Chief Financial Officer, ₹ 168 lakhs, B.Com. & A.C.A, (16), 25.01.2005, Flamingo Pharmaceuticals Limited, (3)
4. Dr. C.N. Nandi (62), Vice President- Research & Development, ₹ 113 lakhs, M.Sc. & PhD. In Chemistry, (40), 08.09.1981, Bhabha Atomic Research Centre (0.5)
5. Dr. N.D. Gangal (55), Vice President- Analytical Research & Quality Assurance, ₹ 107 lakhs, M.Sc. & PhD. In Chemistry, (14), 01.10.2007, Dow Chemicals, (0.5)
6. Mr. Milind Shevte (51), Vice President Marketing, ₹ 82 Lakhs, BE Chemical Engineering (16), 08.04.2005, Continental Carbon, (0.5)
7. Mr. R.M. Desai (60), Vice President- Production & Personnel, ₹ 76 lakhs, B.E. Chemical Engineering (39),15.06.1982, None
8. Suresh Shetty (53) Asst. Vice President-Operations, ₹ 75 lakhs, B.E Chemical Engineering (13), 28.03.2008, Dow Corning Private Limited (2)
9. Mr. M.J. Shah (61), Assistant Vice President-Materials, Rs 75 lakhs, Diploma in Material management & Mechanical Engineering, (9), 09.02.2012, Ashapura Minechem Limited (13)
10. Mr. Padam Bahal (57), Assistant Vice President-Financial and Cost Accounts, ₹ 74 lakhs, B.Com & A.I.C.W.A, (13), 01.01.2008, Hikal Limited, (2)

(B) Name of the employees employed for the part of the year and were in receipt of remuneration of not less tha ₹ 8.5 lakhs per month- None

1. Mr. R.M. Gadgil (68), President -Marketing, ₹ 42 lakhs, B. Tech Chemical Engineering from I.I.T. Mumbai (39), 01.11.1982, None.

(C) The percentage of equity shares held by the employee in the Company within the meaning of Clause (iii) of sub rule (2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014.

The Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014.

Not Applicable

Notes:

1 Remuneration as above includes, salary, Company's contribution to Provident Fund and Superannuation Schemes, Gratuity fund and other Long Service funds, Leave Encashment, Leave Travel benefits, reimburement of Medical expenses, Medical insurance premium, House Rent allowance, Compensatory allowances, Personal/ Special Allowance, Commission whereever applicable, Personal Accident Insurance, monetary value of perquisites calculated in accordance with provision of Income Tax Act 1961and rules made thereunder in respect of Housing, Company's furniture and equipments etc which are considered on accrual basis.

2 The nature of employment is contractual for all the above employees.

3 None of the employees of the Company are related to any Director of the Company except:

(i) *Mr. H.A. Mafatlal - Executive Chairman of the Company and Mr. Priyavrata H. Mafatlal - Non Director of the Company.*

For and on behalf of the Board of Directors

Place : Mumbai
Date : May 27, 2021

Hrishikesh A. Mafatlal
Chairman

Directors' Report (Contd.)

ANNEXURE "F"

Form No. AOC - 2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013
and Rule 8 (2) of the Companies (Accounts) Rules, 2014

1 Details of contracts or arrangements or transactions not at arm's length basis

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of contracts/ arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transaction	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which the Ordinary resolution was passed in general meeting as required under the first proviso to section 188
Nil							

(₹ In Lakhs)

2 Details of material contracts or arrangements or transactions at arm's length basis

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of contracts/ arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board	Amount paid as advances, if any
1	Mafatlal Industries Limited (Promoter)	Reimbursement of Miscellaneous expenses	Continuing arrangement	5	NA#	Nil
2	PIL Chemicals Limited (Wholly-owned subsidiary)	Processing charges	Continuing arrangement	1,518	NA#	Nil
3	Sri Chaitanya Seva Trust*	Donation under CSR	Donation is as per CSR Policy	150	NA#	Nil
4	N. M. Sadguru Water and Development Foundation*	Donation under CSR	Donation is as per CSR Policy	50	NA#	Nil

* Mr. H.A. Mafatlal is the Chairman of Sri Chaitanya Seva Trust and a Trustee of N. M. Sadguru Water and Development Foundation having no beneficial interest.

Forms part of the Omnibus / requisite Approval granted by the Audit Committee at the beginning of the Financial Year, being transactions in the normal course of business and repetitive in nature.

For **NOCIL Limited**

Place: Mumbai
Date : May 27, 2021

Hrishikesh A. Mafatlal
Chairman

ANNEXURE "G"

DIVIDEND DISTRIBUTION POLICY

Preamble

Securities and Exchange Board of India (SEBI) vide its Notification dated July 8, 2016 brought into force SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016, whereby Regulation 43A has been introduced requiring the top 500 listed entities based on Market Capitalisation calculated as on March, 31 of every financial year, to formulate a 'Dividend Distribution Policy'. The said Policy is to be disclosed in the Annual Reports and on the website.

NOCIL Limited ('the Company'), forms part of the List of top 500 companies based on Market Capitalisation as on March 31, 2018, uploaded on the websites of the Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

Effective Date

This Policy has been framed and approved by the Board of Directors on May 4, 2018. Hence, the Policy is applicable from the Financial Year 2018-19 onwards.

Guidelines pertaining to Dividend

i. The Company shall comply with relevant statutory provisions under the Companies Act, 2013. The Company while determining the decision on declaration / recommendation of dividend, may also transfer such percentage of profits for the financial year, as it may deems fit, to its reserves

ii. The Company shall pay dividend in compliance with the provisions of Section 123 of the Companies Act, 2013 and Companies (Declaration and Payment of Dividend), Rules, 2014

iii. The Board shall give due consideration to the following factors while declaring / recommending dividend: -

   a. **Financial parameters for payment of Dividend**

      1. Financial performance / liquidity position of the Company during the year
      2. Availability of distributable surplus / accumulated reserves
      3. Earning stability / Sustainability of profits
      4. Past dividend trend and pay-out ratio
      5. Overall performance of the sector in which the Company operates
      6. Dividend paid by the other companies operating in the same sector
      7. Investment / CAPEX / domestic / Acquisition proposals if any
      8. Covenants in Loan Agreements / debt reduction
      9. Capital restructuring / Capitalisation of reserves if any
      10. Expectation of all stakeholders including small shareholders

   b. **External factors**

      In addition to above the declaration / recommendation of Dividend by the Company will also depend upon the Economic / Business environment, Government Policies, Market conditions, Inflation rate, Cost of external financing, etc.

Interim Dividend

The Board of Directors may declare interim dividend during any financial year and / or recommend final dividend for declaration by the shareholders of the Company at the Annual General Meeting.

Inadequacy of Profits / Declaration of Dividend out of Reserves

In case of inadequacy or absence of Profits in any Financial Year, if the Company proposes to declare Dividend out of the accumulated profits earned and transferred by it to Free Reserves, it can do so only after the Company has complied with Rule 3 of the Companies (Declaration and Payment of Dividend), Rules, 2014 which contains provisions with respect to declaration of Dividend out of Reserves.

Directors' Report (Contd.)

Circumstances under which the Company will not declare Dividend

The Board of Directors may not recommend dividend in case the Company has incurred losses or inadequacy of profit

If the Board of Directors forms an opinion that it would be in the best interests of the Company to re-invest / plough back the profits for major expansion / diversification requiring major funding.

Any other unforeseen event which would restrict ability to recommend dividend.

Utilisation of Free Reserves

The Free Reserves may be utilised:

- Payment of dividend
- For funding its major expansion/ diversification
- Plan of domestic or overseas acquisitions
- To meet any contingent liabilities/ unforeseen expenses etc. and

Parameters with regards to various classes of shares

Presently, the Company has only one class of Share Capital i.e., Equity share capital.

Amendments / Review of the Policy

The Board of Directors is empowered to amend / review the Policy in accordance with the changes in laws or as and when they deem fit.

Disclosure

This Policy shall be published in the Annual Report and displayed on the Company's website.

Management Discussion and Analysis

Economic Overview

India's GDP is expected to contract by about 7.5% in FY 2020-21 as per the economic survey released at the time of presentation of the Union Budget by the Government of India. This after combination of positive growth in agriculture by about 3.4% netted of by a contraction in the Industry and Services sector by 9.6% and 8.8% respectively.

India to have a Current Account Surplus of about 1% of GDP in FY 2020-21, a historic high after 17 years. Despite being a COVID-19 situation, the net FPI Inflows into the country was about USD 36 Billion as against the peak inflows of USD 42.36 Billion in the year 2014. Incidentally during the year 2008 (the year of global financial crisis), the net NPI flows was negative USD 9.33 Billion.

During the initial months of the pandemic when uncertainty was high and lockdowns imposed economic restrictions, India did not waste precious fiscal resources in trying to pump up discretionary consumption. Lockdown in the country to reduce the spread of COVID-19 affected all sectors including Automobile, Real Estate, Textile, Hotel, Aviation, Entertainment etc. Unemployment, pay cuts, lack of demand, liquidity concerns, debt servicing and inadequate health care systems were the key issues that were on the battlefield for most part of the first half of this financial year. Instead, the policy focused on ensuring that all essentials were taken care of, which included direct benefit transfers to the vulnerable sections and the world's largest food subsidy programme targeting 80.96 crore beneficiaries. Resultantly, the lockdown resulted in a 23.9% contraction in GDP in Q1, the recovery has been a V-shaped one as seen in the 7.5% decline in Q2 and the recovery across all key economic indicators. Starting July, a resilient V-shaped recovery is underway, as demonstrated by the recovery in GDP growth in Q2 after the sharp decline in Q1. As India's mobility and pandemic trends aligned and improved concomitantly, indicators like E-way Bills, Rail Freight, GST Collections and Power consumption not only reached pre-pandemic levels but also surpassed previous year levels. The reignited inter and intra-State movement and record-high monthly GST collections have marked the unlocking of industrial and commercial activity. The year also saw the manufacturing sector's resilience, rural demand cushioning overall economic activity and structural consumption shifts in booming digital transactions.

Chemical Industry is intricately woven to each other and any imbalance in demand-supply for a group of chemicals can threaten the manufacturing activities of several industries.

The Indian government having announced several measures including support to the borrowers in the form of moratorium, financial sectors, support to MSME, self-reliant strategy saw the economy rebounding quite sharply from the second quarter of the year.

As per International Monetary Fund (IMF), India is expected to record a growth of about 9.50% in FY 2021-22. This is of course subject to the resurgence of COVID-19 pandemic second wave which has already resulted in lockdowns across different States of India. Any improvement or intensified approach towards the mega vaccination drive can help the Indian economy to achieve the most part of the robust recovery in the services sector and prospects for robust growth in consumption and investment.

Internationally though most of countries lifted lock down in May /June, 2020, the world was left with an unpleasant choice between life and livelihood. World economy having never faced such unprecedented challenge for over a century reacted differently by trying to boost its economic activity despite the looming threat of COVID-19. The year 2020 was dominated by the COVID-19 pandemic and the ensuing global economic downturn, the most severe one since the Global Financial Crisis. The lockdowns and social distancing norms brought the already slowing global economy to a standstill. Global economic output fell by over 3% in 2020 as compared to the contraction rate of 1.70% post the global financial crisis of 2008. In view of this, Governments and Central Banks across the world deployed a range of policy tools to support their economies such as lowering key policy rates, quantitative easing measures, loan guarantees, cash transfers and fiscal stimulus measures.

To summarise, the global economy, particularly the manufacturing sector which experienced an unprecedented health crisis for about 3-6 months started rebounding sharply from Aug 20 onwards. Given that most countries having started the vaccination drive to mitigate the COVID-19 pandemic, the global growth is expected to be positive in the next 2 years with a positive growth expectation of over 4.50%.

Management Discussion and Analysis (Contd.)

Rubber Chemical Industry:

For the reasons mentioned in the previous para, global rubber consumption witnessed a de-growth of 6.50% for the calendar year 2020 as against a de-growth of 1% for the year 2019. Rubber chemicals demand essentially follow the trend of global rubber consumption. Rubber Chemicals are used by manufacturers to process Natural Rubber and / or Synthetic Rubber into finished products, like Tires, Hoses, Footwear, Moulded Components for vehicles, Industrial Belts, Gloves, etc. Of these, the Tire segment is clearly the single largest consuming segment for Rubber Chemicals.

During the year, the domestic tire industry being the largest consumer of the rubber chemicals managed to get a restriction on Tire imports. Coupled with the gradual resumption of economic activities both in India as well as across the globe, led to improvement of demand for recycled tires. Faced with apprehensions on Chinese sourcing (China contributes to about 75% of the global rubber chemicals demand), some customers began allocating higher share to the Company. This led to improvement of not only capacity utilisation but also approvals of the new products as well.

The major domestic non-tire segment, namely the moulded & extruded goods segment, largely depends on the automobile sector. Thus, this segment is expected to move in line with the corresponding operating trend in the automobile sector.

The year which began with declining demand coupled with surplus availability of Rubber chemicals saw rapid improvement in demand on account of resumption of economic activity across the globe ultimately led to the temporary surplus getting wiped out by the end of the year. Our approach to garner additional market share resulted in improved utilisation of capacities. Due to the Company's wide range of products and through an optimum mix of inventory management and buying strategy, we are in a position withstand the shock of unprecedented increase in the major input prices and could register cash profits.

Industry Structure and Developments

As stated earlier, the Rubber chemical industry essentially follows the trend of global rubber consumption.

The domestic Tire industry, largest consumer of rubber after having experienced weak demand pattern for over 2 years managed to get a restriction of tires imports into India. This led to the rapid improvement in their operating rates which became very necessary given the improvement in re-cycled tires post resumption of economic activity from June, 2020.

The tire customers despite indicating pick-up rates at the beginning of each quarter were in constant need for rubber chemicals. This led to our rapid improvement in demand during second half of the year by about 73% as compared to the first half of the year. This obviously led to depletion of finished goods inventory by more than 75% of the normal levels.

Further, the continued trade war between USA and China adversely impacted domestic sales realisations. This is more severe as USA is the second largest market in the world for our business. Products were increasingly dumped into non-USA markets including India. This enabled the Chinese and other exporters to dump more rubber chemicals in the Indian markets (being the third largest market) thereby increasing their market share.

In order to protect ourselves from the unfair approach of aggressive dumping adopted by our competitors from China, Korea & USA, we filed for Anti-dumping protection with DGTR in respect of our 4 main products. The DGTR on finding prima facie evidence initiated investigation in respect of all the 4 products.

Business Outlook: Opportunities & Threats

Opportunities:

Post recovery of pandemic linked recession will enable good players to come out stronger. We are one of the few non-Chinese rubber chemicals manufacturers who have gone for a substantial expansion. On approval of our facilities, we are bound to ramp up our capacity utilisation.

The normalisation of the Indian economy will enable the replacement tire market to operate at a higher rate and the Company being a supplier to tires will benefit out of the same. The import restriction on various classes of tires into India will help the domestic tires operating rates. Since tire industry constitutes 65% of the rubber chemicals consumption, any improvement at their end will benefit a player like NOCIL.

Management Discussion and Analysis (Contd.)

The DGTR initiation notice on anti-dumping duty on 4 of our major products, where we have expanded, will help the the Company in case the duty is levied on conclusion of findings.

China is currently contributing to 75% of global rubber chemicals supply although their domestic demand does not exceed 35% of the global demand. Given the concentration of rubber chemicals capacity in China along with the associated uncertainties, there is probably some sense of discomfort amongst international tire majors about over-dependence on a single source country. Any de- risking of this source will present an additional opportunity to the Company's outlook.

It may be noted, that NOCIL is not only seen as a dependable and quality supplier, but also as a player which offers almost a complete range of rubber chemicals. Moreover, NOCIL's strong R&D capabilities are considered a very important strength by these tire majors.

By virtue of its long association with most international tire majors, the Company also enjoys a preferred-supplier status with their Indian operations. With increasing presence of these players in the Indian market, NOCIL stands to gain significant leverage as a domestic supplier to these Plants as well. There are opportunities for expanding business in certain specialty chemicals and high value chemicals, where some customers are conducting advanced pre-commercial studies. This development augurs well for us. The Company is taking all the necessary steps for meeting these increased requirements.

In line with the future trend of rubber growth over in the coming years, Auto Sector Growth and Tire industry growth, the Company has invested ₹ 470 Crores to augment its capacities. In case the demand pattern is sustained, further expansion in the field of rubber chemicals by the Company is an additional opportunity wherein we can consolidate in the global rubber chemical space.

At the same time, we also continue to be selective in the choice of target customers and markets.

Threats:

The Rupee traded in the wide range of ₹ 72.50 –76 per USD. The Company largely continued to mitigate the risk of this volatility by effecting payments towards our imports out of our Export Earnings in Foreign Currency and by taking adequate cover through forward/ option contracts.

Our competitors have for long been dumping their products in the Indian market at low prices. The possibility of competitors pursuing an irrational pricing approach cannot be ruled out. This may create pressure on our margins.

Sentiment-driven currency changes can also impact domestic prices and profitability.

The country is expecting a normal monsoon this year, any shortfall may lead to fall in the rural demand thereby unfavorably impacting some user segments.

Risks & Concerns:

Exchange rate fluctuations coupled with movement in prices of Crude Oil and down-stream Petrochemicals, trade war between USA and China, any government sanctions on supply chains etc. are all concern areas.

Any disruption in the economic activities on account of resurgence of COVID-19 pandemic can impact the markets either at raw material manufacturers, customers or operational sites partially can impact the business prospects for that particular period.

Operating & Financial Performance for the Year

The Financial Statements comply in all material aspects with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the 'Act') [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The Company remains a zero-debt Company. In view of the comfortable cash flows, the entire funding of the capital expenditure has been done be through internal accruals. During the year CARE has reaffirmed ratings as CARE AA (Double A) (Stable) for long term Bank Facilities (Term loan as well as Fund Based facilities) and CARE A1+ (A One plus) rating for short term Non-Fund Based Bank facilities. The Company had also approached CRISIL Limited for review of its existing ratings, which had assigned CRISIL AA for its Fund-based Bank Facilities and CRISIL A1+ (stable) for its Non - Fund-based Bank Facilities in the previous Financial Year.

Management Discussion and Analysis (Contd.)

Despite the challenges faced by the Industry due to lockdown in the first quarter, the Company's performance on the domestic sales volumes, registered a growth of over 14% for the year as against the rubber consumption de- growth of 5%. On the export business front, despite stiff competition, especially from China, the Company successfully exported to strategic accounts with wide range of products and thus achieved a growth of 12% as against the global rubber consumption de-growth of 7%. During the first quarter of the year, the Company was forced to operate at sub-optimal volumes in view of the lock-down which meant incurring costs quite disproportionate to the level of activity. Post gradual resumption of economic activity, the Company consciously sacrificed some drop in operating margins in the quest for additional volumes. Further the unprecedented price increases in respect of its major inputs during the second half of the year also contributed to the drop in margins. As a result, the EBIDTA margins dropped on account of the above factors.

Summary of the financial performance of the Company is presented below:

(₹ in Crores)

Particulars	F.Y. 2019-20	F.Y. 2018-19
Revenue from Operations	924.66	846.29
Other Income	14.21	9.70
Total Income	938.87	855.99
Operating EBIDTA	126.93	176.45

During the year under review, the Company achieved a profit before tax of ₹ 104.18 Crores as compared to ₹ 152.41 Crores in the Financial Year 2019-20.

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements), (Amendment), Regulations, 2018, the key financial ratios viz., Debtors turnover, Inventory Turnover, Current Ratio and Debt Equity ratios do not exceed the threshold of 25% or more as compared to the immediately preceding financial year. However, Operating Profit Margin (%), Net Profit (%), Return on Net Worth and Interest Coverage exceeded the threshold limits due to the reasons stated above.

Internal control systems

The Company has in place, adequate internal control systems and procedures covering all the financial and operating functions. These have been designed to provide adequate assurance to the management regarding compliance with the accounting standards by maintenance of appropriate accounting records, monitoring the economy and efficiency of operations, protecting the assets of the Company from losses, and ensuring the reliability of financial and operational information through proper compliance with the statutory enactments and its rules and regulations. Some of the significant features of the internal control systems and procedures are as follows:

- Appropriate delegation of authority limits with responsibility for incurring capital and revenue expenditures
- Approval and monitoring of annual revenue budget for all operating and service functions
- Procedure for approval of capital budget proposals and monitoring the expenditure on such acquisitions
- Formulating and reviewing the annual and long-term business plans
- A comprehensive code of conduct for ensuring the integrity of financial reporting, ethical conduct, regulatory compliances, and conflict of interest, if any
- Review of the operations and financial plans in key business areas through monthly management meetings
- Appointment of Internal Auditors to conduct periodical internal audits on operations, systems, internal control on financial reporting etc and issue reports to the management and the Audit Committee of the Board, regarding the adequacy and compliance with the internal controls and the efficiency and effectiveness of operations
- An ERP system (SAP) connecting Plant, Regional Sales Offices and Head Office enables the management to evaluate and take decisions based on real time information systems

The Audit Committee of the Board of Directors regularly review the findings of the internal auditors, adequacy of internal controls, financial controls, compliance with the accounting standards, as well as recommends to the Board, the adoption of the quarterly and annual results of

Management Discussion and Analysis (Contd.)

the Company and the appointment of auditors. The Audit Committee also reviews the related party transactions, entered by the Company during each quarter.

Further, the Secretarial Auditors review on a periodical basis through their own systems and check lists the compliance's part with respect to the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended and other SEBI regulations as may be applicable to the Company.

Material developments in human resources

Talented and skilled manpower is an important enabler for a Company to grow and maintain competitiveness. Human resources are considered as most important and valuable assets of the Company.

Focus was kept on acquisition, retention and development of necessary skilled manpower keeping in view our current operations requirement as well as the future business expansion and growth plans, particularly the Dahej plant expansion project. Innovative incentive schemes are designed and implemented as a motivational and retention strategy.

The Company continues to conduct employee trainings across several functions pertaining to technical, behavioral / general, health safety and environment and ISO standards. 'Managerial Skill Development' training programs are conducted to enhance the soft skills of potential managers.

A regular employee performance evaluation system is in place to evaluate the individual performances as well as determining their development needs and future potential.

The Company has complied with all the regulations pertaining to Factory, Labour and other applicable laws and very cordial Industrial Relations are maintained with the recognised labour Union.

Cautionary statement

Certain statements in the Management Discussion & Analysis describing the Company's objectives, projections, estimates, expectations, or predictions may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Actual results may differ from those expressed or implied. Important factors that could make a difference to the Company's operations include raw material availability and prices, cyclical demand and pricing in the Company's principal markets, fluctuation in forex rates, changes in Government regulations, tax regimes, economic developments within India and the countries in which business is conducted, and other incidental factors.

Report on Corporate Governance

1. Company's philosophy on Corporate Governance

The Company's policy on Corporate Governance is based on the principles of full disclosure, fairness, equity, transparency, and accountability in the various aspects of its functioning, leading to the protection of the stakeholders' interest and an enduring relationship with stakeholders. The Management's commitment to these principles is reinforced through the adherence of all Corporate Governance practices which form part of the Regulation Nos. 17 to 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ['Listing Regulations']. The Company has also adopted the Code of Conduct for the Directors and senior management personnel. The Company has in place a Code for Fair Disclosure and Conduct as required under the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time.

2. Board of Directors

a) Board Structure

The Company's Board of Directors comprises of both Independent and Non-Independent Directors. The Company also has one independent woman Director on its Board. The number of Independent Directors comprises of more than 50% of the total strength of the Board. The composition of the Board is in conformity with Regulation 17 of the Listing Regulations.

The management of the Company is entrusted in the hands of the Key Management Personnel of the Company and is headed by the Executive Chairman and Managing Director who function under the supervision and control of the Board. The Board reviews and approves strategy and oversees the actions and results of management to ensure that the long-term objectives of enhancing stakeholders' value are met.

Mr. Hrishikesh A. Mafatlal, Executive Chairman and Mr. Priyavrata H. Mafatlal, Non–Executive Director belong to the promoter group and are related to each other. None of the other Directors are related to each other, other than as stated above.

None of the Independent Directors have any other material pecuniary relationship or transaction with the Company, its Promoters, or Directors, or Senior Management which, in their judgment, would affect their independence. The Board confirms that based on the written affirmations from each Independent Director, all Independent Directors fulfill the conditions specified for independence as stipulated in the Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment), Regulations, 2018 ('Listing Regulations') w. e. f. October 1, 2018 and are independent of the Management. Further, the Independent Directors have also registered their names in the Data bank maintained by the Indian Institute of Corporate Affairs as mandated in the Companies (Appointment and Qualification of Directors), Rules, 2014, as amended.

The Board of Directors comprises of professionals drawn from diverse fields who bring with them a wide range of skills and experience to the Board which enhances the quality of Board's decision-making process. All the directors of the Company are experienced professionals having knowledge covering wide range of subjects like chemical business, financial statements, corporate governance, and the related regulatory issues of the business.

The broad composition of the Board of Directors and other details such as names of the listed entities where they hold directorships, category of directorship, their total number of Directorship / Committee positions viz., Chairman/ Member, shareholding in the Company and attendance at the Board Meetings and at the last Annual General Meeting are as under:

Composition of Board of Directors as on March 31, 2021:

Category	No. of Directors
Independent Directors	6
Other Non-Executive Directors*	2
Executive Chairman & Managing Director	2
Total	**10**

**In terms of the prevailing regulations, on the recommendation of the Nomination and Remuneration Committee and as approved by the Board of Directors, with effect from May 27, 2021, Mr. Vilas R. Gupte is redesignated as an Independent Director of the Company for a period of 5 years. This is subject to the members approval at the ensuing Annual General Meeting.*

Report on Corporate Governance (Contd.)

b) Board meetings held and Directors' attendance record

Sr. No.	Name of Director	Category of Director	No. of Shares held as on 31-03-2021	No. of Board meetings attended during FY 2020-21	No. of Directorship in Public Companies as on 31-3-2021*	No. of Board Committee Membership held in Public Companies as on 31-3-2021**		Attendance at last AGM held on August 28, 2020
						Chairman	Member	
1.	Mr. Hrishikesh A. Mafatlal	Executive Chairman	7,91,468@	6	3	0	2	Yes
2	Mr. Priyavrata H. Mafatlal	Non-Executive Director	12,495	6	2	0	0	Yes
3	Mr. N. Sankar	Independent Director	-	6	1	-	1	No
4	Mr. Rohit Arora	Independent Director	-	5	1	-	2	No
5	Mr. Vilas. R. Gupte	Non-Executive Director	600$	6	2	1	2	Yes
6	Mr. D. N. Mungale	Independent Director	-	6	8	2	5	Yes
7	Mr. P. V. Bhide	Independent Director	-	6	7	2	6	Yes
8	Ms. Dharmishta N. Raval	Independent Director	-	6	7	2	2	Yes
9	Mr. Debnarayan Bhattacharya	Independent Director	-	6	3	1	2	Yes
10	Mr. S.R. Deo	Managing Director	8,03,335#	6	1	0	1	Yes

* Excludes Directorships held in Private Limited Companies, Foreign Companies and Section 8 companies (having charitable objects etc.) and includes directorship in NOCIL Limited.

** In accordance with Regulation 26 of the Listing Regulations, Chairmanships / Memberships of only Audit Committee and Stakeholder Relationship & Investors' Grievance Committee of all Public Limited Companies, whether listed or not, has been considered including that of NOCIL Limited.

@ Excludes Shares held as a Trustee of Gurukrupa Trust.

$ Equity Shares held as a Joint holder.

\# 8,03,325 equity shares are held by Mr. S. R. Deo on exercise of the Company's ESOP Scheme-2007 and balance 10 equity shares are held prior to the said exercise of the ESOPs.

c) Other directorship positions held in listed entities by Directors and the category

Sr. No.	Name of Director	Names of listed entities in which Directorships held	Category of Directorship
1.	Mr. Hrishikesh A. Mafatlal	Mafatlal Industries Limited	Promoter- Executive Chairman
2	Mr. Priyavrata H. Mafatlal	Mafatlal Industries Limited	Promoter- Managing Director & CEO
3	Mr. N. Sankar	-	-
4	Mr. Rohit Arora	-	-
5	Mr. Vilas. R. Gupte	Mafatlal Industries Limited	Independent Director

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Sr. No.	Name of Director	Names of listed entities in which Directorships held	Category of Directorship
6	Mr. D. N. Mungale	1. Tamilnadu Petroproducts Limited	Independent Director
		2. Mahindra CIE Automotive Limited	Independent Director
		3. Mahindra and Mahindra Financial Services Limited	Independent Director
		4. Mahindra Logistics Limited	Independent Director
7	Mr. P. V. Bhide	1. GlaxoSmithKline Pharmaceuticals Limited	Independent Director
		2. L & T Finance Holdings Limited	Independent Director
		3. Borosil Renewables Limited	Independent Director
8	Ms. Dharmishta N. Raval	1. Zydus Wellness Limited	Independent Director
		2. Cadila Healthcare Limited	Independent Director
		3. Torrent Power Limited	Independent Director
9	Mr. Debnarayan Bhattacharya	1. Hindalco Industries Limited	Non-Executive Vice Chairman
		2. Vodafone Idea Limited	Non-Executive Director

During the year under review, six meetings of the Board were held by video conferencing in Mumbai on the following dates:

Sr. No.	Date of Meeting	Board Strength	No. of Directors present
1.	20.05.2020	10	10
2.	29.06.2020	10	10
3.	24.08.2020	10	10
4.	09.11.2020	10	9
5.	02.02.2021	10	10
6.	25.03.2021	10	10

The maximum gap between two Board Meetings held during the year was not more than 120 days.

Dates for the Board Meetings in the ensuing year are decided well in advance and communicated to the Directors. Board Meetings are held at the Registered Office of the Company. The agenda along with the Notes are sent in advance to the Directors. Additional Meetings of the Board are held when deemed necessary by the Board. In view of the COVID-19 pandemic, the Ministry of Corporate Affairs (MCA) vide its notification dated March 19, 2020, June 23, 2020, September 28, 2020 and December 30, 2020 had amended the Companies (Meeting of Board and its Powers) Fourth Amendment Rules, 2020 permitting the Company to hold the Committee and the Board meetings through video conferencing/other audio-visual means. As a consequence, all the Board and Committee meetings during the Financial Year were held by video conferencing.

At the beginning of all the Board meetings (including committee meetings of the Board), all the Directors, Company Secretary, and other invitees, if any, confirm that:

- they have received the agenda and other related papers/ material to the meeting,
- no one else other than the participants are having access to the proceedings of the meeting and
- that they were able to see and hear everyone clearly.

As required by Secretarial Standards issued by Institute of Company Secretaries of India (ICSI), certain Unpublished Price Sensitive Information (UPSI) such as Unaudited / Audited Financial Results with Presentation thereon is being circulated to the Board Members at a shorter Notice as per the general consent given by the Board of Directors in the first Board Meeting held in each financial year.

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The Fifty Eighth (58th) Annual General Meeting was held on August 28, 2020.

Pursuant to requirements of Regulation 26 of the Listing Regulations, none of the Company's Directors is a member of more than 10 committees or Chairman of more than 5 committees, across all public companies in which he is a director.

d) Major functions of the Board

The Company has clearly defined the roles, functions, responsibility, and accountability of the Board of Directors. In addition to its primary role of monitoring corporate performance, the major functions of the Board comprise:

- Approving corporate philosophy.
- Formulating strategic and business plans.
- Reviewing and approving financial plans and budgets.
- Monitoring corporate performance against strategic and business plans.
- Review of Business risk issues.
- Ensuring ethical behavior and compliance with laws and regulations and
- Reviewing and approving borrowing limits.

e) Skills / Expertise / Competencies of the Board:

The Board comprises of persons with varied experiences in different areas who bring in the required skills, competencies and expertise that allow them to make effective contribution to the Board and its Committees. The below list summarizes the key skills, expertise and competencies that the Board thinks necessary for the proper functioning in the context of the Companys' business and industry and which in the opinion of the Board , its Members possess :- (1) Commercial; (2) Finance including audit accounts and taxation ; (3) Sales and Marketing ; (4) Science & Technology including I.T ; (5) General Management & Human Resources ; and (6) Legal and advisory.

Sr. No.	Name of Directors	Skills/Expertise/Competencies they hold
1.	Mr. Hrishikesh A. Mafatlal	Commercial, Finance, Legal, General Management, Domain Industry, Sales & Marketing, Science & Technology.
2	Mr. S.R Deo	Commercial, Finance, Legal, General Management, Domain Industry, Sales & Marketing, Science & Technology.
3	Mr. N. Sankar	Commercial, Finance, General Management, Domain Industry, Sales & Marketing, Science & Technology.
4	Mr. D.N Mungale	Commercial, Finance, Legal, General Management, Domain Industry, Sales & Marketing.
5	Mr. Rohit Arora	Commercial, Finance, Legal, General Management, Domain Industry, Sales & Marketing, I.T.
6	Mr. P.V Bhide	Commercial, Finance, Legal, General Management, Domain Industry, Sales & Marketing, Science & Technology.
7	Mr. Vilas R Gupte	Commercial, Finance, Legal, General Management, Domain Industry, Sales & Marketing.
8	Mr. Debnarayan Bhattacharya	Commercial, Finance, Legal, General Management, Domain Industry, Sales & Marketing, Science & Technology.
9	Ms. Dharmishta Raval	Commercial, Finance, Legal, General Management, Domain Industry, Sales & Marketing.
10	Mr. Priyavrata H. Mafatlal	Commercial, Finance, Legal, General Management, Domain Industry, Sales & Marketing.

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f) Familiarisation Programme

Periodically, the Company provides familiarisation programme to the Independent Directors to enable them to understand the business of the Company. At the meetings of the Board of Directors held on quarterly basis, presentations on the Manufacturing, & technical operations, financials and Marketing are made. The Management also endeavors to apprise the Directors regarding their responsibilities in case of change / amendment to the Rules and Regulations. The details of the familiarisation programme have been displayed on the Company's website and its weblink is **http://www.nocil.com/images/fckeditor/file/Familiarization-Programme-for-IDS.pdf**.

g) Independent Directors' Meeting

During the year under review, the Independent Directors met on February 8, 2021, inter alia to discuss:

- overall operations
- Business Strategy
- overall performance of the Senior Management and their succession plan

All Independent Directors were present at the meeting. Pursuant to the requirements of the Listing Regulations and Schedule IV of the Companies Act, 2013 on Code of Conduct of the Independent Directors, the Independent Directors had reviewed and evaluated the performance of Non-Independent Directors and the Board as a whole and the same was found satisfactory. Further, pursuant to the Companies (Appointment and Qualification of Directors), Rules, 2014 as amended, the Independent Directors have also furnished a declaration to the effect that they have included their names in the Database maintained by the Indian Institute of Corporate Affairs.

3. Audit Committee

The total strength of the Audit Committee is 5 out of which, 4 members fall under the Independent Category. The norms require 2/3rd of the members to be Independent Directors.

Mr. D.N Mungale is the Chairman of the Audit Committee.

The composition of the Audit Committee and the details of meetings attended by the Members during the year are given below:

Name of Members	Category	No. of Meetings attended during the year 2020-21
Mr. D.N. Mungale, Chairman	Independent Director	5
Mr. Rohit Arora	Independent Director	4
Mr. Vilas R. Gupte	Non-Executive Director	5
Mr. P. V. Bhide	Independent Director	5
Mr. Debnarayan Bhattacharya	Independent Director	5

During the year five (5) Audit Committee Meetings were held, the dates of which are as follows: June 8, 2020; June 29, 2020; August 24, 2020; November 9, 2020 and February 2, 2021.

The requisite quorum was present at the said meetings.

Audit Committee Meetings are also attended by the Executive Chairman, Managing Director, Chief Financial Officer, and the Company Secretary. The Vice President – Marketing is invited to attend the meetings, as and when required. The Company Secretary acts as the Secretary of the Audit Committee.

The Board of Directors has appointed M/s. Aneja Associates, Chartered Accountants, as Internal Auditors to conduct the internal audit of the various areas of operations and records of the Company. The periodical reports of the said internal auditors were regularly placed before the Audit Committee along with the comments of the management on the action taken to correct any observed deficiencies on the working of the various departments.

The scope of the activities of the Audit Committee is as set out in Regulation 18 of the Listing Regulations read with Section 177 of the Companies Act, 2013 and SEBI

(Prohibition of Insider Trading) Regulations, 2015 and the amendments made thereto.

The terms of reference of the Audit Committee are broadly as follows:

a) To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that financial statements are correct, sufficient, and credible.

b) To engage consultants who can analyze / review the internal practices and give a report thereon to the audit committee from time to time in respect of the Company's Financial Reporting and controls thereto.

c) The recommendation for appointment, remuneration and terms of appointment of auditors of the Company.

d) To recommend the appointment of the Cost Auditor and review the Cost Audit Report.

e) To recommend the appointment and remuneration of the Secretarial Auditor.

f) Review and monitor the auditor's independence and performance, and effectiveness of the audit process.

g) Examination of the financial statements and the auditors' report thereon.

h) Approval or any subsequent modification of transactions of the Company with related parties.

i) Scrutiny of inter-corporate loans and investments.

j) Valuation of undertakings or assets of the Company, wherever it is necessary.

k) Evaluation of internal financial controls and risk management systems.

l) To review the Internal Control over Financial Reporting.

m) To review the functioning of the Whistle blower mechanism

n) Monitoring the end use of funds raised through public offers and related matters.

o) To review compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 and the amendments made thereto from time to time, at least once in a financial year and verify that the systems for internal control are adequate and are operating effectively.

p) To review the annual declarations made by the Promoters and Promoter group companies regarding encumbrance, whether directly or indirectly, on shares of the Company pursuant to the provisions of SEBI (Substantial Acquisition of Shares and Takeover), Regulations, 2011, as amended.

The Audit Committee also assures the Board that adequate internal control procedures and financial disclosures are commensurate with the size of the Company and are in conformity with the requirements of the Listing Regulations.

4. Share Transfer Committee

The present members of the Committee are Mr. H.A. Mafatlal, Executive Chairman, Mr. S. R. Deo, Managing Director and Mr. Priyavrata H. Mafatlal, Non –Executive Director.

The Committee approves cases such as the transfer of shares in physical form, issue of duplicate share certificates and requests regarding Transmission / Consolidation /Split of Share Certificates etc. Further, in line with the Regulation 40 (1) of Listing Regulations as amended, the Committee has discontinued the approval of the share transfers in physical form after March 31, 2019. The Committee, however, has approved those transfers lodged prior to March 31, 2019, which were earlier rejected on the grounds of certain deficiencies and subsequently, after rectification were re-lodged with the Company / RTA. The Committee also makes note of the cases wherein the equity shares have been transferred to IEPF and the legal heirs of such shareholders have approached the Company, after completion of the requisite formalities, for re-claiming their shares from IEPF. The Committee meets periodically to approve the share transfers and other related matters and reports

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the same by circulation of Minutes to the Board. The Company's Registrar and Share Transfer Agents verifies transfer deeds and other related documents of cases of Transmission / Issue of Duplicate Share Certificates and recommends the same for approval of the Committee. Further, as per Regulation 40(2) of the Listing Regulations, a report on transfer of shares / deletion of name/ issue of duplicate share certificate/ transmission of securities is also placed at each meeting of the Board of Directors.

During the year under review, the Company has transferred 1,47,774 Equity shares belonging to those shareholders holding shares both in dematerialised form as well as physical form, who had not encashed their Dividend for a period of 7 years or more beginning from the Financial Year 2012-13 so as to comply with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and the amendments thereto. The details of the same have been given in the Directors' Report for the Financial Year 2020-21 under the heading 'Transfer of Unpaid Dividend and corresponding Equity Shares to the Investor Education and Protection Fund (IEPF)'. Out of 16,83,485 equity shares transferred by the Company to IEPF from the Financial Years 2017-18 to 2020-21, the Authority has credited 22,550 equity shares to the demat account of the claimants on completion of requisite formalities. As on March 31, 2021, the balance number of shares lying with IEPF is 16,60,935.

5. Stakeholders' Relationship and Investors' Grievance Committee

The Company has constituted the Stakeholders' Relationship and Investors' Grievance Committee in accordance with the provisions of the Companies Act, 2013 and the Listing Regulations.

Ms. Dharmishta N. Raval is the Chairperson and Member of the Committee and was present at the Company's 58th Annual General Meeting held on August 28, 2020.

The composition of the Stakeholders' Relationship and Investors' Grievance Committee and the details of meetings attended by the Members during the year are given below:

Name of Members	Category	No. of Meetings attended during the year 2020-21
Ms. Dharmishta N. Raval, Chairperson	Independent Director	2
Mr. Hrishikesh A. Mafatlal	Executive Chairman (Promoter Group)	2
Mr. S. R. Deo	Managing Director	2
Mr. Vilas. R. Gupte	Non-Executive Director	2

During the year Two (2) Stakeholders' Relationship and Investors' Grievance Committee Meetings were held, the dates of which are as follows:

July 17, 2020, and February 11, 2021.

The requisite quorum was present at the meetings.

The Committee reviews the complaints received by the Company from its investors and the action taken by the management to sort out these complaints.

The Company received 6 complaints from shareholders in Financial Year 2020-21 and the same have been resolved.

The Company Secretary acts as the Secretary of the Committee.

Name, designation, and address of the Compliance Officer:

Mr. Amit K. Vyas
Assistant Vice President (Legal) & Company Secretary
Mafatlal House, 3rd Floor, H. T. Parekh Marg
Backbay Reclamation, Churchgate
Mumbai-400 020

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6. Nomination and Remuneration Committee

A. Composition and Scope

The composition of the Nomination and Remuneration Committee (NRC) is as follows and the details of meetings attended by the Members during the year are given below:

Name of Members	Category	No. of meetings attended during the Year 2020-21
Mr. Rohit Arora, Chairman	Independent Director	2
Mr. Hrishikesh A. Mafatlal	Executive Chairman	2
Mr. N. Sankar	Independent Director	0
Mr. D.N. Mungale	Independent Director	2

During the year, two (2) NRC Meetings were held on June 18, 2020, and March 26, 2021.

The scope of the activities of the NRC is as set out in Regulation 19 of the Listing Regulations read with Section 178 of the Companies Act, 2013 as amended. The same are as follows:

i. Appointment / re-appointment of Executive Chairman / Managing Director / Deputy Managing Director/ Executive Director.

ii. Review the performance of the Executive Chairman /Managing Director / Deputy Managing Director / Executive Director after considering the Company's performance.

iii. Recommend to the Board remuneration including Salary, Perquisites and Performance Bonus to be paid to the Company's Executive Chairman / Managing Director / Deputy Managing Director/ Executive Director.

iv. Review of the Remuneration Policy of the Company in line with amended Rules and Regulations, market trends to attract and retain the right talent.

v. Review and approve the elevation / promotions and revision in remuneration of the Top Management Executives of the Company.

vi. Grant of Employees Stock Options to Designated Employees and allotment of Equity Shares on exercise of the ESOPs.

vii. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel, and other employees.

viii. Formulation of criteria for evaluation of Independent Directors and the Board.

ix. Devising a policy on Board diversity.

x. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal.

xi. Specify the manner of evaluation of the performance of the Board, its committees, and the individual directors to be carried out either by the Committee or by the Board or by the independent external agency and review its implementation and compliance.

In view of the amended provisions of Section 178 of the Companies Act, 2013, the performance of Board, its committees, and each Director (excluding the Director being evaluated) has been evaluated by the Board on the basis of engagement, leadership, analysis, decision making, communication, governance, interest of stakeholders etc.

B. Remuneration Policy

The Nomination and Remuneration Committee while deciding the remuneration package of the Directors and Senior Management Executives ensures that:

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i) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully.

ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals; and

iv) specify the manner of effective evaluation of the performance of Board, its Committees, and individual Directors to be carried out either by the Board or by the NRC or by an independent external agency and review its implementation and compliance.

The Non-Executive Directors (NEDs) are paid remuneration by way of Sitting Fees and Commission. At the 57th Annual General Meeting held on July 30, 2019; the shareholders' approval was taken for extension of their approval for payment of commission at the rate not exceeding 1% p.a. for a further period of five years from September 1, 2019, to cover the Financial Years from 2019-20 to 2023-24. The Commission is paid at a rate not exceeding 1% per annum of the profits of the Company computed in accordance with Sections 197 and 198 of the Companies Act, 2013. The distribution of Commission amongst the NEDs is placed before the Board and distributed, as decided by the Board.

C. Remuneration of Directors

(₹ in Lakhs)

Name of the Director	**Salary, Allowances / Perquisites & Performance Bonus, ESOPs**	**Contri-bution to Funds**	**Total**
Mr. Hrishikesh A. Mafatlal Executive Chairman	327.40	28.06	**355.46**
Mr. S. R. Deo Managing Director	233.72	40.18	**273.90**

The Nomination and Remuneration Committee at its meetings held on various dates granted 13,82,100 Stock Options to Mr. S. R. Deo, Managing Director under Employees Stock Options Scheme - 2007. Stock Options are issued at exercise price being the closing price on the previous day of date of grant at the Exchange at which the largest number of shares were traded. The options would be vested in 4 equal annual installments beginning at the end of one year from the date of grant. The exercise period would commence one year from the date of grant and will expire on completion of ten years from the date of grant of options. As per the Company's Employee Stock Option Scheme - 2007 as amended, if an employee retires from the Company, he shall exercise his vested options within 120 months or the remaining validity of the options, whichever is earlier.

The details of the options exercised by Mr. S.R. Deo are given below:

Name of the Director	**No. of shares held on 01-04-2020**	**No. of ESOPs exercised during the FY 2020-21**	**No. of Equity Shares sold during the FY 2020-21**	**No. of Equity Shares held as on 31-03-2021**
Mr. S. R. Deo Managing Director	6,73,300	1,30,025	-	8,03,325

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Commission / Sitting Fees to Non-Executive Directors for the financial year 2020-21 for attending Board and Committee Meetings.

(₹ in Lakhs)

Name of the Director	Sitting Fees	Commission*	Total
Mr. Rohit Arora	2.25	13.50	15.75
Mr. Vilas R. Gupte	12.00	13.50	25.50
Mr. N. Sankar	6.75	13.50	20.25
Mr. D. N. Mungale	10.50	13.50	24.00
Mr. P.V. Bhide	10.50	13.50	24.00
Ms. Dharmishta N. Raval	9.00	13.50	22.50
Mr. Debnarayan Bhattacharya	10.50	13.50	24.00
Mr. Priyavrata H. Mafatlal	5.25	13.50	18.75
Total	**66.75**	**108.00**	**174.75**

* On accrual basis

7. Corporate Social Responsibility (CSR) Committee

The composition of the CSR Committee is as follows and the details of meetings attended by the Members during the year are given below:

Name of Members	Category	No. of meetings attended during the Year 2020-21
Mr. H.A. Mafatlal, Chairman	Executive Chairman (Promoter Group)	3
Ms. Dharmishta N. Raval	Independent Director	3
Mr. Vilas R. Gupte	Non-Executive Director	3
Mr. S. R. Deo	Managing Director	3

During the year 2020-21, three (3) Committee meetings were held on April 28, 2020, August 14, 2020, and March 15, 2021.

The Company has complied with the necessary requirements under the Companies Act, 2013 in this regard.

The terms of reference of the CSR Committee broadly comprise :

- To review the Company's existing CSR Policy and to supervise and monitor the activities undertaken by the Company as specified in CSR Policy and Schedule VII of the Companies Act, 2013.
- To provide guidance on various CSR activities undertaken by the Company.
- Recommendation to the Board for ratification of the CSR contributions, approved by the Managing Director under his powers

8. Risk Management Committee

SEBI had vide its Notification dated May 9, 2018 notified the SEBI (Listing Obligations and Disclosure Requirements), Amendment Regulations, 2018 ('LODR').

As per the Regulation 21(4) of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 applicable from April 1, 2019 the top 500 listed Companies as per the market capitalization as at the end of immediate previous financial year, were required to constitute the Risk Management Committee. Considering that the Company formed a part of top 5oo listed entities based on the market capitalization as of March 31, 2018, the Board constituted Risk Management Committee effective April 1, 2019.

The composition of the Risk Management Committee (RMC) is as follows and the details of meetings attended by the Members during the year are given below:

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Names of Members	Category	No. of meetings attended during the Year 2020-21
Mr. P. V. Bhide	Independent Director	2
Mr. Hrishikesh A. Mafatlal	Executive Chairman (Promoter Group)	2
Mr. N. Sankar	Independent Director	2
Mr. S.R. Deo	Managing Director	2
Mr. Debnarayan Bhattacharya	Independent Director	2
Mr. P. Srinivasan	President Finance & CFO	2

During the year, two (2) RMC Meetings were held on December 15, 2020, and March 25, 2021.

The terms of reference of the RMC as set out in Regulation 21 of the Listing Regulations is as follows:

a. To review Enterprise Risk.

b. To periodically review the process technology updates.

c. To periodically review the IT/Cyber security systems.

d. To periodically upgrade the environment standards at all the manufacturing locations including ancillary units.

e. To review the foreign exchange policy.

f. To review Human Capital and succession planning and create proper / adequate organisational structure at all levels.

g. To explore diversification opportunities in related areas of our strength from time to time.

h. To periodically review the programmes of investment proposals under implementation.

i. To review Legal and Statutory Compliances.

j. To insure all assets adequately.

k. Formulation of Risk Policy and its periodic review.

9. General Body Meetings

The venue and timings of the last three Annual General Meetings are given below:

Financial Year	Date	Location	Time
2017-18	July 25, 2018	Rama & Sundri Watumull Auditorium, Mumbai	2.30 p.m.
2018-19	July 30, 2019	Rama & Sundri Watumull Auditorium, Mumbai	2.30 p.m.
2019-20	August 28, 2020	Video Conferencing (VC)/Other Audio-Visual Means (OAVM) at Mafatlal House, H.T. Parekh Marg, Backbay Reclamation, Churchgate, Mumbai-400 020	3.00 p.m.

Further, in terms of the directives of the Hon'ble National Company Law Tribunal, the Company convened an Extra Ordinary General Meeting of the Shareholders to get the consent from the Members with regard to merger of Suremi Trading Private Limited and Sushripada Investments Private Limited with NOCIL. The meeting got conducted through the virtual platform and the outcome of the meeting was filed with the Hon'ble National Company Law Tribunal (NCLT) and uploaded on the Company website and the portals of the Stock Exchanges.

Date	Location	Time
September 15, 2020	Video Conferencing (VC)/ Other Audio-Visual Means (OAVM) at Mafatlal House H.T. Parekh Marg Backbay Reclamation Churchgate, Mumbai 400 020	11.00 a.m.

The number and particulars of Special Resolutions which were passed in the last three Annual General Meetings are as follows:

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Dates of the Annual General Meetings	Number and particulars of the Special Resolutions passed.
July 25, 2018	No special resolutions were passed.
July 30, 2019	a. Continuation of Mr. Debnarayan Bhattacharya as an Independent Director notwithstanding that he attains the age of 75 years during the tenure of 5 years. b. Continuation of Mr. Vilas R. Gupte as a Non-Executive Non- Independent Director notwithstanding that he attains the age of 75 years.
August 28, 2020	No special resolutions were passed.

No business was required to be transacted through Postal Ballot at the above meetings and none is required to be transacted through postal ballot at the ensuing Annual General Meeting.

Postal Ballot

During the year, the Company had approached the shareholders in May, 2020 through Postal Ballot, details of which are as under:

Date of Postal Ballot Notice	May 20, 2020
Voting period	June 9, 2020, to July 8, 2020
Date of approval	July 8, 2020
Date of declaration of Result	July 9, 2020

Name of the Resolution	Type of Resolution	No. of votes polled	No. of Votes – in favor	No. of Votes – against	% of Votes in favor on votes polled	% of votes against on votes polled
Re-appointment of Ms. Dharmishta N Raval (holding DIN: 02792246) as an Independent Director of the Company for a period of 4 years.	Special	6,43,48,469	6,43,12,787	35,682	99.04	0.06

The Company successfully completed the process of obtaining the approval of its shareholders for Special Resolutions on the items as mentioned above through Postal Ballot.

Mr. Makarand Joshi, Partner of M/s. Makarand M. Joshi & Co., Company Secretaries (Membership No. FCS -5533) was appointed as the Scrutiniser for conducting the Postal Ballot and e-voting process in a fair and transparent manner.

Procedure for Postal Ballot

In compliance with Regulation 44 of the Listing Regulations and Section 108 and other applicable provisions of the Act read with the Rules, the Company is pleased to provide e voting facility to enable the shareholders of the Company to cast their votes electronically, instead of Postal Ballot Form. The MCA has, vide the General Circular Nos. 14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020, permitted the dispatch of Postal Ballot Notices by email to the shareholders who have registered their email ids with the Company / RTA / Depository Participant / Depository and secure their votes through e-voting. In respect of those shareholders who have not registered their email ids, the Company

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has provided the mechanism in the Notice to register their email ids and a public notice to that effect will be published. Members (whether holding shares in demat form or in physical form) are requested to cast their votes by e-Voting. The Company has engaged the services of KFin Technologies Private Limited ("KFin"), the Company's Registrar and Transfer Agent for the purpose of providing e-Voting facility to all its members.

The scrutiniser submitted his report to the Chairman, after the completion of scrutiny, and the consolidated results of the voting by postal ballot were then announced by the Chairman on July 9, 2020. The results were also displayed on the Company's website viz., **www.nocil.com** and were communicated to the Stock Exchanges, Depositories and the Registrar and Share Transfer Agent. The last date for the receipt of duly completed Postal Ballot Forms or e-voting was the date on which the resolution was deemed to have been passed, if approved by the requisite majority.

10. Means of communication

The Board takes on record the audited / unaudited yearly/ quarterly financial results prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind-AS Rules) in the format prescribed under Regulation 33 of the Listing Regulations read with Circular Ref No. CIR/CFD/FAC/62/2016 dated July 5, 2016 issued by SEBI within prescribed time limit from the closure of the quarter / year and announces the results to all the Stock Exchanges where the shares of the Company are listed. The Company has been publishing the results in the format as prescribed by SEBI in the Economic Times and Maharashtra Times within 48 hours of the conclusion of the meeting of the Board in which they are approved.

I. The quarterly, half-yearly and annual results of the Company are submitted to the Statutory Auditors of the Company for a limited review and the report of the Auditors is also filed with all stock exchanges after it is approved by the Board of Directors.

II. The quarterly results are not sent to each shareholder as shareholders are intimated through press/media.

III. The Company's website **www.nocil.com** provides information about the Company to its existing and prospective stakeholders. The quarterly results are displayed on the Company's website along with other relevant information.

IV. The Company also makes presentations on the Operational and Financial Highlights to the Analysts which are hosted on the Company's website viz., **www.nocil.com** and also submitted to the Stock Exchanges.

V. In line with the erstwhile Listing Agreement, the Company has created a separate e-mail address viz. **investorcare@nocil.com** to receive complaints and grievances of the investors.

11. General Shareholder Information

i) Annual General Meeting:

Date and time	:	August 3, 2021 at 2.30 PM
Venue	:	Mafatlal House, 4th Floor Backbay Reclamation Mumbai - 400 020 (through Video Conferencing)

ii) Financial Year of the Company

The financial year covers the period 1 April to 31 March.

Financial reporting for FY 2021-22 (Indicative):

Quarter ending in June, 2021	:	end July/August, 2021
Half year ending in September, 2021	:	November, 2021
Quarter ending in December, 2021	:	end January, 2022
Year ending in March, 2022	:	end April / May, 2022
Annual General Meeting (2021-22)	:	end July, 2022

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iii) Dividend Payment Date

On or after August 6, 2021 (If approved in the ensuing Annual General Meeting)

iv) Listing of Equity Shares on Stock Exchanges and Stock Code

Equity shares of the Company are listed on:

Name of the Stock Exchange	Stock Code
1. BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001	500730
2. National Stock Exchange of India Limited Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E) Mumbai – 400 051	NOCIL

The Company has paid the Listing Fees to Bombay Stock Exchange Limited and National Stock Exchange of India Ltd for FY 2021-22.

v) Stock market data

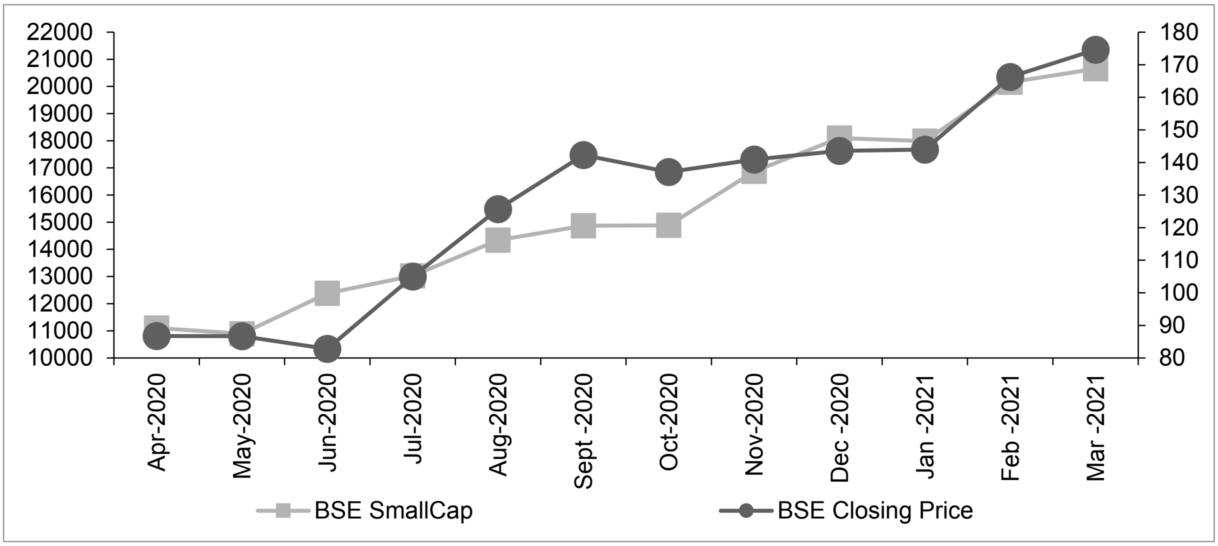
The monthly high / low quotation of shares traded on the Bombay Stock Exchange and the National Stock Exchange of India is as follows:

(Figures in ₹)

Bombay Stock Exchange Limited (BSE)			National Stock Exchange of India Limited (NSE)		
Month	**High**	**Low**	**Month**	**High**	**Low**
April, 2020	98.55	64.00	April, 2020	98.85	64.00
May, 2020	91.15	79.40	May, 2020	91.30	79.30
June, 2020	96.35	82.20	June, 2020	96.40	82.35
July, 2020	113.90	83.40	July, 2020	113.85	83.60
August, 2020	140.00	105.00	August, 2020	140.00	104.90
September, 2020	148.65	120.05	September 2020	148.70	120.00
October, 2020	156.30	136.20	October, 2020	156.40	136.00
November, 2020	149.80	117.65	November, 2020	149.90	131.60
December, 2020	155.95	134.75	December, 2020	155.90	135.00
January, 2021	163.70	140.05	January, 2021	164.00	140.00
February, 2021	183.40	140.35	February, 2021	183.70	140.20
March, 2021	199.35	157.50	March, 2021	199.30	160.90

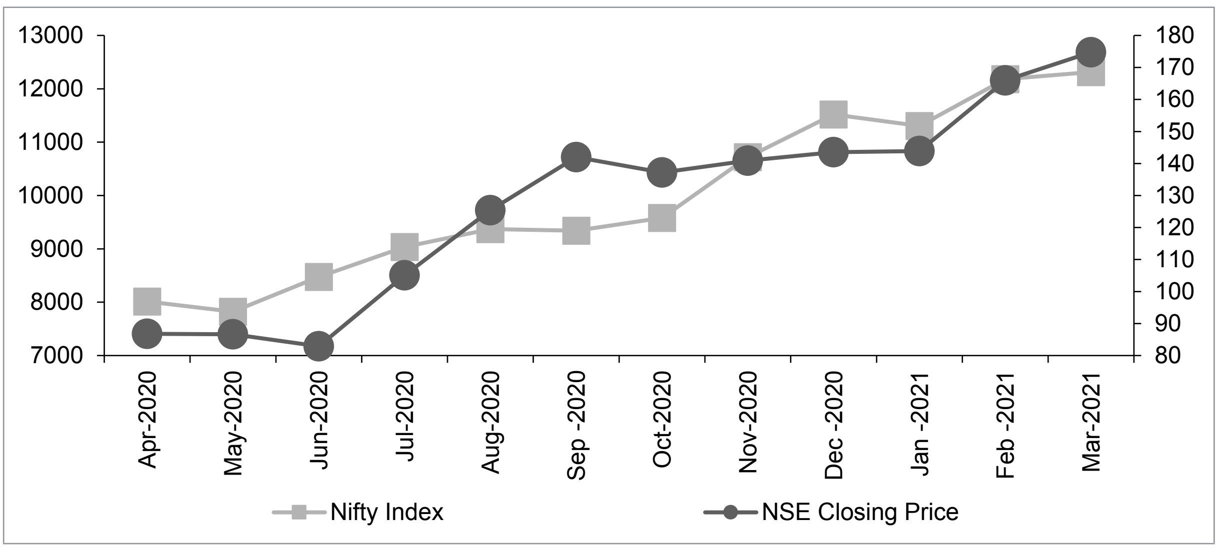
Report on Corporate Governance (Contd.)

vi) NOCIL Stock Performance in comparison to BSE Small Cap Index



Particulars	April, 2020	March, 2021	Growth
BSE Small Cap Index	11,101.84	20,649.33	86%
NOCIL Share Price	86.75	174.60	101%

NOCIL Stock Performance in comparison to NSE 500 Index



Particulars	April, 2020	March, 2021	Growth
NSE Nifty Index	8,012.90	12,313.70	54%
NOCIL Share Price	86.80	174.75	101%

Report on Corporate Governance (Contd.)

vii) Registrar and Share Transfer Agents (RTA):

The Company has appointed KFIN Technologies Private Limited as the RTA. KFIN is one of the largest and reputed RTAs operating in the Country for the last three decades with a wide network spanning across different states. KFIN, with their very high technology driven process, has been servicing a very large investor base and has an extensive internal / external audit oversight for their operations.

Address for Investor correspondence

KFin Technologies Private Limited	
Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad – 500 032. Telephone No. : 040-6716 2222 Fax no. : 040-2343 1551 Email : einward.ris@kfintech.com	**Investors' Relation Centre** 24 B, Rajabahadur Mansion, Ground Floor Ambalal Doshi Marg, Mumbai, Maharashtra 400023 Telephone No.: 022-66235454

viii) Share Transfer system

Share transfers and related operations for the Company are processed by the Company's RTA viz., KFin Technologies Private Limited, and approved by the Share Transfer Committee of the Company. Share transfer is normally affected within the maximum period of 15 days from the date of receipt, if all the required documentation is submitted. Effective April 1, 2019, the Company has stopped accepting the share transfers in physical mode pursuant to the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 as amended.

ix) Distribution of shareholding

a. Distribution of shareholding by Size as on March 31, 2021

Sr. No	No. of shares	No. of shareholders	% of Shareholders	No. of shares held	% of shareholding
1	Up to 1 - 5000	1,26,387	85.93	1,65,71,347	9.97
2	5001 - 10000	10,689	7.27	87,75,896	5.28
3	10001 - 20000	5,071	3.45	78,34,906	4.71
4	20001 - 30000	1,700	1.15	43,83,302	2.64
5	30001 - 40000	755	0.51	27,49,076	1.65
6	40001 - 50000	675	0.46	32,29,648	1.94
7	50001 - 100000	969	0.66	72,65,933	4.37
8	100001 & ABOVE	838	0.57	11,54,09,022	69.44
	Total:	**1,47,084**	**100.00**	**16,62,19,130**	**100.00**

Report on Corporate Governance (Contd.)

b. Shareholding pattern by Ownership as on March 31, 2021

Sr No.	Ownership	No. of shares held	% of shareholding
1	Indian Promoters	5,63,91,184	33.93
2	Mutual funds	60,01,043	3.61
3	Banks, financial institutions, insurance companies, etc.	15,30,872	0.92
4	NRI's / OCBs / FIIs	78,04,544	4.70
5	Private corporate bodies	99,42,702	5.98
6	IEPF	16,60,935	1.00
7	Indian public	8,28,87,850	49.86
	Total	**16,62,19,130**	**100.00**

x) Demat information

The shares of the Company were held in dematerialised form with effect from May 29, 1999. As on March 31, 2021, about *79.88% shareholding representing 13,27,78,182 shares of the Company have been dematerialised. The Company has executed agreements with both NSDL and CDSL for demat of its shares.

ISIN numbers in NSDL and CDSL for equity shares	INE 163A01018

**The Hon'ble National Company Law Tribunal (NCLT) vide its order dated March 3, 2021 approved the scheme of merger of two promoter entities namely Suremi Trading Private Ltd and Sushriprada Investments Private Ltd (hereinafter referred to as the Transferor companies) with the Company. In terms of the said scheme 3,11,17,689 equity shares of ₹ 10/- each were allotted to the shareholders of the said transferor companies (hereinafter referred to as the Promoter shareholders) by the Amalgamation Committee (constituted by the Board of NOCIL Ltd) on March 30, 2021:*

The said equity shares of the promoter shareholders were allotted on March 30, 2021 have since been dematerialised on receipt of requisite approvals from the Depositories / Stock Exchanges. As a result, the current demat % now stands revised to 98.60%

xi) Outstanding ADRs/GDRs/Warrants or any Convertible instruments, conversion date and likely impact on equity.

The Company has not issued any ADRs/GDRs/Warrants or any Convertible instruments.

xii) Foreign Exchange Risk and Hedging activities:

Risk of exchange rate volatility is mitigated by effecting the imports payments out of the Export Earnings in Foreign Currency. The Company enjoys a natural hedging through the EEFC Account and in case of surplus, the same is adjusted against spot rate / forward rate / Option contracts, as may be decided by the Management at the relevant point of time.

xiii) Plant locations

Navi Mumbai : C-37, Trans Thane Creek Industrial Area, Off Thane Belapur Road, Navi Mumbai – 400 705 – Maharashtra Tel. Nos.: 022 – 66730551 – 4

Dahej : Plot No. 12/A/1 and 13/B/1, G.I.D.C., Dahej, Village-Ambheta, Tal. Vagra, Dist. Bharuch – Gujarat Tel. Nos.: 02642 – 392130

Report on Corporate Governance (Contd.)

xiv) Address for Correspondence

NOCIL Limited
Mafatlal House, 3rd Floor, H.T. Parekh Marg,
Backbay Reclamation, Churchgate
Mumbai –400 020.

xv) List of credit ratings obtained

The following ratings have been reaffirmed / assigned to the Company for its Bank facilities:

Bank Facilities	Rating	
	CARE Ratings Limited	CRISIL Limited
Long Term Bank facilities (Fund based)	AA	AA
Short Term Bank facilities (Non-fund based)	A1+	A1+

12. OTHERS

A. Disclosure on materially significant related party transactions that may have potential conflict with the interest of the Company at large:

The Company does not have any related party transaction, which may have potential conflict with the larger interests of the Company. The disclosures of transactions with the related parties entered by the Company in the normal course of business are given in the Notes to Financial Statements.

B. Details of non-compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchange or SEBI or any other statutory authority on any matter related to capital markets, during the last three years:

There were no instances of non-compliance of any matter related to the capital markets during the last three years and the Company has complied with the requirements of regulatory authorities on capital markets.

C. Vigil Mechanism / Whistle Blower Policy

The Company has adopted an ethical code of conduct for the highest degree of transparency, integrity, accountability, and corporate social responsibility. Any actual or potential violation of the Code would be a matter of serious concern for the Company. The Directors, Employees or any person dealing with the Company can play an important role in pointing out such violations of the code.

Accordingly, this policy has been formulated with a view:

- To provide a mechanism for employees of the Company and other persons dealing with the Company to report to the Chairman of the Audit Committee; or Managing Director who is nominated by the Audit Committee, any instance of unethical behavior, actual or suspected fraud or violation of the Company's Ethics Policy,
- To safeguard the confidentiality and interest of such employees / other persons dealing with the Company against victimisation, who notice and report any unethical or improper practices and
- To appropriately communicate the existence of such mechanism, within the organisation and to the outsiders.

To meet the objective of the Policy a dedicated e-mail id – **vigilmechanism@nocil.com** has been activated.

The Policy has been posted on the website of the Company viz., **http://www.nocil.com/images/fckeditor/file/NOCIL_Vigil_Mechanism.pdf**

No employee or any other person has been denied access to the Chairman of the Audit Committee or Managing Director.

D. Details of compliance with mandatory requirements:

All the mandatory requirements of Regulations 17 to 27 of the Listing Regulations have been complied with by the Company.

Report on Corporate Governance (Contd.)

E. Policy on Subsidiary Companies

In terms of the conditions/requirements of Clause 49 of the erstwhile Listing Agreement, the Company has adopted the policy of subsidiary companies with specific reference to materially listed and unlisted subsidiary companies and the policy to be followed in such eventualities. As a matter of information, as on date, the only wholly owned subsidiary Company viz. PIL Chemicals Ltd is not falling under the category of Materially Unlisted Subsidiary Company in terms of the definition under Regulation 24 of the Listing Regulations. The Policy for determining the material subsidiaries is available at **http://www.nocil.com/images/fckeditor/file/Policy-on-Material-Subsidiaries.pdf**.

F. Policy on Related Party Transactions

In terms of Section 188 of the Companies Act, 2013 read with the Clause 49 of the erstwhile Listing Agreement and presently the Regulation 23 of Listing Regulations, the Company had formulated a policy on materiality of Related Party Transactions and on dealing with Related Party Transactions. During the year under review, the said Policy was amended to reflect the latest amendments in the Companies Act, 2013 and the rules made thereunder.

The Policy is intended to ensure that there is proper approval and reporting of transactions between the Company and its related parties. The Policy, after carrying out the necessary modifications in line with the amendments made from time to time, is placed on the website of the Company viz., **http://www.nocil.com/images/fckeditor/file/Policy-on-Related-Party-Transaction.pdf**.

G. Policy on Board Diversity

This Policy aims to set out the approach to achieving diversity for the Board of Directors of the Company.

The Company believes that benefits of a professional Board that possesses a balance of skills, experience, expertise will enhance the decision-making power of the Board which in turn will benefit the stakeholders of the Company.

H. Details of Utilisation of funds

The Company has not raised any funds through preferential allotment or Qualified Institutional Placement as specified under Regulation 32 (7A)

I. Certificate from a Practicing Company Secretary on disqualification of Directors

The Company has obtained a Certificate dated May 12, 2021 from M/s. Makarand M. Joshi & Co., Company Secretaries, Mumbai to the effect 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 SEBI / Ministry of Corporate Affairs or any such statutory authority.

J. Recommendations of the Committees

During the year under review, there have been no instances whereby the Board of Directors of the Company has not accepted the recommendations made by the Audit Committee / Nomination and Remuneration Committee / Corporate Social Responsibility Committee on any matter which is mandatorily required.

K. Fees paid to the Statutory Auditors

Total fees incurred by the Company including its subsidiaries, on a consolidated basis to the Statutory Auditors and all entities in their network / firm / network entity of which they are a part, is ₹ 37 Lakhs.

L. Disclosures in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013:

The disclosures for the Financial Year 2020-21 are as under: -

a	Number of complaints filed during the Financial Year	Nil
b	Number of complaints disposed of during the Financial Year	Nil
c	Number of complaints pending as on the end of the Financial Year	Nil

13. Discretionary Disclosures

The status of compliance with non-mandatory recommendations of the Listing Regulations:

a. Shareholders' Rights:

As the quarterly and half yearly, financial results are published in the newspapers and are also posted on the Company's website, the same are not being sent separately to the shareholders.

b. Audit Qualifications:

The Company's financial statements for the financial year 2020-21 do not contain any audit qualification.

c. Separate posts of Chairman and CEO:

The Company presently is having a separate post of an Executive Chairman and the Managing Director.

d. Reporting of Internal Auditor:

The Internal Auditors of the Company make presentation to the Audit Committee on their reports as per the approved audit programmes by the Audit Committee at the beginning of the year on a quarterly basis.

14. Management Discussion and Analysis

Management Discussion and Analysis forms a part of this Annual Report.

15. Declaration of compliance with the Code of Conduct /Ethics

In compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has formulated a Code of Conduct for prohibition and prevention of Insider Trading for its designated employees. The code lays down Guidelines and procedures to be followed and disclosures to be made while dealing with equity shares of the Company.

All the Directors and Senior Management have affirmed compliance with the Code of Conduct / Ethics as approved and adopted by the Board of Directors.

ANNEXURE TO CORPORATE GOVERNANCE REPORT

Declaration regarding affirmation of Code of Conduct

In terms of the requirements of Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, this is to confirm that all the members of the Board and the Senior Management personnel have affirmed compliance with the Code of Conduct for the year ended March 31, 2021.

Place : Mumbai
Date : May 27, 2021

S. R. Deo
Managing Director

MAKARAND M.JOSHI & CO.
Company Secretaries
Ecstasy, 803-804, 8th Floor, City of Joy, JSD Road, Mulund (W), Mumbai- 400080, (T) 022-21678100

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To
The Members,
NOCIL Limited

We have examined the compliance of conditions of Corporate Governance by **NOCIL Limited** ("the Company") for the year ended on March 31, 2021, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and representations made by the management, we certify that the Company, to the extent applicable, has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further state that such compliance 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 Makarand M. Joshi & Co

Makarand Joshi
Partner
FCS No. 5533
CP No. 3662
UDIN:F005533C000377740
Peer Review No: P2009MH007000

Place: Mumbai
Date: May 27, 2021

Business Responsibility Report

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number	L99999MH1961PLC012003
2	Name of the Company	NOCIL Limited (NOCIL)
3	Registered Office Address	3rd Floor, Mafatlal House, H. T. Parekh Marg, Backbay Reclamation, Churchgate, Mumbai- 400020
4	Website	www.nocil.com
5	Email id	investorcare@nocil.com
6	Financial Year reported	2020-21
7	Sector(s) that the Company is engaged (industry activity code wise)	Manufacturing of Rubber Chemicals NIC Code of Products – 20119 (NIC – 2008 Code referred)
8	List three key products / services that the Company manufactures / provides (as in Balance Sheet)	Manufacturer of Rubber Chemicals which amongst others include: a. Pilflex 13 b. Pilnox TDQ c. Pilcure CBS
9	Total Number of locations where business activity is undertaken by the Company	NOCIL is a manufacturer of rubber chemicals and it operates from the following locations: A. Number of national Locations: - 2 manufacturing plants at Navi Mumbai, Maharashtra and Dahej, Gujarat - 4 Sales Offices at Mumbai, New Delhi, Chennai, and Kolkata. - Registered Office in Mumbai - Regional Sales Offices B. Number of International Locations: Nil
10	Markets served by the Company- Local/ State/ National/ International	NOCIL has built a broad customer base in India and over forty countries across the world

SECTION B : FINANCIAL DETAILS OF THE COMPANY

1	Paid up capital	₹ 16,622 Lakhs
2	Total Revenue	₹ 93,894 Lakhs
3	Total Profit after taxes	₹ 8,649 Lakhs
4	Total spending on Corporate Social Responsibility (CSR) as a percentage of profit after tax (%)	5.53%
5	List of activities in which expenditure in 4 above has been incurred	PM CARES (towards battling Covid-19 pandemic), Promoting health care including preventive health care, Rendering Community Health Programs for the poor and the needy spectrum of society staying in rural and tribal areas, Developing, and expanding environmentally, technically, socially sound natural resource interventions leading to empowerment of rural community including women to ensure equitable and sustainable development and poverty reduction. (**Refer Annexure A** to the Directors' Report for the Financial Year ended March 31, 2021 on CSR)

Business Responsibility Report (Contd.)

SECTION C: OTHER DETAILS

1. **Does the Company have any subsidiary company/ companies?**

   Yes. the Company has a wholly owned subsidiary company viz., PIL Chemicals Limited. The details have been given in Form AOC – 1 attached to this Report.

2. **Does the subsidiary company/ companies participate in BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)?**

   The wholly owned subsidiary company is not required to participate in the BR Initiatives of the Company.

3. **Do any other entity/ entities (e.g., suppliers, Distributors etc.) that the Company does business with, participate in the BR Initiatives of the Company? If yes, then indicate the percentage of such entity/ entities [less than 30%, 30%- 60%, more than 60%]**

   At present, the suppliers, distributors do not participate in the BR Initiatives of the Company.

SECTION D

1. **Details of Director/ Directors responsible for BR**

   (a) **Details of Director/ Directors responsible for implementation of the BR policy/ policies**

1	DIN	01122338
2	Name	S. R. Deo
3	Designation	Managing Director

   (b) **Details of BR Head**

1	DIN	*07315943*
2	Name	R. M. Desai
3	Designation	Vice President – Operations, Corporate HR & Personnel
4	Telephone Number	022 66730551
5	Email id	**hr@nocil.com**

2. **Principle wise (as per NVGs) BR Policy/ policies**

   (a) **The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business brought out by the Ministry of Corporate Affairs have been adopted by the Company, which indicate the nine Principles. The details are given below:**

P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P3	Businesses should promote the wellbeing of all employees.
P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.
P5	Businesses should respect and promote human rights.
P6	Businesses should respect, protect, and make efforts to restore the environment.
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P8	Businesses should support inclusive growth and equitable development.
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

Business Responsibility Report (Contd.)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy /policy for?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the Policy conform to any national / international standards? If yes, please specify	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the Policy been approved by the Board? If yes, has it been signed by the MD/ Owner/ CEO/ appropriate Director?	Yes. The requisite Policies have been signed by the MD.								
5	Does the Company have a specified committee of the Board / Director / Official to oversee the implementation of the Policy?	Yes.								
6	Indicate the link for the policy to be viewed online	The Code of Conduct can be viewed at: **http://www.nocil.com/detail/investors/corporate-governance/63**. The Policy on HSE can be viewed at: **http://www.nocil.com/images/fckeditor/file/NOCIL%20HSE%20policy.pdf** The Vigil Mechanism / Whistle Blower Policy can be viewed at: **http://www.nocil.com/images/fckeditor/file/NOCIL_Vigil_Mechanism.pdf**								
7	Has the Policy been formally communicated to all relevant internal and external stakeholders?	Yes								
8	Does the Company have in-house structure to implement the Policy?	Yes								
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address the stakeholders' grievances?	Yes								
10	Has the Company carried out independent audit / evaluation of the working of this Policy by an internal or external agency?	Yes								

(b) **If answer to the question at serial number 1 against any principle, is 'No', please explain why:**

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the Principles	Not applicable								
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified Principles.									
3	The Company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within next one year									
6	Any other reason (please specify)									

Business Responsibility Report (Contd.)

3. **Governance related to BR**

   a. **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, more than 1 year.**

   The BR performance of the Company is reviewed on a quarterly basis by Board of Directors / the Committee

   b. **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

   The Company forms part of the top 1000 listed companies in terms of market capitalisation as on March 31, 2020. In view thereof, the Business Responsibility Report has been included in the Annual Report, which is available on the Company's website viz., **www.nocil.com**

SECTION E: PRINCIPLE -WISE PERFORMANCE

Principle 1 - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

i. **Does the Policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors /NGOs / Others?**

Yes. The Company has adopted a Code of Conduct which strives to foster a culture of integrity and accountability. All our business activities reflect highest degree of ethical standards encompassing the manufacturing operations, Total Quality Management, Health Safety and Environment, employees, customers, suppliers, members of the public and our shareholders.

ii. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof.**

During the year, the Company has not received complaint from any stakeholder regarding the unethical practices across all our operations.

Principle 2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

i. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.**

a) PILFLEX 13

b) PILCURE CBS

c) PILNOX TDQ

ii. **For each of such products, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional)**

   a. **Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain.**

   In each of the above -mentioned product the Company has achieved 5% reduction in energy consumption in some of its main products.

   b. **Reduction during usage by consumers (energy, water) has been achieved since the previous year.**

   For the above-mentioned products, there is no explicit tracking mechanism in respect of resource use. However, the usage of each of the resource used for manufacturing these products, is judicious.

iii. **Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of inputs was sourced sustainability? Also, provide details thereof.**

The Company procures more than 80% of raw materials from sustainable sources.

More than 80% of raw material are procured from ISO 9001, ISO 14001 certified and socially responsible sources. All these sources are reliable sources, follow strict environmental norms and all regulatory guidelines.

Business Responsibility Report (Contd.)

iv. **Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors.**

Raw materials are preferably procured from domestic suppliers and neighbouring manufacturers. Manufacturers are also supported to match their product quality to international standards through various quality audits and quality improvement programs. The audits also are carried out to improve safety and environment standards to achieve long term sustainability.

Communities around the workplace are supported by awarding contracts to MSMEs. Even for project work MSMEs are preferred and supported for skill development and work planning.

v. **Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as < 5%, 5% – 10%, > 10%). Also, provide details thereof, in about 50 words.**

More than 10% products/ waste are recycled. We consume lot of raw materials/costly Catalysts & solvents in our manufacturing processes and some of these unreacted raw materials and used catalysts & used solvents are recycled. We carry out purification of these used raw materials/Catalysts & solvents before reuse. We use distillation/ extraction method for purification. NOCIL's R&D team continuously works on reduction of waste & thereby increasing the yield of a process to help in pollution abatement.

Principle 3 - Business should promote the well-being of employees

i. **Please indicate the Total number of employees.**

Following is the employee count: 2020-21

Registered Office	**25**
Company's Plant at Navi Mumbai	**370**
Company's Plant at Dahej	**239**
Total	**634**

ii. **Please indicate the Total number of employees hired on temporary/contractual/casual basis.**

Registered Office	12
Company's Plant at Navi Mumbai	368
Company's Plant at Dahej	389
Total	769

iii. **Please indicate the Number of permanent women employees**. - 18

iv. **Please indicate the Number of permanent employees with disabilities** – 1

v. **Do you have an employee association that is recognised by management?**

Yes. It is NOCIL RCD Employees Union.

vi. **What percentage of your permanent employees is members of this recognised employee association? -** 17%

vii. **Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on the end of the Financial Year
1	Child labour	Nil	NA
2	Forced labour	Nil	NA
3	Involuntary labour	Nil	NA
4	Sexual harassment	Nil	NA

viii. **What percentage of your under mentioned employees were given safety and skill upgradation training in the last year?**

Business Responsibility Report (Contd.)

	Category	Safety	Skill upgradation training
a	Permanent employees	100	64
b.	Permanent woman employees	100	2
c.	Casual / Temporary / Contractual employees	100	NIL
d	Employees with disabilities	NA	NA

Principle 4 – Business should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

i. **Has the Company mapped its internal and external stakeholders? Yes /No.**

Yes. the Company has identified all the key internal and external stakeholders.

ii. **Out of the above, has the Company identified the disadvantaged, vulnerable and marginalised stakeholders.**

Yes.

iii. **Are there any special initiatives taken by the Company to engage with disadvantaged, vulnerable and marginalised stakeholders? If so, provide details thereof, in about 50 words or so.**

The Company has identified the vulnerable and marginalised stakeholders and through its CSR activities / programs always strives to assist them financially in fulfilling their needs. The areas touched upon by the Company include Health care, Education, livelihood enhancement project, rehabilitation of deserted, parentless, and abandoned children, empowerment of tribal communities etc.

Principle 5 – Business should respect and promote human rights

i. **Does the policy of the Company on human rights cover only the Company or extend to the Group / Joint Venture / Suppliers / Contractors / NGOs/ Others?**

The Company always ensures that dignity of person associated with the Company in any manner or capacity, is respected at all times. Also, care is taken that there are no instances of the abuse of human rights. We are vigilant about the overall wellbeing of the employees and that there is no discrimination.

ii. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the Management?**

There have been no complaints relating to human rights violation in the past.

Principle 6 – Business should respect, protect, and make efforts to restore the environment.

i. **Does the Policy related to Principle 6 cover only the Company or also extend to the Group /Joint Venture / Suppliers / contractors / NGOs/ Others?**

The Company combines economic success with environmental protection and social responsibility, thus, contributing to a better future. Its endeavour to comply with all applicable legal and internal environmental, Health and Safety requirements allow to better conserve energy and natural resources, prevent pollution, and protect the health, safety of people.

Policy related to Principle 6 is also implemented at wholly owned subsidiary and its dedicated ancillary units.

ii. **Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming etc.? Y/ N. If yes, please give hyperlink for webpage.**

No.

iii. **Does the Company identify and assess potential environmental risks? Y/ N.**

Yes.

Business Responsibility Report (Contd.)

iv. **Does the Company have any project related to Clean Development Mechanism ? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?**

The major focus of the Company's R&D team is to develop Cost-effective, Environmentally Benign & Safer Manufacturing processes by adopting principles of "GREEN CHEMISTRY" and "GREEN ENGINEERING". NOCIL developed green technology for manufacturing of 4 Amino diphenylamine, a key intermediate of our major product. This process generates negligible effluents. We have been granted 2 US patents for this technology. We have also received Indian Chemical Council's Prestigious Acharya P.C. Ray award for best indigenous technology

v. **Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/ N. If yes, please give hyperlink for webpage**.

Yes, we are in the process of obtaining ISO 50001 certification for energy management and taken several steps to reduce energy consumption. To generate renewable energy, we have installed Solar cells to generate 1000 units/ day and planned to increase to 1500 units/day. We have taken several initiatives to develop Clean Technology employing Green Chemistry concepts and 3R (Reduce, Reuse & Recycle) concept in manufacturing and water recyclability.

vi. **Are the emissions / Waste generated by the Company within the permissible limits given by CPCB/ SPCB for the financial year being reported?**

Yes. The emissions/ waste generated by the Company are within the limits prescribed by CPCB/ SPCB.

vii. **Number of show cause / legal Notices received from CPCB/ SPCB which are pending (i.e., not resolved to satisfaction) as at the end of the Financial Year.**

The Company has not received any show cause / legal notice from CPCB/ SPCB during the period under review.

Principle 7 – Businesses, when engaged in influencing public and regulatory policy, should do so in a responsive manner

i. **Is your company a member of any trade and chamber or associations? If yes, Name only those major ones that your business deals with:**

Yes. The Company is a member of the following Bodies / Institutions:-

1. Indian Chemical Council.
2. All India Rubber Industry Association.
3. Indian Rubber Institute.
4. Bombay Chamber of Commerce and Industry.
5. Indian Merchants Chamber.

ii. **Have you advocated/ lobbied through above associations for the advancement or improvement of any public good? Yes/No. If yes, please specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, water, Food Security, Sustainable Business Principles, Others).**

Occasionally in the past, we have taken the assistance from the Chambers / Association with respect to operational matters which are in the interest of the Company.

Principle 8 - Business should support inclusive growth and equitable development.

i. **Does the Company have specified programs / initiatives / projects in pursuit of the Policy related to Principle 8? If yes, details thereof.**

Yes. The Company is committed towards social inclusion and equitable development of communities. The initiatives encompass environment, health, education, sustainable livelihood etc.

ii. **Are the programs / projects undertaken through in-house team/ own foundation / external NGO / Government structures / any other organisation?**

The Company undertakes programs/projects through in-house team as well as through external NGOs under its CSR Policy.

Business Responsibility Report (Contd.)

iii. **Have you done any impact assessment of your initiative?**

The Company initially assesses the needs of the community / organisation from whom it receives the Appeal or proposal and thereafter plans the CSR expenditure accordingly. This process ensures that the funds earmarked for CSR are spent on the deserving cases only. However, the Company is not covered by Rule 8(3) of the Companies (Corporate Social Responsibility) Amendment Rules 2021, which makes it mandatory for every Company having average CSR obligation of ₹ 10 Crores or more in pursuance of Section 135 (5) of the Companies Act, 2013, in the three immediately preceding financial years to undertake an impact assessment through an independent agency, of their CSR projects having outlays of ₹ 1(One) Crore or more and which have been completed not less than one year before undertaking the impact assessment study.

iv. **What is your Company's direct contribution to community development projects? Amount in INR and the details of the projects undertaken.**

The Company directly contributes to the various community development projects. The details have been given in Annexure A to the Directors' Report for the Financial Year ended March 31, 2021.

v. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

The Company directly contributes to the various developmental programs undertaken by the NGOs. These organisations in turn ensure that the amount is utilised for the right cause and it reaches the intended beneficiaries. The Company also receives updates / progress from the NGOs.

Principle 9 – Businesses should engage with and provide value to their customers and consumers in responsive manner.

i. **What percentage of customer complaints / consumer cases are pending as on the end of the financial year?**

There are no customer complaints pending against the Company.

ii. **Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/ N.A.**

Yes. The Company displays product information as mandated under the applicable laws. Additionally, first aid information is also given in the event of unpleasant situations/ Accidents etc.

iii. **Is there any case filed by any stakeholder against the Company regarding their unfair trade practices, irresponsible advertising and /or anti–competitive behavior during the last five years and pending as on end of the financial year? If so, provide details thereof, in about 50 words or so.**

There are no cases filed against the Company pertaining to unfair trade practices, irresponsible advertising and / or anti – competitive behavior during the last five years.

iv. **Did your company carry out any consumer survey / customer satisfaction trends?**

The Company is customer focused and has standard process where it carries out survey and takes feedback of Domestic and International customers on yearly basis. The Company also receives frequent evaluation on its products and services from major end-users. Due to pandemic, we could not conduct survey in the year 2020-21. Once the pandemic is over, we have plans to conduct customer satisfaction survey.

For and on behalf of the Board of Directors

Place : Mumbai
Date : May 27, 2021

Hrishikesh A. Mafatlal
Chairman

FORM 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 or associate companies or joint ventures

Part A Subsidiaries

1	Sl. No.	1
2	Name of the subsidiary	PIL Chemicals Limited
3	Date since when the subsidiary was acquired	February 22, 2007
4	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	April 01, 2020 to March 31, 2021
5	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Not Applicable
6	Share capital	835
7	Reserves & surplus	2,792
8	Total assets	4,245
9	Total Liabilities	4,245
10	Investments	1,133
11	Turnover	1,518
12	Profit before taxation	295
13	Provision for taxation	103
14	Profit after taxation	192
15	Proposed Dividend	6%
16	% of shareholding	100%

Notes:

1 Names of subsidiaries which are yet to commence operations: None

2 Names of subsidiaries which have been liquidated or sold during the year: None

Part B Associates and Joint Ventures: None

For and on behalf of the Board of Directors

Hrishikesh A. Mafatlal
Chairman
DIN: 00009872

D.N. Mungale
Director & Chairman -
Audit Committee
DIN: 00007563

S.R. Deo
Managing Director
DIN:01122338

P. Srinivasan
Chief Financial Officer

Amit K. Vyas
Company Secretary

Place: Mumbai
Date: May 27,2021

Independent Auditors' Report

To the Members of NOCIL LIMITED

REPORT ON THE AUDIT OF THE STANDALONE IND-AS FINANCIAL STATEMENTS

Opinion

We have audited the accompanying standalone Ind-AS financial statements of ***NOCIL LIMITED*** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, the Cash Flow Statement for the year then ended and the Notes to the standalone Ind-AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind-AS 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (India Accounting Standard) Rules, 2015, as amended, (Ind-AS) and with other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the profits, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone Ind-AS financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Ind-AS 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 together with the ethical requirements that are relevant to our audit of the standalone Ind-AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind-AS financial statements of the current period. These matters were addressed in the context of our audit of the standalone Ind-AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. no.	Key audit matter description	How the scope of our audit addressed the key audit matter
1	**Revenue Recognition and Measurement** Refer to Note 2(k) (Accounting policies) for revenue recognition and measurement, Note 26 of the Standalone Ind-AS Financial Statements for aggregate revenue from sale of goods recognised as required by the applicable Ind AS. For the year ended March 31, 2021, the Company recognised revenues from sale of goods aggregating to ₹ 91,306 Lakhs (previous year ₹ 83,775 Lakhs). The Company recognises revenue from sale of goods when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and the products have been delivered to the customer.	Our procedures included: **Accounting policies:** Assessing the Company's revenue recognition policies, including those related to commission, discounts, rebates and returns by comparing with the applicable Ind AS. **Tests of controls:** Evaluating the design and testing the operating effectiveness of controls over the accuracy of commission, discounts, incentives and rebates and correct timing of revenue recognition. **Tests of details:** - Verifying the supporting documentation for determining that the revenue was recognised in the correct accounting period.

Independent Auditors' Report (Contd.)

Sr. no.	Key audit matter description	How the scope of our audit addressed the key audit matter
	Amounts disclosed as revenue are net of customer returns, trade allowance, rebates, goods and services tax and amount collected on behalf of third parties. **Risk identified:** Revenue is recognised when control of the underlying goods is transferred to the customer. There may be a risk of revenue being overstated due to pressure from Management to achieve performance targets at the reporting period end.	- Comparing the commission, discounts, incentives and rebates with the prior year and, where relevant, performed further inquiries and testing. - Verifying the manual journals posted to revenue to identify unusual or irregular items. - To assess the recoverability of trade receivables, our procedures included an assessment of whether the provision against, or write off, impacted our view as to the initial recognition of the related revenue. **Performing substantive analytical procedures:** Developing an expectation of the current year revenue based on trend analysis and recent market conditions and growth of the Company and compared the same with the actuals, accompanied with further inquiries and testing. We also assessed as to whether the disclosures in respect of revenue were adequate.
2	**Property, Plant and Equipment Capitalisation** Refer to Note 2(a) (Accounting policies) for Property, Plant and Equipment measurement as required by the applicable Ind AS. During the year ending March 31, 2021, the Company has capitalised ₹ 16,042 Lakhs. **Risk identified:** Capitalisation of costs and the useful lives assigned to assets are areas of judgement by Management. These manifest themselves in the following two audit risks: – the risk that amounts being capitalised do not meet capitalisation criteria; and – the risk that the useful economic lives assigned to assets are inappropriate.	Our procedures included: **Accounting policies:** Assessing the Company's capitalisation process and policies, by comparing with the applicable Ind AS. **Tests of controls:** Evaluating the design and testing the operating effectiveness of controls over the accuracy of amount capitalised, estimation of useful life and correct timing of capitalisation. We determined that the operation of the controls provided to us with audit evidence in respect of the capitalisation of costs. **Tests of details:** We tested costs capitalised in the year and considered the ageing of assets in the course of construction. We assessed the nature of costs incurred in capital projects through testing of amounts recorded and considering whether the expenditure met the criteria for capitalisation under accounting standards. We found no material misstatements from our testing.

Independent Auditors' Report (Contd.)

Sr. no.	Key audit matter description	How the scope of our audit addressed the key audit matter
		We tested the controls over the annual review of asset lives. In addition, we tested whether Management's views on asset lives are supportable by considering our knowledge of the business. We also tested whether the prior year asset life review has been appropriately applied and assessed the judgements made by Management in the current year review.
3.	**System environment and internal controls** **Risk identified:** The IT and business process controls implemented might not be designed, implemented or operating in a manner conducive to the effective processing and reporting of financial information. The fragmented system environment introduces risks related to system access, change management, and we have accordingly designated this as a focus area in the audit. The risk of end user devices which are used to store or process the Company's information are encrypted to prevent breach of the Company's information. The risk of access to Operating system and SAP codes are given to appropriate persons.	Our procedures included: **Tests conducted:** Our response to the risks related to the system environment includes both the test of IT and business process controls. We also performed sufficient tests of details as part of our audit. We tested the Company's controls around access and change management related to key IT systems through our Information Technology specialist.

INFORMATION OTHER THAN THE STANDALONE IND-AS FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the other information. The other information comprises the Director's Report and Report on Corporate Governance but does not include the standalone Ind-AS financial statements and our auditor's report thereon which we obtained prior to the date of this auditor's report.

Our opinion on the standalone Ind-AS 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 standalone Ind-AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind-AS financial statements or our knowledge obtained in the 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.

Independent Auditors' Report (Contd.)

RESPONSIBILITIES OF MANAGEMENT FOR THE STANDALONE IND-AS 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 Ind-AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity 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.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind-AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind-AS 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 the Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE IND-AS FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone Ind-AS 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 SAs 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 Ind-AS financial statements.

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

- Identify and assess the risks of material misstatement of the 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 Companies Act, 2013, 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 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 financial statements, including the disclosures,

Independent Auditors' Report (Contd.)

and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of the users of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone Ind-AS financial statements.

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 Ind-AS 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, 2016, ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.

2. As required by section143(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 purpose of our audit.

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.

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

    d) In our opinion, the aforesaid standalone Ind-AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with relevant rules issued thereunder.

    e) On the basis of the written representations received from the Directors of the Company as on March 31, 2021 and taken on record by the Board of Directors, none of the Directors of the Company are disqualified as on March 31, 2021, 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".

    g) According to information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by 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, in our opinion and to the best of our information and according to the explanations given to us:

i) The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind-AS financial statements - Refer Note 37 to the standalone Ind-AS financial statements.

ii) The Company has made provision, as required under the applicable laws or Accounting Standards for material foreseeable losses, if any, on long term contracts including derivative contracts. Refer Note 2(i) and Note 42.5.2 to the standalone Ind-AS financial statements.

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

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Reg. No.: 104607W / W100166

Daraius Z. Fraser
Partner
M. No.: 42454
UDIN: 21042454AAAACO7211
Mumbai: May 27, 2021

Annexure A to the Independent Auditor's Report

The Annexure referred to in paragraph 1 'Report on Other Legal and Regulatory Requirements' in our Independent Auditors' Report to the members of the Company on the Standalone Ind-AS Financial Statements for the year ended March 31, 2021:

STATEMENT ON MATTERS SPECIFIED IN PARAGRAPHS 3 AND 4 OF THE COMPANIES (AUDITOR'S REPORT) ORDER, 2016:

1. Fixed Assets:

   a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

   b) As explained to us, the Company has a program for physical verification of fixed assets at periodic intervals. In our opinion, the period of verification is reasonable having regard to the size of the Company and the nature of its assets. The Company has conducted physical verification of fixed assets during the year. The discrepancies reported on such verification are not material and have been properly dealt with in the books of account.

   c) According to the information and explanations given to us and on the basis of the records of the Company examined by us, the title deeds of immovable properties are held in the name of the Company or in the name of the erstwhile Companies that have merged with the Company.

2. The Management has conducted physical verification of inventory at reasonable intervals and obtained inventory confirmations from third parties in respect of inventory lying with them. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on physical verification were not material in relation to the operations of the Company and the same have been properly dealt with in the books of account.

3. During the year, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section189 of the Companies Act, 2013. Therefore, the provisions of sub-clause (a), (b) and (c) of paragraph 3 (iii) of the Order are not applicable.

4. According to the information and explanations given to us, the Company has not advanced any loans or given guarantee or provided any security to parties covered under section 185 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us and records examined by us, the provisions of section 186 of the Companies Act, 2013, in respect of investments made have been complied with by the Company. The Company has not given any loans or guarantees.

5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of sections 73 to 76, or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder. No order has been passed by the Company Law Board, or National Company Law Tribunal, or Reserve Bank of India, or any Court, or any other Tribunal.

6. According to the information and explanations given to us, the Company has, prima facie, made and maintained the prescribed cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub section (1) of Section 148 of the Companies Act, 2013. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

7. Statutory Dues:

   a) According to the information and explanations given to us and on the basis of the records examined by us, the Company is regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales tax, Goods and Service Tax, Service tax, Duty of Customs, Duty of Excise, Value Added tax, Cess and any other statutory dues with the appropriate authorities wherever applicable. We have been informed that there are no undisputed dues which have remained outstanding as at the last day of the financial year, for a period of more than six months from the date they became payable.

Annexure A to the Independent Auditor's Report (Contd.)

b) According to the information and explanations given to us, there are no dues of Income-tax, Sales tax, Goods and Service Tax, Duty of Customs, Duty of Excise or Value Added tax outstanding on account of any dispute, other than the following:

Name of Statute	Nature of Dues	Amount (₹ Lakhs)	Period to which the amount relates	Forum where dispute is pending
The Central Excise Act, 1944	Excise Duty / Service Tax demands relating to disputed classification, assessable values, etc., which the Company has contested and is in appeals.	8.39	1991-1996, 1997-1999	Commissioner
The Customs Tariff Act, 1962	Custom Duty demands relating to classifications, etc. Net of amount paid under protest ₹ 4.69 Lakhs	Nil	2011-2013	CESTAT
Central Sales Tax Act 1956 and various State Sales Tax Acts	Sales Tax demands. Net of amount paid under protest ₹ 13.37 Lakhs	358.71	1995-1999, 2003-2004	Appellate Tribunal
		5.65	2001-2002, 2004-2005	Commissioner (Appeals)
		1,301.01	2008-09, 2011-16	Commissioner (Appeals)
The Finance Act 1994	Service Tax relating to disputed classification, assessable values, etc., which the Company has contested and is in appeals at various levels. Net of amount paid under protest ₹ 5.99 Lakhs	190.90	2010-2016	CESTAT
		1.81	2015-2018	Superintendent Customs & Central Excise
Income-tax Act, 1961	Income-tax demands against which the Company has preferred appeals. Net of amount paid under protest ₹ 237.87 Lakhs	43.34	2011-12, 2012-13, 2016-17	Commissioner of income tax appeals
Employees Provident Funds & Miscellaneous Provisions Act, 1952	Provident Fund Contribution Case (PPD and PCD)	9.92	2002-2004	Assistant PF Commissioner

8. According to the information and explanations given to us and based on the documents and records produced before us, there has been no default in repayment of dues to banks. There are no dues to financial institutions, debenture holders and Government.

Annexure A to the Independent Auditor's Report (Contd.)

9. According to the information and explanations given to us, the Company has neither raised money through initial public offer or further public offer nor taken any term loans, hence the provisions of paragraph 3 (ix) of the Order are not applicable.

10. During the course of our examination of the books of account and records of the Company, to the best of our knowledge and belief and according to the information and explanations given to us by the Management, no fraud by, or on the Company by its officers or employees, has been noticed or reported during the year.

11. According to the information and explanations given to us and on the basis of the records examined by us, the Company has paid or provided managerial remuneration in accordance with the provisions of section 197 read with Schedule V to the Act.

12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company.

13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and details of such transactions have been disclosed in the standalone Ind-AS financial statements as required by the applicable accounting standards.

14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

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

16. In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Reg. No.: 104607W / W100166

Daraius Z. Fraser
Partner
M. No.: 42454
UDIN: 21042454AAAACO7211
Mumbai: May 27, 2021

Annexure B to the Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls with reference to financial statements of **NOCIL LIMITED** ("the Company") as of March 31, 2021, in conjunction with our audit of the standalone Ind-AS 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 with reference to financial statements 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 (the "Act" or the "Companies Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements 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 the Institute of Chartered Accountants of India ("the 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 ICAI. 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 Ind-AS 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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone Ind-AS financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to financial statements 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 Ind-AS 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

Annexure B to the Independent Auditor's Report (Contd.)

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 standalone Ind-AS financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

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 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, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control with reference to financial statements 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 ICAI.

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Reg. No.: 104607W / W100166

Daraius Z. Fraser
Partner
M. No.: 42454
UDIN: 21042454AAAACO7211
Mumbai: May 27, 2021

Standalone Balance Sheet

As at March 31, 2021

(₹ in Lakhs)

Particulars	Note	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	3	89,016	76,780
(b) Capital work-in-progress		1,397	15,630
(c) Investment Property	4	44	46
(d) Intangible assets	5	114	122
(e) Investments in Wholly Owned Subsidiary	6	2,504	2,504
(f) Financial Assets			
(i) Other Investments	7	2,471	2,388
(ii) Other financial assets	8	680	622
(g) Non - Current tax assets		1,538	1,621
(h) Other non-current assets	9	1,111	1,390
Total Non - Current Assets		**98,875**	**101,103**
Current Assets			
(a) Inventories	10	16,525	13,612
(b) Financial Assets			
(i) Investments	11	3,239	2,320
(ii) Trade receivables	12	30,856	20,321
(iii) Cash and cash equivalent	13	4,409	837
(iv) Bank balances other than (iii) above	14	3,556	443
(v) Other financial assets	15	145	103
(c) Other current assets	16	2,285	4,048
Total Current Assets		**61,015**	**41,684**
Total Assets		**159,890**	**142,787**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	17	16,622	16,561
(b) Other Equity	18	110,728	101,040
Total Equity		**127,350**	**117,601**
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Financial Lease Liability	19	386	687
(b) Provisions	20	1,563	1,633
(c) Deferred tax liabilities (Net)	34	9,563	8,865
(d) Other non-current liabilities	21	-	7
Total Non - Current Liabilities		**11,512**	**11,192**
Current Liabilities			
(a) Financial Liabilities			
(i) Trade payables			
(a) Total outstanding dues of micro and small enterprises	22	485	615
(b) Total outstanding dues to creditors other than micro and small enterprises	22	16,611	8,308
(ii) Other financial liabilities	23	2,641	4,040
(b) Other current liabilities	24	653	368
(c) Provisions	25	534	662
(d) Current tax liabilities		104	1
Total Current Liabilities		**21,028**	**13,994**
Total Equity and Liabilities		**159,890**	**142,787**
Significant accounting policies	2		

The accompanying notes form an integral part of the Standalone Financial Statements

In terms of our report attached

For and on behalf of the Board of Directors

For KALYANIWALLA & MISTRY LLP
Chartered Accountants
Firm Regn No.: 104607W/W100166

Hrishikesh A. Mafatlal
Chairman
DIN: 00009872

D. N. Mungale
Director & Chairman-Audit Committee
DIN: 00007563

S. R. Deo
Managing Director
DIN: 01122338

Daraius Z. Fraser
Partner
Membership No. 42454

P. Srinivasan
Chief Financial Officer

Amit K. Vyas
Company Secretary

Place : Mumbai
Dated : May 27, 2021

Standalone Statement of Profit and Loss

For the year ended March 31, 2021

(₹ in Lakhs)

Particulars	Note	For the year ended March 31, 2021	For the year ended March 31, 2020
I Revenue from operations	26	92,466	84,629
II Other Income	27	1,428	970
III Total Income (I + II)		**93,894**	**85,599**
IV Expenses			
(a) Cost of materials consumed	28	47,876	36,719
(b) Purchases of Stock-in-trade		142	260
(c) Changes in stock of finished goods, work-in-progress and stock-in-trade	29	2,460	1,805
(d) Employee benefit expense	30	6,722	7,413
(e) Finance costs	31	96	132
(f) Depreciation and amortisation expense	32	3,607	3,242
(g) Other expenses	33	22,573	20,787
Total Expenses (IV)		**83,476**	**70,358**
V Profit Before Tax (III - IV)		**10,418**	**15,241**
VI Tax Expense			
(a) Current tax	34	2,416	3,866
(b) Deferred tax	34	638	(1,723)
(c) (Excess) / Short Provision for tax relating to earlier years	34	(1,285)	-
Total Tax Expense (VI)		**1,769**	**2,143**
VII Profit After Tax (V -VI)		**8,649**	**13,098**
VIII Other Comprehensive Income			
A (i) Items that may be reclassified to profit or loss		-	-
B (i) Items that will not be reclassified to profit or loss			
(a) Remeasurements of the defined benefit liabilities / (asset)		128	(160)
(b) Equity instruments through other comprehensive income		565	(930)
(ii) Income tax relating to items that will not be reclassified to profit or loss			
(a) On Remeasurements of the defined benefit liabilities / (asset)	34	(1)	(2)
(b) On Equity instruments through other comprehensive income	34	(59)	(51)
Total Other Comprehensive Income for the year		**633**	**(1,143)**
IX Total Comprehensive Income for the year (VII+VIII)		**9,282**	**11,955**
X Earnings Per Equity Share (Face Value ₹ 10/- each)	35		
(a) Basic		5.21	7.91
(b) Diluted		5.20	7.91

Significant accounting policies 2

The accompanying notes form an integral part of the Standalone Financial Statements

In terms of our report attached

For and on behalf of the Board of Directors

For KALYANIWALLA & MISTRY LLP
Chartered Accountants
Firm Regn No.: 104607W/W100166

Hrishikesh A. Mafatlal
Chairman
DIN: 00009872

D. N. Mungale
Director & Chairman-Audit Committee
DIN: 00007563

S. R. Deo
Managing Director
DIN: 01122338

Daraius Z. Fraser
Partner
Membership No. 42454

P. Srinivasan
Chief Financial Officer

Amit K. Vyas
Company Secretary

Place : Mumbai
Dated : May 27, 2021

Standalone Statement of Cash Flows

For the year ended March 31, 2021

(₹ in Lakhs)

Particulars		For the year ended March 31, 2021	For the year ended March 31, 2020
A	**Cash flows from operating activities**		
	Profit before tax	10,418	15,241
	Adjustments for:		
	Finance costs	96	132
	Interest income	(1,150)	(90)
	Dividend income *	(0)	(332)
	Miscellaneous Income (Refer Note 45)	(7)	-
	Loss on disposal / scrapping / write off of property, plant and equipment	23	6
	Excess provision for earlier years written back	(146)	(58)
	VAT Set Off Reversal	30	-
	Fair Value (gain)/loss on investments	(167)	(224)
	Depreciation / amortisation expenses	3,607	3,242
	Unrealised foreign exchange revaluation	(69)	(126)
	Expense recognised in respect of equity-settled share-based payments	96	199
	Rent from Investment Property / Others	(39)	(43)
	Income from Redemption of Mutual Fund	(56)	(121)
	Remeasurement of defined benefit liabilities / (assets) through OCI	128	(160)
	Operating profit before working capital changes (i)	**12,764**	**17,666**
	Adjustments for:		
	(Increase)/Decrease in Trade Receivables	(10,459)	3,076
	(Increase)/Decrease in Inventories	(2,913)	3,430
	(Increase)/Decrease in Other Assets - Current & Non Current	2,008	(794)
	(Increase)/Decrease in Other Financial Assets - Current & Non Current	(48)	(69)
	Increase/(Decrease) in Trade Payable	8,272	(969)
	Increase/(Decrease) in Provisions - Current & Non Current	(199)	253
	Increase/(Decrease) in Other Financial Liabilities - Current / Non Current	(327)	84
	Increase/(Decrease) in Other Liabilities - Current	(50)	139
	Changes in Working Capital (ii)	**(3,716)**	**5,150**
	Cash generated from operations (iii) = (i+ii)	**9,048**	**22,816**
	(Income taxes paid) / Refund (net) (iv)	(10)	(5,100)
	Net cash generated by operating activities (v)= (iii)+(iv)	**9,038**	**17,716**
B	**Cash flows from investing activities**		
	Payments to acquire financial assets	(12,882)	(23,744)
	Proceeds on redemption of financial assets	9,500	30,694
	Income from Promoter Entities post merger (Refer Note 45)	7	-
	Interest received	122	161
	Dividends received *	0	332
	Payments for purchase of property, plant and equipment	(2,637)	(17,900)

Standalone Statement of Cash Flows

For the year ended March 31, 2021 (Contd.)

(₹ in Lakhs)

	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
	Proceeds from disposal of property, plant and equipment *	21	0
	Rent from Investment Property / Others	39	43
	Payments for Intangible assets	(36)	(29)
	Net cash (used in)/generated by investing activities (vi)	**(5,866)**	**(10,443)**
C	**Cash flows from financing activities**		
	Proceeds from issue of ESOPs	370	97
	Dividends paid (including tax)	(71)	(9,804)
	Interest paid on Lease liability	(59)	(88)
	Principal payment of Lease Liability	(175)	(218)
	Interest paid	(37)	(44)
	Net cash used in financing activities (vii)	**28**	**(10,057)**
	Net increase in cash and cash equivalents (v+vi+vii)	**3,200**	**(2,784)**
	Cash and cash equivalents at the beginning of the year	837	3,601
	Unrealised foreign exchange restatement in Cash and cash equivalents	36	20
	Acquired pursuant to the Scheme of Merger (Refer Note 45)	336	-
	Cash and cash equivalents at the end of the year	**4,409**	**837**
	Reconciliation of cash and cash equivalents with the Balance Sheet:		
	Cash and cash equivalents at end of the year (including other bank balances)	4,781	1,280
	Less: Bank balances held as margin money against guarantees not considered as Cash and cash equivalents	(372)	(443)
	Cash and cash equivalents at end of the year	**4,409**	**837**

* Amount less than ₹ 0.50 Lakhs

Note:

The accompanying notes form an integral part of the Standalone Financial Statements.

The above cash flow statement has been prepared under the “Indirect Method” as set out in the Indian Accounting Standard (IND AS - 7) “Statement of Cash Flow”.

In terms of our report attached

For and on behalf of the Board of Directors

For KALYANIWALLA & MISTRY LLP
Chartered Accountants
Firm Regn No.: 104607W/W100166

Hrishikesh A. Mafatlal
Chairman
DIN: 00009872

D. N. Mungale
Director & Chairman-Audit Committee
DIN: 00007563

S. R. Deo
Managing Director
DIN: 01122338

Daraius Z. Fraser
Partner
Membership No. 42454

P. Srinivasan
Chief Financial Officer

Amit K. Vyas
Company Secretary

Place : Mumbai
Dated : May 27, 2021

Statement of Changes in Equity

For the year ended March 31, 2021

(a) Equity share capital

(₹ in Lakhs)

Particulars	Amount
Balance as at March 31, 2019	**16,542**
Changes in equity share capital during the year:	
Issue of equity shares under employee stock option plan	19
Balance as at March 31, 2020	**16,561**
Changes in equity share capital during the year:	
Issue of equity shares under employee stock option plan	61
Balance as at March 31, 2021	**16,622**

(b) Other equity

(₹ in Lakhs)

Particulars	Other Equity					Other Comprehensive Income		Total
	Capital reserve	Securities premium	General reserve	ESOP outstanding reserve	Retained earnings	Equity Instrument through OCI	Other Items of OCI	
Balance as at March 31, 2019	**15**	**1,836**	**4,865**	**422**	**94,468**	**(2,252)**	**(590)**	**98,764**
Profit for the year	-	-	-	-	13,098	-	-	13,098
Other Comprehensive Income for the year, net of income tax	-	-	-	-	-	(981)	-	(981)
Remeasurement of Defined Benefit Obligation, net of income tax	-	-	-	-	-	-	(162)	(162)
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**13,098**	**(981)**	**(162)**	**11,955**
Premium on shares issued	-	116	-	-	-	-	-	116
Recognition of share based payments	-	-	-	162	-	-	-	162
Payment of dividend and Dividend distribution tax thereon	-	-	-	-	(9,957)	-	-	(9,957)
Balance as at March 31, 2020	**15**	**1,952**	**4,865**	**584**	**97,609**	**(3,233)**	**(752)**	**101,040**
Profit for the year	-	-	-	-	8,649	-	-	8,649
Other Comprehensive Income for the year, net of income tax	-	-	-	-	-	506	-	506
Remeasurement of Defined Benefit Obligation, net of income tax	-	-	-	-	-	-	127	127
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**8,649**	**506**	**127**	**9,282**
Premium on shares issued	-	444	-	-	-	-	-	444
Recognition of share based payments	-	-	-	(38)	-	-	-	(38)
Balance as at March 31, 2021	**15**	**2,396**	**4,865**	**546**	**106,258**	**(2,727)**	**(625)**	**110,728**

Refer Note 18 for nature and purpose of Reserves.

The accompanying notes form an integral part of the standalone Financial Statements

In terms of our report attached

For and on behalf of the Board of Directors

For KALYANIWALLA & MISTRY LLP
Chartered Accountants
Firm Regn No.: 104607W/W100166

Daraius Z. Fraser
Partner
Membership No. 42454

Place : Mumbai
Dated : May 27, 2021

Hrishikesh A. Mafatlal
Chairman
DIN: 00009872

D. N. Mungale
Director & Chairman-Audit Committee
DIN: 00007563

S. R. Deo
Managing Director
DIN: 01122338

P. Srinivasan
Chief Financial Officer

Amit K. Vyas
Company Secretary

Notes to Standalone Financial Statements

For the year ended March 31, 2021

NOTE 1: GENERAL INFORMATION

a) Corporate information

NOCIL Limited ("the Company") having Company Identification No: L99999MH1961PLC012003 is a limited company incorporated on May 11, 1961, and is engaged in manufacture of rubber chemicals domiciled in India. The Company has manufacturing facilities at Navi Mumbai (Maharashtra) and at Dahej (Gujarat). The address of its registered office is Mafatlal House, H.T. Parekh Marg, Backbay Reclamation, Churchgate, Mumbai 400 020, Maharashtra, India. The products manufactured by the Company are used by the tyre industry and other rubber processing industries.

b) Basis of preparation and presentation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India under the historical cost convention on accrual basis at the end of each reporting period except for:

- Certain financial Assets and Liabilities that are measured at fair value
- Defined Benefit Plans that are measured at fair value
- Share based payments – calculated using the Black and Scholes option pricing model

The Generally Accepted Accounting principles in India comply in all material aspects with the Indian Accounting Standards ('Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 (the Act) read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended thereunder and other relevant provisions of the Act.

The financial statements have been prepared on going concern basis. The accounting policies are applied consistently to all periods presented in the financial statements. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III of the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for proceeding and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as not exceeding 12 months for the purpose of current or non-current classification of assets and liabilities.

The financial statements of the Company for the year ended March 31, 2021 have been approved for issue in accordance with the resolution of the Board of Directors on May 27, 2021.

c) Functional and presentational currency

The financial statements are presented in Indian Rupees (₹), which is the Company's functional and presentation currency. All amounts have been rounded to the nearest Lakhs as per the requirement of Schedule III, unless otherwise indicated.

d) Key estimates and assumptions

The preparation of financial statements requires Management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods of the revision if it affects both current and future periods.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are as follows:

- Determination of the estimated useful lives of tangible assets and the assessment as to which components of the cost may be captialised (Note 2(a)).

Notes to Standalone Financial Statements

For the year ended March 31, 2021 (Contd.)

- Determination of the estimated useful lives of intangible assets (Note 2(c)).
- Impairment of Property, Plant and Equipment (Note 2(d)).
- Recognition and measurement of defined benefit obligations (Note 2(l) and Note 40).
- Fair valuation of employee share options (Note 2(m) and Note 39).
- Discounting of long-term financial liabilities.
- Fair value of financial instruments (Note 1(e)).
- Recognition and measurement of provisions and contingencies, key assumptions about the likelihood and magnitude of an outflow of resources (Note 2(r)).
- Accruals of Sales incentives, Commission, etc.

e) Measurement of Fair value

The Company's accounting policies and disclosures require the measurement of fair values for financial instruments. The Company has an established control framework with respect to the measurement of fair values. The Management regularly reviews significant inputs and valuation adjustments. If third party information, such as Government approved valuers, broker quotes or pricing services, is used to measure fair values, then the Management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

While measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 inputs for the assets or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

a) Property, Plant and Equipment

Property, Plant and Equipment (PPE) are stated at cost of acquisition, including any attributable cost for bringing the asset to its working condition for its intended use less accumulated depreciation and less accumulated impairment, if any. Cost includes expenses related directly to acquisition and installation of the concerned assets, borrowing cost during the construction period and estimated costs of dismantling and removing the item and restoring the site on which it is located and excludes any duties / taxes recoverable.

Advances paid towards the acquisition of PPE outstanding at each reporting date is classified as Capital Advances under "Other Non-Current Assets" and assets which are not ready for intended use as on the date of balance Sheet are disclosed as "Capital Work in Progress".

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes all costs incurred to bring the assets to their present location and condition. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Notes to Standalone Financial Statements

For the year ended March 31, 2021 (Contd.)

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted and depreciated for as separate items (major components) of property, plant and equipment.

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from de-recognition of fixed assets 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.

The estimated 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.

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the items will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred.

When significant identifiable parts of PPE are required to be replaced, the Company de-recognises the replaced parts and recognises the new part with its own associated useful life and it is depreciated accordingly. In other cases, expenses are charged off to the Statement of Profit and Loss.

Depreciation is provided, under the Straight Line Method basis so as to write off the original cost of the asset less its estimated residual value over the estimated useful life. The Management's estimate of useful lives is in accordance with Schedule II to the Companies Act, 2013. Assets costing ₹. 50,000 or less are fully depreciated in the year of purchase. Leasehold land is amortised on a straight line basis over the period of the lease.

b) Investment Property

Land or Building held to earn rentals or for capital appreciation or both rather than for use in the production or supply of goods and services or for administrative purposes; or sale in the ordinary course of business is recognised as Investment Property. Investment Property are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Though, the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in Notes. Fair values are determined based on an annual evaluation performed by a Government approved valuer.

Investment properties are de-recognised either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the Statement of Profit and Loss in the period of de-recognition.

c) Intangible Assets

An Intangible asset is recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably. Intangible assets that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortised over their estimated useful life. The useful life of intangible assets are assessed as either finite or infinite. Amortisation is recognised on a straight line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Estimated useful lives of finite intangible assets are as follows:

Patents	10 years
Software	3 years

Changes in the expected useful life are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. 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.

Gains or losses arising from de-recognition of an intangible asset 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.

d) Impairment of Non-Financial Assets

At the end of each reporting period, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication of an impairment loss. If any such indication exists, the recoverable amounts are estimated in order to determine the extent of the impairment loss (if any). An impairment loss is recognised whenever the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount. The impairment loss, if any, is recognised in the Statement of Profit and Loss in the period in which impairment takes place.

Recoverable amount is higher of an assets net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an assets and from its disposal at the end of its useful life. Where an impairment loss subsequently reverses, the carrying amount of the assets is increased to the revised estimate of its recoverable amount, however subject to the increased carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior accounting periods.

e) Inventories

Inventories are measured at lower of 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, raw materials, trading and other products is determined on weighted average basis. Cost of work-in-progress and finished stock is determined by the absorption costing method.

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

Provision is made for cost of obsolescence and other anticipated losses, whenever considered necessary by Management based on the best judgement and estimates.

f) Cash and Cash Equivalents

Cash and Cash Equivalents in the Balance Sheet comprises cash on hand, bank balances and short term deposits with banks with an original maturity of three months or less which are readily convertible into cash and which are subject to insignificant risk of changes in value.

For the purpose of the Statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

g) Cash flow statement

Cash Flows are reported using Indirect Method, whereby profit for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

h) Investment in Subsidiaries

Investment in Subsidiary entities is carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiary entity the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

Notes to Standalone Financial Statements

For the year ended March 31, 2021 (Contd.)

i) **Financial instruments**

A financial instrument is any contract that gives rise to financial assets of one entity and financial liability or equity of another entity. Financial instruments also include derivative contracts such as foreign currency foreign exchange forward contracts.

➢ **Financial Assets**

Initial recognition:

Financial assets are recognised when a Company becomes a party to the contractual provisions of the instruments. Financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of financial assets.

Subsequent measurement of financial assets:

Financial assets are subsequently classified and measured at:

- amortised cost
- fair value through Profit and Loss (FVTPL)
- fair value through Other Comprehensive Income (FVTOCI).

Financial assets are not reclassified subsequent to their recognition, except if and in the period the Company changes its business model for managing financial assets.

Trade Receivables and Loans:

Trade receivables are initially recognised at fair value. Subsequently, these assets are held at amortised cost, using the effective interest rate (EIR) method net of any expected credit losses. The EIR is the rate that discounts estimated future cash income through the expected life of financial instruments.

For investments in mutual fund, the Company has opted to account for the fair value through profit or loss.

Debt Instruments:

Debt instruments are initially measured at amortised cost, fair value through other comprehensive income ('FVTOCI') or fair value through profit or loss ('FVTPL') till de-recognition on the basis of

- the Company's business model for managing the financial assets and

- the contractual cash flow characteristics of the financial asset.

- Measured at amortised cost:

  Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the effective interest rate ('EIR') method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

- Measured at Fair value through other comprehensive income (FVTOCI):

  Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognised in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'Other Income' in the Statement of Profit and Loss.

- Measured at Fair Value Through profit and Loss (FVTPL):

  A financial asset not classified as either amortised cost or FVTOCI, is classified as

Notes to Standalone Financial Statements
For the year ended March 31, 2021 (Contd.)

FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'Other Income' in the Statement of Profit and Loss.

Equity Instruments:

- Measured at Fair Value Through profit and Loss (FVTPL):

  Investments in equity instruments other than investments in subsidiaries are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for equity instruments which are not held for trading.

- Measured at Fair value through other comprehensive income (FVTOCI):

  On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs.

  Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserve for 'equity instruments through other comprehensive income'. The cumulative gain or loss is reclassified to Statement of Profit and Loss on full disposal of the investments.

Impairment of financial assets:

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset.

For trade receivables, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

De-recognition of financial assets:

The Company de-recognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

➢ **Financial liabilities**

Initial recognition

Financial liabilities are recognised when the Company becomes a party to the contractual

Notes to Standalone Financial Statements

For the year ended March 31, 2021 (Contd.)

provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss. In case of trade payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised cost, using the effective interest method.

Subsequent Measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss. The interest expenses using the effective interest method is recognised over the relevant period of the financial asset. The same is included under Finance cost in the Statement of profit and Loss unless it is capitalised as part of cost of an item of Property, Plant and Equipment.

De-recognition

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 de-recognition of the original liability and the recognition of the new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Statement of Profit and Loss immediately.

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of Ind AS 109 are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

Offsetting of financial instruments

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. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

j) Foreign Exchange Transactions

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are restated at the rates prevailing at the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated. Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise.

k) Revenue recognition

Revenue from sale of products is recognised when the products are dispatched to customers, all significant

Notes to Standalone Financial Statements

For the year ended March 31, 2021 (Contd.)

contractual obligations have been satisfied and the collection of the resulting receivable is reasonably expected. Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of customer returns, trade allowance, rebates, goods and services tax and amount collected on behalf of third parties.

Accumulated experience is used to estimate and provide for the discounts and returns. No element of financing is deemed present as the sales are made with normal credit days consistent with market practice.

Export incentives are recognised as income as per the terms of the scheme in respect of the exports made and included as part of "Other Operating Revenue".

Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that discounts the estimated future cash payments or receipts through the expected life of the financial instruments or a shorter period, where appropriate, to the net carrying amount of the financial assets. Interest income is included in other income in the Statement of Profit and Loss.

l) Employee benefits

Short-term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, performance incentives, etc., are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the employee renders the related service. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Post-Employment Benefits:

(a) Defined Contribution Plans

Payments made to a defined contribution plan such as Provident Fund, Family Pension, and Superannuation scheme are charged as an expense in the Statement of Profit and Loss as they fall due.

(b) Defined Benefit Plans

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, after discounting the same. The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. Re-measurement of the net defined benefit liability, comprises actuarial gains and losses which are recognized immediately in Other Comprehensive Income (OCI). Net interest expense/ (income) on the net defined liability/ (assets) is computed by applying the discount rate used to measure the net defined liability/ (asset). Net interest expense and other expenses related to defined benefit plans are recognized in Statement of Profit and Loss. When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in Statement of Profit and Loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(c) Other Long-Term Employee Benefits

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Re-measurement are recognised in Statement of Profit and Loss in the period in which they arise.

Notes to Standalone Financial Statements

For the year ended March 31, 2021 (Contd.)

m) Equity Share-Based Payments

Employees of the Company also receive remuneration in the form of share based payments in consideration of the services rendered.

Under the equity settled share based payment, the fair value on the grant date of the awards given to employees is recognised as 'employee benefit expenses' with a corresponding increase in equity over the vesting period. The fair value of the options at the grant date is calculated on the basis of the Black Scholes model. At the end of each reporting period, apart from the non-market vesting condition, the expense is reviewed and adjusted to reflect changes to the level of options expected to vest. When the options are exercised, the Company issues fresh equity shares.

When the terms of an equity-settled award are modified, an additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

n) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019, except those which are exempted under this standard, using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

As a Lessee

The Company's lease assets classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

(i) The contract involves the use of an identified asset

(ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and

(iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

As a Lessor

Lease payments under operating leases is generally recognised as an expense on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the underlying asset and recognised as an expense over the lease term on the same basis as the lease income.

o) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. 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.

p) Taxes on Income

Income tax expense comprises current tax expense and the deferred tax during the year. Current and deferred taxes are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current tax

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year and any adjustments to the tax payable or receivable in respect of previous years as determined in accordance with the provisions of the Income Tax Act,1961 that have been enacted or subsequently enacted at the end of the reporting period.

Current tax assets and current tax liabilities are offset when there is legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis or simultaneously

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

q) Government Grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received. The Company accounts for its entitlement as income on accrual basis.

Notes to Standalone Financial Statements

For the year ended March 31, 2021 (Contd.)

r) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has a present obligation as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date. The expenses relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

A contingent asset is not recognised but disclosed in the financial statements where an inflow of economic benefit is probable.

Provisions, contingent assets, contingent liabilities and commitments are reviewed at each balance sheet date.

s) Earnings Per Share (EPS)

Basic EPS is calculated by dividing the net profit or loss 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 for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

t) Dividend

The final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company’s Board of Directors

u) Segment Reporting

The Company is considered to be a single segment company – engaged in the manufacture of rubber chemicals. As per Ind AS-108 ‘Operating Segments’, if a financial report contains both the consolidated financial statements of a parent that is within the scope of Ind AS-108 as well as the parent’s separate financial statements, segment information is required only in the consolidated financial statements. Accordingly, information required to be presented under Ind AS-108 Operating Segments has been given in the consolidated financial statements.

Notes to Standalone Financial Statements

For the year ended March 31, 2021 (Contd.)

Recent Accounting and Other Pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'Financial Liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the Statement of Changes in Equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a Company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, ratios, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of Profit and Loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

  The Company will evaluate the amendments and its applicability to the Company and give effect to them as required by law.

- **Code of Social Security, 2020**

  The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.

Notes to Standalone Financial Statements

For the year ended March 31, 2021 (Contd.)

NOTE 3 : PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars	Land - Leasehold	Buildings	Right of Use Assets #	Plant and Equipment	Office Equipment	Furniture & Fixtures	Vehicles	Total
I. Gross Carrying Value								
Balance as at April 1, 2020	**24,413**	**18,995**	**1,136**	**51,857**	**556**	**373**	**416**	**97,746**
Additions	-	2,030	19	13,824	122	47	-	16,042
Disposals / Adjustments	-	-	(201)	(125)	(2)	-	(47)	(375)
Balance as at March 31, 2021	**24,413**	**21,025**	**954**	**65,556**	**676**	**420**	**369**	**113,413**
II. Accumulated depreciation and impairment								
Balance as at April 1, 2020	**1,789**	**2,347**	**271**	**15,773**	**335**	**243**	**208**	**20,966**
Depreciation expense for the year	447	665	221	2,020	102	66	40	3,561
Eliminated on disposal of assets	-	-	-	(106)	(1)	-	(23)	(130)
Balance as at March 31, 2021	**2,236**	**3,012**	**492**	**17,687**	**436**	**309**	**225**	**24,397**
III. Net Carrying value as at March 31, 2021 (I-II)	**22,177**	**18,013**	**462**	**47,869**	**240**	**111**	**144**	**89,016**

Refer note (d) below.

(₹ in Lakhs)

Particulars	Land - Leasehold	Buildings	Right of Use Assets #	Plant and Equipment	Office Equipment	Furniture & Fixtures	Vehicles	Total
I. Gross Carrying Value								
Balance as at April 1, 2019	**24,413**	**11,582**	**-**	**43,381**	**434**	**278**	**416**	**80,504**
Additions	-	7,413	1,136	8,491	122	95	-	17,257
Disposals	-	-	-	(15)	-	-	-	(15)
Balance as at March 31, 2020	**24,413**	**18,995**	**1,136**	**51,857**	**556**	**373**	**416**	**97,746**
II. Accumulated depreciation and impairment								
Balance as at April 1, 2019	**1,342**	**1,909**	**-**	**14,097**	**243**	**117**	**164**	**17,872**
Depreciation expense for the year	447	438	271	1,685	92	126	44	3,103
Eliminated on disposal of assets	-	-	-	(9)	-	-	-	(9)
Balance as at March 31, 2020	**1,789**	**2,347**	**271**	**15,773**	**335**	**243**	**208**	**20,966**
III. Net Carrying value as at March 31, 2020 (I-II)	**22,624**	**16,648**	**865**	**36,084**	**221**	**130**	**208**	**76,780**

Notes:

a) Property, Plant & Equipment relating to approved R & D facility included above is as under: (₹ in Lakhs)

Particulars	Gross Block	Depreciation	Net Block
Balance as at April, 1, 2020	**612**	**365**	**247**
Additions during the year	41	-	41
Depreciation expense for the year	-	36	(36)
Disposals / Deletions	(15)	(14)	(1)
Balance as at March 31, 2021	**638**	**387**	**251**

Notes to Standalone Financial Statements

For the year ended March 31, 2021 (Contd.)

b) Additions during the year includes preoperative expenses of ₹ 1,590 Lakhs incurred during the course of construction.

c) Refer note 37 for disclosure of contractual commitment for acquisition of Property, Plant and Equipment.

d) Right of use assets:

Effective April 1, 2019, the Company adopted Ind AS 116 “Leases” and applied the standard to all lease contracts existing on April 1, 2019, except those which are exempted under this standard, using the modified retrospective approach. Accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted. The Company has elected to measure the right-of-use asset equal to the lease liability, with the result of no net impact on retained earnings and no restatement of prior period comparatives.

Right of use assets and lease liabilities of ₹ 1,136 Lakhs have been recognised as on April 1, 2019. In the statement of profit and loss for the previous year, operating lease expenses which were recognised as other expenses in previous periods is now recognised as depreciation expense for the right-of-use asset and finance cost for interest accrued on lease liability. The adoption of this standard did not have any significant impact on the profit for the pevious year and earnings per share.

The weighted average incremental borrowing rate of 8.70% has been applied to lease liabilities recognised in the balance sheet at the date of initial application. Interest on lease liabilities is ₹ 59 Lakhs (Previous year ₹ 88 Lakhs) for the year.

NOTE 4 : INVESTMENT PROPERTY

(₹ in Lakhs)

Particulars	Buildings	Total
I. Gross Carrying Value		
Balance as at April 1, 2020	**83**	**83**
Additions	-	-
Disposals	-	-
Balance as at March 31, 2021	**83**	**83**
II. Accumulated depreciation and impairment		
Balance as at April 1, 2020	**37**	**37**
Depreciation expense for the year	2	2
Eliminated on disposal of assets	-	-
Balance as at March 31, 2021	**39**	**39**
III. Net Carrying value as at March 31, 2021 (I-II)	**44**	**44**

(₹ in Lakhs)

Particulars	Buildings	Total
I. Gross Carrying Value		
Balance as at April 1, 2019	**83**	**83**
Additions	-	-
Disposals	-	-
Balance as at March 31, 2020	**83**	**83**
II. Accumulated depreciation and impairment		
Balance as at April 1, 2019	**36**	**36**
Depreciation expense for the year	1	1
Eliminated on disposal of assets	-	-
Balance as at March 31, 2020	**37**	**37**
III. Net Carrying value as at March 31, 2020 (I-II)	**46**	**46**

Notes to Standalone Financial Statements

For the year ended March 31, 2021 (Contd.)

Note:

a) Fair value disclosures

The fair value of the Company's investment properties as at March 31, 2021 and March 31, 2020 has been arrived at on the basis of a valuation carried out on the respective dates by independent & government certified valuer not related to the Company. The fair value was determined based on the comparable sale and market analysis approach based on recent market prices without any significant adjustments being made to the market observable data. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

Details of the Company's investment properties and information about the fair value hierarchy as at March 31, 2021 and March 31, 2020 are as follows:

(₹ in Lakhs)

Particulars	Amount	Fair value hierarchy
As at March 31, 2021		
Fair value of Investment property - Units located in India	1,346	Level 2
As at March 31, 2020		
Fair value of Investment property - Units located in India	1,297	Level 2

b) The Company has no restriction on the releasability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements

c) Information regarding Income and Expenditure of Investment Properties

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Rental Income derived from Investment Properties	26	33
Less: Direct Operating Expenses	(22)	(8)
Gain arising from Investment properties before depreciation	4	25
Less: Depreciation	(2)	(1)
Net Gain arising from Investment properties	**2**	**24**

Notes to Standalone Financial Statements

For the year ended March 31, 2021 (Contd.)

NOTE 5 : INTANGIBLE ASSETS

(₹ in Lakhs)

Particulars	Patents	Software	Total
I. Gross Carrying Value			
Balance as at April 1, 2020	**482**	**359**	**841**
Additions	4	32	36
Disposals	-	-	-
Balance as at March 31, 2021	**486**	**391**	**877**
II. Accumulated amortisation			
Balance as at April 1, 2020	**480**	**239**	**719**
Amortisation expense for the year	1	43	44
Eliminated on disposal of assets	-		-
Balance as at March 31, 2021	**481**	**282**	**763**
III. Net Carrying value as at March 31, 2021 (I-II)	**5**	**109**	**114**

(₹ in Lakhs)

Particulars	Patents	Software	Total
I. Gross Carrying Value			
Balance as at April 1, 2019	**453**	**359**	**812**
Additions	29		29
Disposals	-	-	-
Balance as at March 31, 2020	**482**	**359**	**841**
II. Accumulated amortisation			
Balance as at April 1, 2019	379	202	581
Amortisation expense for the year	101	37	138
Eliminated on disposal of assets	-	-	-
Balance as at March 31, 2020	**480**	**239**	**719**
III. Net Carrying value as at March 31, 2020 (I-II)	**2**	**120**	**122**

Notes:

a) Intangible Assets relating to approved R & D facility included above is as under: (₹ in Lakhs)

Particulars	Gross Block	Amortisation	Net Block
Balance as at April, 1, 2020	30	9	21
Additions during the year	-	-	-
Amortisation expense for the year	-	3	(3)
Balance as at March 31, 2021	**30**	**12**	**18**

b) All Intangible assets held by the Company are purchased and not internally generated.

Notes to Standalone Financial Statements

For the year ended March 31, 2021 (Contd.)

NOTE 6 : INVESTMENT IN WHOLLY OWNED SUBSIDIARY

(₹ in Lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares/units	Amount	No. of shares/units	Amount
Unquoted Investments in equity shares				
In Wholly owned Subsidiary (at cost)				
PIL Chemicals Limited (₹ 10/- each, fully paid-up)	8,354,833	2,504	8,354,833	2,504
Total	**8,354,833**	**2,504**	**8,354,833**	**2,504**
Aggregate Amount of Unquoted Investments		2,504		2,504

NOTE 7 : NON CURRENT INVESTMENTS

(₹ in Lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares/units	Amount	No. of shares/units	Amount
a) Investment in equity instruments				
(i) Quoted Investments (at fair value through other comprehensive income (FVTOCI))				
- Mafatlal Industries Limited (₹ 10/- each, fully paid-up)	1,954,695	1,718	1,954,695	1,217
- HDFC Bank Limited (₹ 1/- each, fully paid-up)	10,000	150	10,000	86
Total Quoted Investments (A)		**1,868**		**1,303**
(ii) Unquoted Investments				
(at fair value through other comprehensive income (FVTOCI))				
- The Bharat Co-Operative Bank Limited (₹ 10/- each, fully paid-up)	10,000	1	10,000	1
- Shree Balaji Sahakari Sakhar Karkhana Limited * (₹ 2,000/- each, fully paid-up)	1	0	1	0
- Mafatlal Engineering Industries Limited (₹ 100/- each, fully paid-up)	17,101	18	17,101	18
Less: Provision for Impairment		(18)		(18)
		-		-
Total Unquoted Investments (B)		**1**		**1**
(b) Investments in Mutual Funds / Others (at fair value through profit and loss account (FVTPL))				
- Aditya Birla Sun Life FTP SJ (1135 Days)	2,000,000	242	2,000,000	222
- IDFC Fixed Term Plan Series 177 Direct Plan (1160 Days)	2,000,000	243	2,000,000	222
- Tata Capital Financial Services Market linked Debentures Maturity on April 14, 2021		-	48	532
- Aditya Birla Sun Life-FTP-Series SO-Direct (1099 Days)	1,000,000	117	1,000,000	108
Total Investments in Mutual Funds/ Others (C)		**602**		**1,084**
Total Investments (A+ B+C)		**2,471**		**2,388**

* Amount less than ₹ 0.50 Lakhs.

Notes to Standalone Financial Statements

For the year ended March 31, 2021 (Contd.)

NOTE 7 : NON CURRENT INVESTMENTS (Contd.)

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Aggregate Amount of Quoted Investments	1,868	1,303
Market Value of Quoted Investments	1,868	1,303
Aggregate Amount of Unquoted Investments	621	1,103
Aggregate Amount of Impairment in the Value of Investments	18	18

NOTE 8 : NON CURRENT - OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Financial Assets (at amortised cost)		
Security Deposits		
- Unsecured, considered good	678	621
- Unsecured, considered doubtful	300	300
Less : Allowance for bad and doubtful deposits	(300)	(300)
	678	**621**
Earmarked Balances		
- Deposit with Bank	1	1
Loans to employees		
- Unsecured, considered good *	1	0
Total	**680**	**622**

* Amount less than ₹ 0.50 Lakhs.

NOTE 9 : OTHER NON CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with Government Authorities (other than income taxes)		
- CENVAT Credit Receivable	332	335
- VAT Credit Receivable	797	952
- Service Tax Credit Receivable	6	6
- Others	26	26
	1,161	**1,319**
Less: Provision	(302)	(302)
	859	**1,017**
Capital Advances	216	322
Prepaid Expenses	36	51
Total	**1,111**	**1,390**

Notes to Standalone Financial Statements

For the year ended March 31, 2021 (Contd.)

NOTE 10 : INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE)

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Raw materials	11,900	6,425
Work-in-progress	1,275	1,318
Finished goods #	2,606	5,007
Stock-in-trade	12	29
Stores and spares	732	833
Total	**16,525**	**13,612**
Included above, goods-in-transit:		
Raw materials	1,869	795
Finished goods	550	173
Total	**2,419**	**968**

Net of write down of ₹ 283 Lakhs (Previous year ₹ 135 Lakhs)

NOTE 11 : FINANCIAL ASSETS - CURRENT INVESTMENTS

(₹ in Lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of units	Amount	No. of units	Amount
(a) Investments in Mutual Funds (Unquoted) (at fair value through profit and loss account (FVTPL))				
Edelweiss Arbitrage Fund - Regular Plan Dividend - ATDP	2,424,826	382	-	-
ICICI Prudential Ultra Short Term Fund	-	-	2,994,478	610
ABSL Corporate Bond Fund - Direct - Growth	698,032	605	698,032	551
Kotak Corporate Bond Fund - Direct - Growth	19,893	594	19,893	549
ICICI Prudential Liquid Fund - Daily Dividend *	-	-	316	0
IDFC Arbitrage Fund -Direct - Growth	952,580	255	-	-
Axis Arbitrage Fund-Direct - Growth	2,470,127	381	-	-
Total (A)		**2,217**		**1,710**
(b) Other Investments (at amortised cost)				
Intercorporate deposits with HDFC Limited		1,022		610
Total (B)		**1,022**		**610**
Total Investments (A+B)		**3,239**		**2,320**

* Amount less than ₹ 0.50 Lakhs.

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Aggregate Amount of Quoted Investments	-	-
Market Value of Quoted Investments	-	-
Aggregate Amount of Unquoted Investments	3,239	2,320
Aggregate Amount of Impairment in the Value of Investments	-	-

Notes to Standalone Financial Statements

For the year ended March 31, 2021 (Contd.)

NOTE 12 : CURRENT FINANCIAL ASSETS -TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables		
(a) Considered good - Secured	-	-
(b) Considered good - Unsecured	30,856	20,321
(c) Which have significant increase in Credit Risk	-	-
(d) Credit Impaired	14	14
Less: Allowance for doubtful debts	(14)	(14)
Total	**30,856**	**20,321**

NOTE 13 : CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Cash on hand	11	9
Balances with banks	4,398	828
Total	**4,409**	**837**
Cash and cash equivalents as per statement of cash flows	4,409	837

NOTE 14 : CURRENT FINANCIAL ASSETS - OTHER BANK BALANCES

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Earmarked balances with banks		
- Unpaid dividend account	372	443
- Investments in term deposits (with original maturity of more than three months but less than twelve months)	3,184	-
Total	**3,556**	**443**

NOTE 15 : CURRENT - OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Financial Assets (at amortised cost)		
Loans to employees		
- Unsecured, considered good	1	1
Security Deposits		
- Unsecured, considered good	-	12
Interest accrued on deposits	82	30
Financial Assets (at FVTPL)		
Forward Cover / Options Contract Receivable	62	60
Total	**145**	**103**

Notes to Standalone Financial Statements
For the year ended March 31, 2021 (Contd.)

NOTE 16 : OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Advances to suppliers and Others	848	806
Balances with government authorities (other than income taxes)		
- GST Credit Receivable	416	2,197
Prepaid expenses	593	648
Export incentive receivable	428	396
Other Advances*	0	1
Total	**2,285**	**4,048**

* Amount less than ₹ 0.50 Lakhs.

NOTE 17 : EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Amount	No. of shares	Amount
Authorised:				
Equity shares of ₹ 10/- each	1,200,000,000	120,000	1,200,000,000	120,000
Issued and subscribed:				
Equity shares of ₹ 10/- each	166,219,130	16,622	165,605,955	16,561
Issued, Subscribed and Fully Paid:				
Equity shares of ₹ 10/- each	166,219,130	16,622	165,605,955	16,561

(i) Rights, preferences and restrictions attached to equity shares

The Company has one class of equity share having a par value of ₹ 10/- per share. 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 ensuing annual general meeting, except in case of interim dividend.

In the event of liquidation, the equity shareholders are eligible to receive the remaining asset of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(ii) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

(₹ in Lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Amount	No. of shares	Amount
Equity Shares Outstanding at the beginning of the year	165,605,955	16,561	165,418,830	16,542
Add: Allotment pursuant to exercise of stock options granted under Company's employee stock option plan (refer Note 39)	613,175	61	187,125	19
Equity Shares Outstanding at the end of the year	**166,219,130**	**16,622**	**165,605,955**	**16,561**

Notes to Standalone Financial Statements

For the year ended March 31, 2021 (Contd.)

(iii) Details of shareholders holding more than 5% of the aggregate equity shares of the Company (#)

(₹ in Lakhs)

Name of shareholders	As at March 31, 2021		As at March 31, 2020	
	No. of shares	% shareholding	No. of shares	% shareholding
Mr. Hrishikesh A. Mafatlal (as a Trustee of Gurukripa Trust)	30,326,682	18.25%	-	-
Mafatlal Industries Limited	25,259,059	15.20%	25,259,059	15.25%
Suremi Trading Private Limited (upto March 30, 2021)	-	-	20,772,170	12.54%
Sushripada Investments Private Limited (upto March 30,2021)	-	-	8,960,880	5.41%

(#) refer note 45

(iv) Share options granted under Company's share option plan

Share options granted but not exercised under Company's share option plan carry no rights to dividend and no voting rights. Further details of the employee share option plan are provided in Note 39.

As at March 31, 2021, 14,83,350 equity shares (as at March 31, 2020, 21,03,725 equity shares) of ₹ 10 each were reserved for outstanding employee share option granted.

(v) During the period of five years immediately preceeding the date as at which the Balance Sheet is prepared :

- No Class of Shares were alloted as fully paid up pursuant to contract without payment being received in cash.
- No Class of Shares were alloted as fully paid up by way of bonus shares for consideration other than cash.
- No Class of Shares were bought back by the Company.

(vi) There are no calls unpaid.

(vii) There are no forfeited shares.

NOTE 18 : OTHER EQUITY

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Capital reserve	15	15
Securities premium	2,396	1,952
General reserve	4,865	4,865
Share options outstanding account	546	584
Retained earnings	106,258	97,609
Equity Instrument Through Other Comprehensive Income	(2,727)	(3,233)
Other Items of Other Comprehensive Income		
- Remeasurements of Defined Benefit Obligation	(625)	(752)
Total	**110,728**	**101,040**

Notes to Standalone Financial Statements
For the year ended March 31, 2021 (Contd.)

(i) Nature and purpose of each reserve within Other equity

Securities premium account:

Where Company issued shares at a premium, a sum equal to the aggregate amount of the premium received on those shares shall be transferred to a "securities premium account" as per the provisions of applicable Companies Act. It can be utilised in accordance with the provisions of the Act, to issue bonus shares, to provide for premium on redemption of shares or debentures,write-off equity related expenses like underwriting costs, etc.

General reserve:

The general reserve comprises of transfer of profits from retained earnings for appropriation purposes. The reserve can be distributed/ utilised by the Company in accordance with the Companies Act, 2013.

Share option outstanding account:

This reserve relates to share options granted by the Company to its employees under its employee share option plan. Further information about share based payments to employees is set out in Note 39.

Retained earnings:

Retained earnings represents the surplus / (deficit) of the statement of profit or loss. The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the financial statements of the Company and also considering the requirements of the Companies Act, 2013.

Equity instrument through other comprehensive income:

This reserve represents the cumulative gains and losses arising on the fair valuation of equity instruments measured at fair value through other comprehensive income, net of amounts reclassified to retained earnings when those assets have been disposed off.

Items of Other Comprehensive Income - Remeasurements of Defined Benefit Obligation

Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in other comprehensive income and are adjusted to retained earnings.

Details of dividends paid / proposed:

A dividend of ₹ 2/- per share has been recommended on equity shares for year ended March 31, 2021. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The proposed equity dividend is payable to all holders of fully paid equity shares on record date.

NOTE 19 : NON CURRENT FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Financial Lease Liability (Refer Note 3(d))	386	687
Total	**386**	**687**

NOTE 20 : NON CURRENT PROVISIONS

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits (Refer Note 40)	1,563	1,633
Total	**1,563**	**1,633**

Notes to Standalone Financial Statements

For the year ended March 31, 2021 (Contd.)

NOTE 21 : OTHER NON CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for customs duty	-	7
Total	**-**	**7**

NOTE 22 : CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Trade payables:		
(a) Payable to Micro and Small enterprises (Refer Note below)	485	615
(b) Payable to Others		
i) Acceptances	4,863	1,276
ii) Other than Acceptances	11,748	7,032
	16,611	**8,308**
Total	**17,096**	**8,923**

Note: Disclosures as required under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act)

The amounts due to Micro and Small Enterprises as defined in the 'The Micro, Small and Medium Enterprises Development Act, 2006' has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
a) The principal amount remaining unpaid to any supplier at the end of the year	485	611
b) Interest due remaining unpaid to any supplier at the end of the year (*)	0	4
c) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act,2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	
d) The amount of interest due and payable for the delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	
e) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	
f) The amount of further interest remaining due and payable even in the succeeding years until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006	-	

* Amount less than ₹ 0.50 Lakhs.

Notes to Standalone Financial Statements

For the year ended March 31, 2021 (Contd.)

NOTE 23 : CURRENT FINANCIAL LIABILITIES - OTHERS

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Financial liabilities (at amortised cost except otherwise stated):		
Lease Liability (Refer Note 3(d))	175	230
Security Deposits	513	444
Unclaimed dividends (Refer note (a) below)	372	443
Payables for capital supplies	798	1,752
Salary,wages and bonus payable	671	703
Contribution payable towards employee benefits	-	282
MTM on forward contracts (at FVTPL)	-	57
Other payables	112	129
Total	**2,641**	**4,040**

Note:

(a) There are no amounts due for payment to the Investor Education and Protection Fund under section 125 of the Companies Act, 2013 at the end of the current financial year.

NOTE 24 : OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Advances received from customers	109	128
Statutory remittances	525	229
Other liabilities	19	11
Total	**653**	**368**

NOTE 25 : CURRENT PROVISIONS

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits (Refer Note 40)	534	662
Total	**534**	**662**

Notes to Standalone Financial Statements

For the year ended March 31, 2021 (Contd.)

NOTE 26 : REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Sale of goods (at contracted price)#	91,306	83,775
Other operating revenues		
Sale of scrap	78	123
Profit on Sale of Raw Material	391	-
Duty drawback and other export incentives	470	641
Cash Discounts Received	14	18
Excess provision for earlier years written back	146	58
Miscellaneous income	61	14
Total	**92,466**	**84,629**

Sales is net of Goods and Service Tax (GST)

NOTE 27 : OTHER INCOME

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
a) **Interest Income on**		
- Bank deposits*	97	0
- Income Tax/VAT Refund	964	11
- Intercorporate Deposits	55	45
- Other Deposits	34	34
	1,150	**90**
b) **Dividend income from**		
- Dividend reinvestment of Mutual Fund*	0	230
- Equity investments	-	102
	0	**332**
c) **Other gains and losses**		
- Net gain arising on short term financial investments mandatorily measured at FVTPL	167	224
- Net foreign exchange gain	9	160
	176	**384**
d) **Other non-operating income**		
- Rent from investment property / Others	39	43
- Miscellaneous income	7	-
- Income from Redemption of Mutual Fund / Others	56	121
	102	**164**
	1,428	**970**

* Amount less than ₹ 0.50 Lakhs.

Notes to Standalone Financial Statements

For the year ended March 31, 2021 (Contd.)

NOTE 28 : COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening stock	6,425	8,258
Add: Purchases (Net)	53,351	34,886
	59,776	**43,144**
Less: Closing stock	11,900	6,425
Total	**47,876**	**36,719**

NOTE 29 : CHANGES IN STOCK OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Closing stock		
- Finished goods	2,606	5,007
- Work in progress	1,275	1,318
-Stock-in-trade	13	29
	3,894	**6,354**
Opening stock		
- Finished goods	5,007	6,470
- Work in progress	1,318	1,687
-Stock-in-trade	29	2
	6,354	**8,159**
Net Decrease /(Increase) in Inventories	**2,460**	**1,805**

NOTE 30 : EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries, wages and bonus	5,726	6,109
Contribution to provident and other funds (Refer Note 40)	387	507
Employee Share based payment (Refer Note 39)	96	199
Staff welfare expenses	513	598
Total	**6,722**	**7,413**

Notes to Standalone Financial Statements

For the year ended March 31, 2021 (Contd.)

NOTE 31 : FINANCE COST

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest cost - on financial liability (at amortised cost)		
a) Borrowings from banks*	-	0
b) Security deposits and others (including MSME vendors)	96	132
Total	**96**	**132**

* Amount less than ₹ 0.50 Lakhs.

NOTE 32 : DEPRECIATION AND AMORTISATION EXPENSES

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation of Property, Plant and Equipment (Refer Note 3)	3,561	3,103
Depreciation of Investment Properties (Refer Note 4)	2	1
Amortisation of Intangible Assets (Refer Note 5)	44	138
Total	**3,607**	**3,242**

NOTE 33 : OTHER EXPENSES

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Power & Fuel oil consumed	7,454	6,638
Processing charges	3,400	3,443
Selling and Distribution expenses	3,673	3,097
Consumption of packing materials	1,564	1,335
Stores and spares consumed	961	868
Rent including lease rentals	12	15
Repairs and maintenance:		
- Plant & machinery	936	875
- Buildings	188	325
Insurance charges	420	473
Rates and taxes	198	306
Auditors remuneration and out-of-pocket expenses (Refer Note (a))	33	34
Loss on fixed assets sold/scrapped/written off	23	6
Expenses on corporate social responsibility (Refer Note (b))	480	476
Provision for Doubtful Debt	-	12
Sitting Fees and Commission Paid to Directors	175	196
Other General Expenses	3,056	2,688
Total	**22,573**	**20,787**

Notes to Standalone Financial Statements

For the year ended March 31, 2021 (Contd.)

Note (a)

(₹ in Lakhs)

Auditors remuneration and out-of-pocket expenses (net of GST):	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
(i) As Auditors	31	31
(ii) For other services- Certification work	2	3
(iii) Auditors out-of-pocket expenses*	-	0
Total	**33**	**34**

* Amount less than ₹ 0.50 Lakhs.

(b) Corporate Social Responsibility

The Company has spent ₹ 480 Lakhs during the financial year (Previous Year ₹ 476 Lakhs) towards various schemes of Corporate Social Responsibility as per the provisions of Section 135 of The Companies Act, 2013. The details are:

(a) Gross amount required to be spent during the year ₹ 480 Lakhs (Previous Year ₹ 476 Lakhs)

(b) There is no amount yet to be paid in cash for the said CSR activity

(c) Amount spent during the year in cash :

(₹ in Lakhs)

Particulars	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
i) On Construction / acquisition of any asset	-	-
ii) On Education, Health, Poverty alleviation, others	480	476
Total	**480**	**476**

NOTE 34 : CURRENT TAX AND DEFERRED TAX

(a) Income Tax Expense recognised in Statement of Profit and Loss

(₹ in Lakhs)

Particulars	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
Current Tax:		
Current Income Tax Charge	2,416	3,866
Adjustments in respect of prior years	(1,285)	-
Total	**1,131**	**3,866**
Deferred Tax		
In respect of current year	638	(1,723)
Total	**638**	**(1,723)**
Total tax expense recognised in Statement of Profit and Loss	**1,769**	**2,143**

(b) Income Tax recognised in other Comprehensive Income

(₹ in Lakhs)

Particulars	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
Deferred Tax (Liabilities)/Assets:		
Remeasurement of Defined Benefit Obligations	(1)	(2)
Net fair value (gain)/loss on investments in equity shares at FVTOCI	(59)	(51)
Total	**(60)**	**(53)**

Notes to Standalone Financial Statements

For the year ended March 31, 2021 (Contd.)

(c) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit before tax	**10,418**	**15,241**
Less: Income taxed at different tax rate	56	121
Profit before tax	**10,362**	**15,120**
Income Tax using the Company's domestic tax rate #	2,608	3,806
Effect of expenses that are not deductible in determining taxable profit	330	375
Effect of income that is not taxable in determining taxable profit	(42)	(118)
Effect of expenditure eligible for weighted deduction / expenditure not debited to Profit and Loss but allowed as deduction	(54)	-
Effect of reversal of deferred tax liability (Net)	159	(315)
Effect on deferred tax balances due to the change in income tax rate (effective 01.04.2018)	-	(1,643)
Effect of income taxed at different rate	53	38
Adjustments in respect of prior years	(1,285)	-
Income tax expense recognised in Statement of Profit and Loss	**1,769**	**2,143**

The tax rate used for the reconciliations above is the corporate tax rate plus surcharge (as applicable) on corporate tax, education cess and secondary and higher education cess on corporate tax, payable by corporate entities in India on taxable profits under Income Tax Act, 1961.

(d) Movement of Deferred Tax

Deferred tax (assets)/liabilities in relation to the Year Ended March 31, 2021 (₹ in Lakhs)

Particulars	Opening Balance	Recognised in statement of Profit and Loss	Recognised in OCI	Closing Balance
Property, Plant and Equipment, Investment properties and Intangible assets	9,468	845	-	10,313
Financial asset measured at FVTOCI	(438)	-	59	(379)
Financial asset measured at FVTPL	-	-	-	-
Defined benefit obligation	(540)	34	1	(505)
Provision for doubtful debts / advances	(79)	-	-	(79)
Other non financial assets	454	(241)	-	213
Net Tax (Assets)/Liabilities	**8,865**	**638**	**60**	**9,563**

Notes to Standalone Financial Statements

For the year ended March 31, 2021 (Contd.)

Deferred tax (assets)/liabilities in relation to the Year Ended March 31, 2020 (₹ in Lakhs)

Particulars	Opening Balance	Recognised in statement of Profit and Loss	Recognised in OCI	Closing Balance
Property, Plant and Equipment, Investment properties and Intangible assets	10,599	(1,131)	-	9,468
Financial asset measured at FVTOCI	(489)	-	51	(438)
Financial asset measured at FVTPL	19	(19)	-	-
Defined benefit obligation	(680)	138	2	(540)
Provision for doubtful debts / advances	(106)	27	-	(79)
Other non financial assets	1,193	(739)	-	454
Net Tax (Assets)/Liabilities	**10,536**	**(1,724)**	**53**	**8,865**

NOTE 35 : EARNINGS PER SHARE

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
1. Calculation of weighted average number of equity shares - Basic		
(a) Number of equity shares at the beginning of the year (in units)	165,605,955	165,418,830
(b) Number of equity shares issued during the year (in units)	613,175	187,125
(c) Number of equity shares outstanding at the end of the year (in units)	166,219,130	165,605,955
(d) Weighted number of equity shares outstanding during the year (in units)	165,866,738	165,528,165
2. Calculation of weighted average number of equity shares - Diluted		
(a) Number of potential equity shares at the beginning of the year (in units)	167,709,680	167,727,580
(b) Number of potential equity shares outstanding at the end of the year (in units)	167,702,480	167,709,680
(c) Weighted number of potential equity shares outstanding during the year (in units)	166,242,441	165,552,602
3. Profit for the year (₹ in Lakhs)	**8,649**	**13,098**
(a) Basic Earnings per share of ₹ 10/- each (3/1(d))	5.21	7.91
(b) Diluted Earnings per share of ₹ 10/- each (3/2(c))	5.20	7.91

Notes to Standalone Financial Statements

For the year ended March 31, 2021 (Contd.)

NOTE 36 : LEASES

Operating lease arrangements

Company as lessee

The Company has entered into operating lease arrangements for certain premises (residential, offices, godowns etc.) and plant and machineries. These lease arrangements are ranging between 11 months to 60 months generally or longer and are renewable by mutual consent or mutually agreeable terms.

The specified disclosure in respect of these agreements is given below:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Charged to Statement of Profit and Loss	**12**	**15**
Future Minimun Lease rentals Payable under non-cancellable operating leases are as follows:		
Within one year	15	14
After one year but not more than five years	-	-
More than five years	-	-

Company as lessor

The Company has given certain buildings on operating lease. The lease arrangements for 11 months to 60 months are cancellable and are generally renewable by mutual consent or mutually agreeable terms. The rental income of ₹ 39 Lakhs (Previous year ₹ 43 Lakhs) on such lease is included in Other Income.

NOTE 37 : CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Contingent liabilities :		
Claims against the Company not acknowledged as debts (including Direct and Indirect taxes)	3,119	2,891
(b) Commitments :		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	776	1,205

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

Notes to Standalone Financial Statements

For the year ended March 31, 2021 (Contd.)

NOTE 38 : DETAILS OF EXPENDITURE AND INCOME ON INHOUSE APPROVED RESEARCH AND DEVELOPMENT (R & D) FACILITY

(₹ in Lakhs)

Particulars (as defined and bifurcated by the management of the Company)	For the year ended March 31, 2021	For the year ended March 31, 2020
(i) Capital expenditure		
(a) Capital equipments	41	33
(ii) Revenue expenditure		
(a) Salaries / wages	439	388
(b) Travelling & Conveyance Expenses	12	15
(c) Repairs & Maintainance	32	42
(d) Communication Expenses	-	1
(e) Materials/Consumables	16	19
(f) Housekeeping	1	2
(g) Others	14	16
(h) Depreciation	38	35
Total revenue expenditure (a) to (h)	**552**	**518**
(iii) Total R & D expenditure (i+ii)	**593**	**551**
(iv) Amount received by R & D facilities	-	-
(v) Net amount of R & D expenditure	**593**	**551**

NOTE 39: SHARE BASED PAYMENTS

39.1 Details of the employee share option plan of the Company

The Company has constituted an Employee Stock Option Plan 2007, as approved by shareholders at a previous annual general meeting. The scheme is applicable to all permanent and full-time employees, excluding the employees who are the promoters of the Company. The Nomination and Remuneration Committee, at its sole discretion, shall decide who among those employees shall receive Employee Stock Options in a particular grant.

Each employee share option converts into one equity share of the Company on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. These option vest 25% every year (‘graded vesting’). The options granted can be exercised at any time until completion of ten years from the date of grant, subject to the vesting schedule. Any options remaining unexercised at the end of the exercise period shall lapse.

The number of options granted is calculated in accordance with the performance-based formula approved by the shareholders at a previous annual general meeting and is subject to approval by the nomination and remuneration committee.

The share-based payments to employees being equity-settled are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company’s estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

Notes to Standalone Financial Statements

For the year ended March 31, 2021 (Contd.)

Share options outstanding at the end of the year have the following expiry dates, exercise prices and fair value:

Grant series and grant year	Expiry Year	Exercise price	Fair value	March 31, 2021	March 31, 2020
		₹	₹	Number of options	Number of options
Grant 5 - 2015-16	2025-26	37.65	16.27	95,675	252,850
Grant 6 - 2016-17	2026-27	52.85	19.44	169,725	400,850
Grant 7 - 2016-17	2026-27	84.05	28.74	549,050	773,925
Grant 8 - 2017-18 #	2027-28	188.35	69.28	329,600	329,600
Grant 9 - 2018-19 #	2028-29	142.45	46.27	339,300	346,500
Total				**1,483,350**	**2,103,725**
Weighted average remaining contractual life of options outstanding at end of year				6.62	7.37

 # 9,500 and 15,600 options from Grant 8 and Grant 9 respectively have been forfeited on account of resignation

Fair value of share options granted in the year:

The weighted average fair value of the share options granted during the financial year is ₹ Nil (Previous year ₹ Nil). Options were priced using a Black-Scholes option pricing model which takes into account the exercise price, expected volatility, option's life, the share price at grant date, expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

Inputs into the model	March 31, 2021	March 31, 2020
Grant date share price (₹)	Not Applicable	Not Applicable
Exercise price (₹)		
Expected volatility (%)		
Expected life of the options		
Expected dividend (%)		
Risk free interest rate (%)		
Expiry Year		

Basis of assumptions:

1. The risk free interest rates are determined based on the zero-coupon sovereign bond yields with maturity equal to the expected term of the option.
2. The expected volatility was determined based on the volatility of the equity share for the period of one year prior to issue of the option. Volatility calculation is based on historical stock prices using standard deviation of daily change in stock price. The historical period is taken into account to match the expected life of the option.
3. Dividend yield has been calculated taking into account expected rate of dividend on equity share price as on grant date.

Notes to Standalone Financial Statements

For the year ended March 31, 2021 (Contd.)

Movement of Options Granted along with weighted average exercise price (WAEP)

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Balance at beginning of period not exercised	2,103,725	98.49	2,308,750	95.25
Granted during the period	-	-	-	-
Forfeited during the period	(7,200)		(17,900)	
Exercised during the period	(613,175)	60.40	(187,125)	52.01
Balance at end of period	**1,483,350**	**114.02**	**2,103,725**	**98.49**
Exercisable at the end of the year	1,231,300		1,159,700	

The weighted average share price at the dates of exercise of options exercised during the year ended March 31, 2021 was ₹ 152.70 (year ended March 31, 2020 : ₹ 99.65)

NOTE 40: EMPLOYEE BENEFIT PLANS

1) Defined contribution plans :

The Company participates in a number of defined contribution plans on behalf of relevant personnel. Any expense recognised in relation to these schemes represents the value of contributions payable during the period by the Company at rates specified by the rules of those plans. The only amounts included in the balance sheet are those relating to the prior months contributions that were not due to be paid until after the end of the reporting period.

The major defined contribution plans operated by the Company are as below:

a) Provident fund and Pension

In accordance with the Employee's Provident Fund and Miscellaneous Provisions Act, 1952, eligible employees of the Company are entitled to receive benefits in respect of provident 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 provident fund administered and managed by Government of India. The Company has no further obligations under the fund managed by the GOI beyond its monthly contributions which are charged to the Statement of Profit and Loss in the period they are incurred. The benefits are paid to employees on their retirement or resignation from the Company.

b) Superannuation fund

The Company holds two in-house superannuation funds which appropriates funds to Life Insurance Corporation of India (the insurer) at the time of retirement/resignation of employee. The pension annuity is met by the Insurer as required, taking into consideration the contributions made. The Company has no further obligations under the scheme beyond its monthly contributions which are charged to the Statement of Profit and Loss in the period in which they are incurred.

Notes to Standalone Financial Statements

For the year ended March 31, 2021 (Contd.)

Contribution to Defined Contribution Plans, recognised in the Statement of Profit and Loss for the year under employee benefits expense, are as under :

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
i) Employer's Contribution to Provident Fund and Pension	259	273
ii) Employer's Contribution to Superannuation Fund	55	65
Total	**314**	**338**

(2) Defined Benefit Plans:

a) Gratuity (Funded)

The Company has an obligation towards gratuity, a funded defined benefit retirement plan covering all employees. The plan provides for lump sum payment to vested employees at retirement, death while in employment or on termination of the employment of an amount equivalent to 15 days salary, as applicable, payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company makes annual contributions to gratuity funds established by various in-house funds managed by NOCIL Employees Trust Funds as disclosed in related party transaction (Refer Note 41). The Company accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation using Projected Unit Credit method determined in accordance with the terms of The Payment of Gratuity Act, 1972.

b) Gratuity (Unfunded)

The Company has an obligation towards gratuity, an unfunded defined benefit retirement plan covering eligible employees. The plan provides for lump sum payment to vested employees at retirement, death while in employment or on termination of the employment of an amount equivalent to 15 days salary, as applicable, payable for each completed year of service, without any payment ceiling. Vesting occurs upon completion of five years of service. The Company accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation.

The most recent actuarial valuation of the present value of the defined benefit obligation was carried out at March 31, 2021 by an independent actuary. The present value of the defined benefit obligation, and the related current service cost and past service cost were measured using the projected unit credit method.

A. Principal actuarial assumptions used:

The principal assumptions used for the purposes of the actuarial valuations were as follows.

	As at March 31, 2021	As at March 31, 2020
1. Discount rate	6.86%	6.84%
2. Salary escalation	6.00%	6.00%
3. Rate of Employee Turnover	6.00%	6.00%
4. Mortality rate	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

Notes to Standalone Financial Statements

For the year ended March 31, 2021 (Contd.)

B. Expenses recognised in the Statement of Profit and Loss

(₹ in Lakhs)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Current service cost	99	88
Net Interest cost	71	69
Components of defined benefit costs recognised in the Statement of Profit and Loss	**170**	**157**

The current service cost and the net interest expenses for the year are included in the 'Employee benefits expenses' line item in the Statement of Profit and Loss.

Net Interest Cost recognised in the Statement of Profit and Loss: (₹ in Lakhs)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest Cost	201	208
(Interest Income)	(130)	(139)
Net interest cost recognised in the Statement of Profit and Loss	**71**	**69**

C. Expenses recognised in the Other Comprehensive Income (OCI)

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Actuarial (Gains)/Losses on Obligation For the Period - Due to changes in financial assumptions	(2)	80
Actuarial (Gains)/Losses on Obligation For the Period - Due to experience adjustment	(159)	79
Return on Plan Assets, excluding Interest Income	32	1
Net (Income)/Expense recognised in OCI	**(129)**	**160**

D. Amount recognised in the Balance Sheet

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Present Value of Defined Benefit Obligation as at the end of the year	(2,605)	(2,942)
Fair Value of plan assets	1,842	1,903
Net Asset/(Liability) recognised in the Balance Sheet	**(763)**	**(1,039)**

Notes to Standalone Financial Statements

For the year ended March 31, 2021 (Contd.)

E. Movements in the present value of defined benefit obligation are as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening defined benefit obligation	2,942	2,780
Current Service Cost	99	88
Interest cost	201	208
Actuarial (gains) / losses	(160)	159
Benefits Paid (From the Fund)	(355)	(186)
Benefit Paid (Directly by the Employer)	(122)	(107)
Closing defined benefit obligation	**2,605**	**2,942**

F. Movements in the fair value of the plan assets are as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening fair value of the plan assets	1,903	1,867
Contributions by the Employer	196	84
Return on Plan Assets, excluding Interest Income	(32)	(1)
Interest income	130	139
Benefits paid	(355)	(186)
Closing fair value of plan assets	**1,842**	**1,903**

G. Maturity profile of defined benefit obligation:

(₹ in Lakhs)

Projected Benefits Payable in Future Years From the Date of Reporting	Estimated for the year ended March 31, 2021	Estimated for the year ended March 31, 2020
1st Following Year	575	1,137
2nd Following Year	356	298
3rd Following Year	379	354
4th Following Year	425	327
5th Following Year	394	280
Sum of Years 6 To 10	783	776
Sum of Years 11 and above	712	604

H Sensitivity Analysis

The Sensitivity Analysis below has been determined based on reasonably possible change of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. These sensitivities show the hypothetical impact of a change in each of the listed assumptions in isolation. While each of these sensitivities holds all other assumptions constant, in practice such assumptions rarely change in isolation and the asset value changes may offset the impact to some extent. For presenting the sensitivities, the present value of the Defined Benefit Obligation 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 presented above. There was no change in the methods and assumptions used in the preparation of the Sensitivity Analysis from previous year.

Notes to Standalone Financial Statements

For the year ended March 31, 2021 (Contd.)

(₹ in Lakhs)

Projected Benefits Payable in Future Years From the Date of Reporting	As at March 31, 2021	As at March 31, 2020
Projected Benefit Obligation on Current Assumptions		
Impact of +0.5% Change in Rate of Discounting	(43)	(41)
Impact of -0.5% Change in Rate of Discounting	45	43
Impact of +0.5% Change in Rate of Salary Increase	45	43
Impact of -0.5% Change in Rate of Salary Increase	(40)	(42)
Impact of +0.5% Change in Rate of Employee Turnover	2	1
Impact of -0.5% Change in Rate of Employee Turnover	(2)	1

NOTE 41 : RELATED PARTY DISCLOSURES

A. Details of related parties

Description of relationship	Name of the Related Party
Wholly Owned Subsidiary Company	PIL Chemicals Limited
Key Management Personnel	
- Chairman	Mr. Hrishikesh A. Mafatlal
- Managing Director	Mr. S. R. Deo
Enterprises over which Key Management Personnel is able to exercise significant influence	Mafatlal Industries Limited
	Sri Chaitanya Seva Trust
	N. M. Sadguru Water and Development Foundation
	NOCIL Employee Trust Funds

B. Nature of Transactions/ Names of Related Parties

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
A Subsidiary Company		
I PIL Chemicals Limited		
1 Purchase of Materials/Services	1,518	1,343
2 Dividend Received	-	100
B Enterprises over which Key Management Personnel is able to exercise significant influence#		
I Mafatlal Industries Limited		
1 Reimbursement of Expenses	5	9
2 Dividend Paid	-	1,263
II Sri Chaitanya Seva Trust		
1 Expenditure on CSR Activities	150	160

Notes to Standalone Financial Statements

For the year ended March 31, 2021 (Contd.)

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
III N. M. Sadguru Water and Development Foundation		
1 Expenditure on CSR Activities	50	56
IV NOCIL Employee Trust Funds		
1 Contributions paid to funds	366	149
2 Post Employement Benefits paid on behalf of Trust	611	128
C Key Management Personnel ##		
1 Short-term employee benefits	541	583
2 Post-employment benefits	68	68
3 Share-based payment	20	41

The transactions with related parties are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions. All the Related Party Transactions are reviewed and approved by the Audit Committee.

Based on the recommendation of the Nomination, Remuneration and Compensation Committee, all decisions relating to the remuneration of the Directors are taken by the Board of Directors of the Company, in accordance with shareholders' approval, wherever necessary.

C. Amounts outstanding with related parties

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
A Subsidiary Company		
I PIL Chemicals Limited		
1 Trade Payable	172	41
B Enterprises over which Key Management Personnel is able to exercise significant influence		
I Mafatlal Industries Limited		
1 Trade Receivables*	0	-
2 Trade Payables	-	1
II NOCIL Employee Trust Funds		
1 Contributions Payable to Funds	-	311
2 Advance to Post Employment Retirement Funds	75	11
C Key Management Personnel	230	273

* Amount less than ₹ 0.50 Lakhs

Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

No guarantees have been given or received.

Notes to Standalone Financial Statements
For the year ended March 31, 2021 (Contd.)

42. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

42.1 Capital management

The capital structure of the Company consists of net debt and total equity of the Company. The Company manages its capital to ensure that the Company will be able to continue as going concern while maximising the return to stakeholders through an optimum mix of debt and equity within the overall capital structure. The Company's risk management committee reviews the capital structure of the Company considering the cost of capital and the risks associated with each class of capital.

42.2 Categories of financial instruments

The following table provides categorisation of all financial instruments at carrying value.

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Financial assets		
Measured at FVTPL		
(a) Mutual Fund Investments	2,819	2,794
(b) Other financial assets (including Derivate Financial Instruments)	62	60
Measured at amortised cost		
(a) Cash and cash equivalent	4,409	837
(b) Bank balance other than (a) above	3,556	443
(c) Trade receivables	30,856	20,321
(d) Other financial assets (including Security Deposits)	762	665
(e) Inter Corporate Deposits	1,022	610
Measured at FVTOCI		
(a) Investments in equity instruments	1,869	1,304
Total Financial Assets	**45,355**	**27,034**
Financial liabilities		
Measured at FVTPL		
(a) Other financial liabilities	-	57
Measured at amortised cost		
(a) Trade payables	17,096	8,923
(b) Financial Lease Liability	561	917
(c) Other financial liabilities	2,466	3,753
Total Financial Liabilities	**20,123**	**13,650**

Notes to Standalone Financial Statements

For the year ended March 31, 2021 (Contd.)

42.3 Financial risk management objectives

The Company's Corporate Treasury function provides services to the business, co-ordinates access to domestic financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk assessment and analyses forex 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 derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's - Risk Management Policy approved by the board of directors, which provide written principles on foreign exchange risk, interest rate risk, the use of financial derivatives and non-derivative financial instruments. Compliance with policies and exposure limits is reviewed on a continuous basis. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

42.4 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of Currency risk, Interest rate risk and other price risk. The Company enters into a board approved list of derivative financial instruments to manage its exposure to foreign currency risk, including but not limited to foreign currency forwards and currency options.

42.5 Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arises. Exchange rate exposures are managed within approved policy parameters utilising appropriate derivative instruments.

The carrying amounts of the Company's foreign currency denominated financial assets and financial liabilities at the end of the reporting period are as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
A. USD Currency:		
Financial Liabilities		
In USD Million	9.04	2.76
Equivalent in ₹ Lakhs	6,641	2,081
Financial Assets		
In USD Million	11.11	7.41
Equivalent in ₹ Lakhs	8,168	5,585
B. Euro Currency:		
Financial Liabilities		
In Euro Million	0.11	0.06
Equivalent in ₹ Lakhs	97	50
Financial Assets		
In Euro Million	0.12	0.11
Equivalent in ₹ Lakhs	102	91

Notes to Standalone Financial Statements

For the year ended March 31, 2021 (Contd.)

42.5.1 Foreign currency sensitivity analysis in relation to the net foreign exchange exposure as at the balance sheet date

The Company is mainly exposed to the foreign exchange fluctuation in USD.

The following table details the Company's sensitivity to a 5% increase and decrease in the Indian Rupee against USD. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. This is mainly attributable to the exposure outstanding on receivables and payables in the Company at the end of the reporting period.The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates an increase in the profit or equity where the Indian Rupee weakens 5% against the relevant currency due to positive net Financial Assets at the end of the current period . For a 5% strengthening of the Rupee against the relevant currency, there would be a comparable reverse impact on the profit or equity.

(₹ in Lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2021
Impact on Statement of Profit and Loss for the year		
5% strengthening against US Dollar	(76)	(175)
5% weakening against US Dollar	76	175

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.

42.5.2 Derivative Financial Instruments

The Company has entered into foreign currency options and forward contracts to manage its exposure to fluctuations in foreign exchange rates on foreign currency receivables and payables. Fair value of derivative financial instruments are determined using valuation techniques based on information derived from observable market data.

(₹ in Lakhs)

Financial assets/ (Financial liabilities)	Particulars	As at March 31, 2021	As at March 31, 2020
Derivative Assets / (Liabilities) measured at FVTPL:			
(i) Forward contracts	Notional value (USD Million) - Sell position	2.0	3.0
	No. of Contracts	3	11
	Fair value (₹ Lakhs)	6	(57)
(i) Option contracts	Notional value (USD Million) - Sell position	3.0	6.3
	No. of Contracts	6	17
	Fair value (₹ Lakhs)	56	60

Fair Value Hierarchy	Level 2
Valuation technique(s)	Discounted Cash Flow
Key input	Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counter parties.

Notes to Standalone Financial Statements

For the year ended March 31, 2021 (Contd.)

42.6 Interest rate risk management

The Company does not have interest rate risk exposure as there are no outstanding loans as at the year end.

42.7 Other price risks

The Company is exposed to price risks arising from mutual funds and equity investments other than investments in subsidiary.

Equity price risk is related to change in market reference price of investments in equity securities held by the Company. The fair value of quoted investments held by the Company exposes the Company to equity price risks. In general, these investments are not held for trading purposes.

The Company manages the surplus funds majorly through combination of investments in debt based /artibrage / equity oriented mutual fund schemes and fixed deposits. The price of investment in these mutual funds is the Net Asset Value (NAV) declared by the Asset Management Company on daily basis as reflected by the movement in the NAV of invested schemes. The Company is exposed to price risk on such Investment schemes.

Mutual fund investments are susceptible to market price risk, mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments. However, due to the very short tenor of the underlying portfolio in the liquid schemes, these do not hold any significant price risks.

42.7.1 Equity price sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 5% higher / lower, the other comprehensive income for the year ended March 31, 2021 would increase/decrease by ₹ 93 Lakhs (Previous year: increase/decrease by ₹ 65 Lakhs) as a result of the changes in fair value of equity investments measured at FVTOCI.

42.7.2 Mutual fund price sensitivity analysis

The sensitivity analysis below have been determined based on Mutual Fund Investment at the end of the reporting period. If NAV has been 1% higher / lower, the profit for year ended March 31, 2021 would increase / decrease by ₹ 28 Lakhs (Previous year: increase / decrease by ₹ 28 Lakhs) as a result of the changes in fair value of mutual funds.

42.8 Credit risk management

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information.

For trade and other receivables, credit evaluation is performed on the financial condition of accounts receivable using independent ratings where available or by assessment of the customer's credit quality based on its financial position, past experience and other factors. The maximum exposure to credit risk in respect of the above at the reporting date is the carrying value of financial assets recorded in the financial statements, net of any allowance for losses. Based on the historical data, loss on collection of receivable is not material, hence no additional provision considered.

Trade receivables consist of a large number of customers, spread across the country comprising primarily dealers and manufacturers.

Trade receivables consist of a large number of customers, spread across the world comprising primarily manufacturers and dealers. The average credit period on sales of goods is 60 days. The Company's trade and other receivables consists of a large number of customers, hence the Company is not exposed to concentration risk.

Notes to Standalone Financial Statements

For the year ended March 31, 2021 (Contd.)

(₹ in Lakhs)

Ageing of trade receivables	**As at March 31, 2021**	**As at March 31, 2020**
Within the credit period	27,374	15,457
0 - 180 days past due	3,481	4,846
More than 180 days past due	1	18
Total Trade receivables	**30,856**	**20,321**

Reconciliation of loss allowance provision for Trade Receivables

(₹ in Lakhs)

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Balance as at beginning of the year	**14**	**2**
Impairment losses recognised in the year based on lifetime expected credit losses	-	12
Amounts written off during the year as uncollectible	-	-
Amounts written back during the year	-	-
Amounts recovered during the year	-	-
Balance at end of the year	**14**	**14**

42.9 Liquidity risk management

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as and when required. The Treasury Risk Management Policy includes an appropriate liquidity risk management framework for the management of the short-term, medium-term and long term funding and cash management requirements. The Company manages the liquidity risk by maintaining adequate cash reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities. The Company invests its surplus funds mainly in bank fixed deposits and mutual funds which carry no / negligible mark to market risks.

42.9.1 Liquidity risk table

The following table details 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. The tables include principal cash flows along with interest. The contractual maturity is based on the earliest date on which the Company may be required to pay.

(₹ in Lakhs)

Particulars	**Upto 1 year**	**1-5 years**	**5+years**
March 31, 2021			
Trade Payables	17,096	-	-
Other Financial Liabilities	2,466	-	-
Total	**19,562**	-	-
March 31, 2020			
Trade Payables	8,923	-	-
Other Financial Liabilities	3,753	-	-
Total	**12,676**	-	-

Notes to Standalone Financial Statements

For the year ended March 31, 2021 (Contd.)

NOTE 43 : FAIR VALUE MEASUREMENTS

This note provides information about how the Company determines fair values of various financial assets and financial liabilities.

43.1 Fair value of the Company's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Company's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

(₹ in Lakhs)

Financial assets/ (Financial liabilities)	March 31, 2021	March 31, 2020	Fair value hierarchy	Valuation technique(s) and key input(s)
a) At FVTPL:				
(a) Investments in Mutual funds	2,819	2,794	Level 2	Fair value of investments in Mutual Funds is based on Net asset value (NAV) declared by mutual fund houses at the reporting date.
(b) Other financial assets (including Derivate Financial Instruments)	62	60	Level 2	MTM of derivative instrument is provided by the bankers as at the reporting date
(c) Other financial liabilities	-	57	Level 2	MTM of derivative instrument is provided by the bankers as at the reporting date
b) At FVTOCI:				
Investments in equity instruments (quoted) (see note below)	1,868	1,303	Level 1	Quoted bid prices in an active market

Note: These investments in equity instruments are not held for trading. Instead, they are held for medium or long-term strategic purpose. Upon the application of Ind AS 109, the Company has chosen to designate these investments in equity instruments as at FVTOCI as the Management believe that this provides a more meaningful presentation for medium or long-term strategic investments, than reflecting changes in fair value immediately in the Statement of Profit and Loss.

There were no transfers between Level 1 and 2 in the period.

43.2 Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

Except as detailed in the following table, the Company considers that the carrying amounts of financial instruments recognised in the financial statements approximate their fair values.

(₹ in Lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets held at amortised cost:				
Cash and cash equivalent	4,409	4,409	837	837
Other Bank balance	3,556	3,556	443	443
Trade receivables	30,856	30,856	20,321	20,321
Other financial assets	762	762	725	725
Inter Corporate Deposits	1,022	1,022	610	610

Notes to Standalone Financial Statements

For the year ended March 31, 2021 (Contd.)

(₹ in Lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities held at amortised cost:				
Trade Payables	17,096	17,096	8,923	8,923
Financial Lease Liability	561	561	917	917
Other financial liabilities	2,466	2,466	3,753	3,753

NOTE 44 : DISCLOSURE AS PER SECTION 186 OF THE COMPANIES ACT, 2013

The details of loans, guarantees and investments under Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 are as follows:

(i) Details of Investments made by the Company are given in Note 6, 7 and 11 in the financial statements.

(ii) There are no securities and guarantees provided / given during the year.

NOTE 45 : MERGER OF PROMOTER GROUP ENTITIES

A. Pursuant to the Scheme of Amalgamation (the Scheme), of Suremi Trading Private Limited (Suremi) and Sushripada Investments Private Limited (Sushripada) (Promoter Entities) with the Company an application was filed before the National Company Law Tribunal, Mumbai (NCLT) which approved the Scheme vide its order dated March 3, 2021. In terms of the said Scheme, 2,15,99,859 equity shares and 95,17,830 equity shares in NOCIL held by Suremi Trading Private Limited and Sushripada Investments Private Limited respectively were cancelled and instead, NOCIL issued 3,11,17,689 equity shares to the shareholders of the Promoter Entities on March 30, 2021, as under:

S. No.	Name of Promoter shareholder	Number of equity shares of ₹ 10/- each allotted (as per NCLT order)
1	Mr. Hrishikesh A. Mafatlal	7,90,568
2	Mr. Priyavrata H. Mafatlal	439
3	Mr. Hrishikesh A. Mafatlal (as a trustee of Gurukripa Trust)	3,03,26,682
	Total	**3,11,17,689**

B. In accordance with the terms of the Scheme:

(i) The business of the promoter entities have been merged with the Company from October 1, 2020, being the Appointed Date.

(ii) All transactions of the Promoter Entities effective October 1, 2020, have been incorporated in the financial statements of the Company for the year ended March 31, 2021.

(iii) The stamp duty and legal charges in connection with the said Scheme have been borne solely by the Promoter Entities.

C. The trading sales and trading purchases pursuant to the execution of a tender entered into prior to October 1, 2020, by one of the Promoter Entities engaged in trading activities, being a one-off transaction for the Company, has been included under Miscellaneous Income under Other Non-Operating Income (refer Note 27).

D. The assets and liabilities of the Promoter Entities taken over as of October 1, 2020, and incorporated in the financial statements of the Company are as under:

Notes to Standalone Financial Statements

For the year ended March 31, 2021 (Contd.)

(₹ in Lakhs)

Assets	Suremi	Sushripada
Cash & Cash Equivalents	164	172
Other Current Assets	3	7
Total Assets	**167**	**179**
Liabilities		
Trade Payables	1	4
Other Current liabilities	166	169
Short term provisions	-	6
Total Liabilities	**167**	**179**

E. The Income and Expenses of the Promoter Entities in respect of their activities for the period October 1, 2020 to March 31, 2021, incorporated in the financial statements of the Company are as under:

(₹ in Lakhs)

Particulars	Suremi	Sushripada
Revenue	865	-
Other Income	3	2
Total Income	**868**	**2**
Purchases	857	-
Employee Benefit Expense	4	-
Other Expenses	1	1
Total Expenses	**862**	**1**
Profit Before Tax (reflected as Miscellaneous Income under Other Non-Operating Income) (refer Note 27)	**6**	**1**

NOTE 46: SUBSEQUENT EVENTS

There are no significant subsequent events that would require adjustments or disclosures in the financial statement between the Balance Sheet date and the date of signing of accounts.

NOTE 47: IMPACT OF COVID-19

The Company's operations were impacted during the first quarter of the current financial year due to shutdown of its plants following the nationwide lockdown imposed by the Government of India during the first wave of COVID-19 pandemic. The Company's plants have since resumed operations, taking all due care for the health and safety of its employees and adopting work from home policy wherever possible.

The Company thereafter, has evaluated the impact of this pandemic on its business operations, financial position and based on its review of current indicators, there is no significant impact on the Company's assets, capital and financial resources, liquidity position, supply chain or demand for its products for the year ended March 31, 2021. The profitability for the year was impacted during the first quarter of the financial year due to sub optimal operations on account of the lockdown.

Notes to Standalone Financial Statements

For the year ended March 31, 2021 (Contd.)

However, the impact assessment of COVID-19 is a continual process, given the uncertainties associated with its nature and duration. The financial implications are contingent on the various business parameters which may emerge from time to time and the Company will continue to closely monitor any material changes from those estimated as on the date of adoption of these financial results.

NOTE 48

The Company is primarily engaged in the business of manufacture of rubber chemicals which in the context of Indian Accounting Standard (Ind AS) 108 on Operating Segments constitutes a single reportable segment. The relevant information regarding secondary segment reporting (by geographical segment) is presented in the consolidated financial statements as required as per Ind AS 108 “Operating Segments”.

NOTE 49

Previous year’s figures have been regrouped wherever necessary, to conform to the current year’s classification.

Independent Auditors' Report

To the Members of NOCIL LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED IND-AS FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated Ind-AS financial statements of ***NOCIL LIMITED*** (hereinafter referred to as "the Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2021, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flow for the year then ended and Notes to the Consolidated Ind-AS Financial Statements, including a summary of significant accounting policies (hereinafter referred to as "the consolidated Ind-AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind-AS financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2021, of the consolidated profits, consolidated statement of changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Ind-AS 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, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind-AS financial statements of the current period. These matters were addressed in the context of our audit of the consolidated Ind-AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. no.	Key audit matter description	How the scope of our audit addressed the key audit matter
1	**Revenue recognition and measurement** Refer to Note 2(j) (Accounting policies) for revenue recognition and measurement, Note 25 of the consolidated Ind-AS financial statements for aggregate revenue from sale of goods recognised as required by the applicable Ind AS. For the year ended March 31, 2021, the Group recognised revenues from sale of goods aggregating to ₹ 91,306 Lakhs (previous year ₹ 83,775 Lakhs). The Group recognises revenue from sale of goods when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and the products have been delivered to the customer.	Our procedures included: **Accounting policies:** Assessing the Group's revenue recognition policies, including those related to commission, discounts, rebates and returns by comparing with the applicable Ind AS. **Tests of controls:** Evaluating the design and testing the operating effectiveness of controls over the accuracy of commission, discounts, incentives and rebates and correct timing of revenue recognition. **Tests of details:** - Verifying the supporting documentation for determining that the revenue was recognised in the correct accounting period.

Independent Auditors' Report (Contd.)

Sr. no.	Key audit matter description	How the scope of our audit addressed the key audit matter
	Amounts disclosed as revenue are net of customer returns, trade allowance, rebates, goods and services tax and amount collected on behalf of third parties. **Risk identified:** Revenue is recognised when control of the underlying goods is transferred to the customer. There may be a risk of revenue being overstated due to pressure from Management to achieve performance targets at the reporting period end.	- Comparing the commission, discounts, incentives and rebates with the prior year and, where relevant, performed further inquiries and testing. - Verifying the manual journals posted to revenue to identify unusual or irregular items. - To assess the recoverability of trade receivables, our procedures included an assessment of whether the provision against, or write off, impacted our view as to the initial recognition of the related revenue. **Performing substantive analytical procedures:** Developing an expectation of the current year revenue based on trend analysis and recent market conditions and growth of the Group and compared the same with the actuals, accompanied with further inquiries and testing. We also assessed as to whether the disclosures in respect of revenue were adequate.
2	**Property, Plant And Equipment Capitalisation** Refer to Note 2(a) (Accounting policies) for Property, Plant and Equipment measurement as required by the applicable Ind AS. During the year ending March 31, 2021, the Group has capitalised ₹ 16,053 Lakhs. **Risk identified:** Capitalisation of costs and the useful lives assigned to assets are areas of judgement by Management. These manifests themselves in the following two audit risks: – the risk that amounts being capitalised do not meet capitalisation criteria; and – the risk that the useful economic lives assigned to assets are inappropriate.	Our procedures included: **Accounting policies:** Assessing the Group's capitalisation process and policies, by comparing with the applicable Ind AS. **Tests of controls:** Evaluating the design and testing the operating effectiveness of controls over the accuracy of amount capitalised, estimation of useful life and correct timing of capitalisation. We determined that the operation of the controls provided to us with audit evidence in respect of the capitalisation of costs. **Tests of details:** We tested costs capitalised in the year and considered the ageing of assets in the course of construction. We assessed the nature of costs incurred in capital projects through testing of amounts recorded and considering whether the expenditure met the criteria for capitalisation under accounting standards. We found no material misstatements from our testing.

Independent Auditors' Report (Contd.)

Sr. no.	Key audit matter description	How the scope of our audit addressed the key audit matter
		We tested the controls over the annual review of asset lives. In addition, we tested whether Management's views on asset lives are supportable by considering our knowledge of the business. We also tested whether the prior year asset life review has been appropriately applied and assessed the judgements made by Management in the current year review.
3.	**System environment and internal controls** **Risk identified:** The IT and business process controls implemented might not be designed, implemented or operating in a manner conducive to the effective processing and reporting of financial information. The fragmented system environment introduces risks related to system access, change management, and we have accordingly designated this as a focus area in the audit. The risk of end user devices which are used to store or process the Group's information are encrypted to prevent breach of the Group's information. The risk of access to Operating system and SAP codes are given to appropriate persons.	Our procedures included: **Tests conducted:** Our response to the risks related to the system environment includes both the test of IT and business process controls. We also performed sufficient tests of details as part of our audit. We tested the Group's controls around access and change management related to key IT systems through our Information Technology specialist.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND THE AUDITOR'S REPORT THEREON

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the Director's Report and Report on Corporate Governance but does not include the consolidated Ind-AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind-AS 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 Ind-AS financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated Ind-AS financial statements or our knowledge obtained in the 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.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind-AS financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and

Independent Auditors' Report (Contd.)

consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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, which have been used for the purpose of preparation of the consolidated Ind-AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind-AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED IND-AS FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated Ind-AS 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 SAs 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 Ind-AS financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated Ind-AS 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the Group 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 ability of the Group 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 consolidated Ind-AS 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 Ind-AS financial statements, including the disclosures, and whether the consolidated Ind-AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Independent Auditors' Report (Contd.)

- 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 Ind-AS financial statements. We are responsible for the Holding Company included in the consolidated Ind-AS financial statements of which we are the independent auditor, for the other subsidiary company included in the consolidated Ind-AS financial statements, which have been audited by other auditors, such other auditor remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of the users of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated Ind-AS financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind-AS financial statements of which we are the independent auditors 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 consolidated Ind-AS 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.

OTHER MATTERS

We did not audit the financial statement of a subsidiary company, whose financial statements reflect the total assets of ₹ 4,245 Lakhs as at March 31, 2021, total revenue of ₹ 1,562 Lakhs and net cash outflows amounting to ₹ 27 Lakhs for the year ended on that date, as considered in the consolidated Ind-AS financial statements. These financial statements have been audited by other auditor whose reports have been furnished to us by the Management and our opinion on the consolidated Ind-AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) and (11) of the Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of the other auditor.

Our opinion on the consolidated Ind-AS financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by section143(3) of the Act, we report to the extent applicable 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 purpose of our audit of the aforesaid consolidated Ind-AS financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind-AS financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor.

Independent Auditors' Report (Contd.)

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind-AS financial statements.

d) In our opinion, the aforesaid consolidated Ind-AS financial statements comply with the Accounting Standards 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, 2021 which are taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company, none of the Directors of the Group Companies are disqualified as on March 31, 2021, 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 with reference to financial statements of the Group and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**".

g) According to information and explanations given to us and based on our examination of the reports of the subsidiary company, the Holding Company and the subsidiary company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by 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, in our opinion and to the best of our information and according to the explanations given to us:

   i) The consolidated Ind-AS financial statements disclosed the impact of pending litigations on its consolidated financial position of the Group. Refer Note 36 to the consolidated Ind-AS financial statements.

   ii) Provisions have been made in the consolidated Ind-AS financial statements, as required under applicable laws or Accounting Standards for material foreseeable losses, if any, on long term contracts, including derivative contracts. Refer Note 2(h) and Note 42.5.2 to the consolidated Ind-AS financial statements.

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

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Reg. No.: 104607W / W100166

Daraius Z. Fraser
Partner
M. No.: 42454
UDIN: 21042454AAAACP9750

Mumbai: May 27, 2021

Annexure A to the Independent Auditor's Report

Referred to in Para (f) 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report to the members of the Group on the consolidated Ind-AS financial statements for the year ended March 31, 2021.

REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls with reference to financial statements of ***NOCIL Limited*** (hereinafter referred to as "the Holding Company"), and its subsidiary company (Holding Company and its subsidiary together referred to as "the Group"), as of March 31, 2021, in conjunction with our audit of the consolidated Ind-AS financial statements of the Group 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 subsidiary company, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Holding Company and its subsidiary 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 the respective 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 ("the Act" or "the Companies Act").

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Group based on our audit. We conducted our audit in accordance with 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 issued by the ICAI. 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 consolidated Ind-AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditor of the subsidiary company in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Group's internal financial controls system with reference to financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

A company's internal financial control with reference to financial statements 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 with reference to financial statements 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;

Annexure A to the Independent Auditor's Report (Contd.)

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 consolidated Ind-AS financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

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 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, the Holding Company and its Subsidiary Company, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control with reference to financial statements criteria established by the Holding Company and its Subsidiary 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 ICAI.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to the subsidiary company is based on the corresponding report of the auditor of such company.

Our opinion is not modified in respect of the above matter.

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Reg. No.: 104607W / W100166

Daraius Z. Fraser
Partner
M. No.: 42454
UDIN: 21042454AAAACP9750

Mumbai: May 27, 2021

Consolidated Balance Sheet

As at 31 March, 2021

(₹ in Lakhs)

Particulars	Note	As at March 31, 2021	As at March 31, 2020
Non-Current Assets			
(a) Property, Plant and Equipment	3	91,601	79,568
(b) Capital work-in-progress		1,410	15,634
(c) Investment Property	4	44	46
(d) Intangible assets	5	117	125
(e) Financial Assets			
(i) Other Investments	6	2,498	2,404
(ii) Other financial assets	7	729	673
(f) Non - Current tax assets		1,669	1,815
(g) Other non-current assets	8	1,126	1,402
Total Non - Current Assets		**99,194**	**101,667**
Current Assets			
(a) Inventories	9	16,566	13,643
(b) Financial Assets			
(i) Investments	10	4,345	3,036
(ii) Trade receivables	11	30,856	20,321
(iii) Cash and cash equivalent	12	4,485	940
(iv) Bank balances other than (iii) above	13	3,556	443
(v) Other financial assets	14	151	115
(c) Other current assets	15	2,306	4,059
Total Current Assets		**62,265**	**42,557**
Total Assets		**161,459**	**144,224**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	16	16,622	16,561
(b) Other Equity	17	111,851	101,963
Total Equity		**128,473**	**118,524**
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Lease Liability	18	386	687
(b) Provisions	19	1,610	1,676
(c) Deferred tax liabilities (Net)	32	9,954	9,267
(d) Other non-current liabilities	20	-	7
Total Non - Current Liabilities		**11,950**	**11,637**
Current Liabilities			
(a) Financial Liabilities			
(i) Trade payables			
(a) Total outstanding dues of micro and small enterprises	21	496	624
(b) Total outstanding dues to creditors other than micro and small enterprises	21	16,530	8,324
(ii) Other financial liabilities	22	2,645	4,047
(b) Other current liabilities	23	677	383
(c) Provisions	24	558	684
(d) Current tax liabilities		130	1
Total Current Liabilities		**21,036**	**14,063**
Total Equity and Liabilities		**161,459**	**144,224**

Significant accounting policies 2

The accompanying notes form an integral part of the Consolidated Financial Statements

In terms of our report attached

For and on behalf of the Board of Directors

For KALYANIWALLA & MISTRY LLP
Chartered Accountants
Firm Regn No.: 104607W/W100166

Daraius Z. Fraser
Partner
Membership No. 42454

Hrishikesh A. Mafatlal
Chairman
DIN: 00009872

P. Srinivasan
Chief Financial Officer

D. N. Mungale
Director & Chairman-Audit Committee
DIN: 00007563

Amit K. Vyas
Company Secretary

S. R. Deo
Managing Director
DIN: 01122338

Place : Mumbai
Dated : May 27, 2021

Consolidated Statement of Profit and Loss

For the year ended March 31, 2021

(₹ in Lakhs)

Particulars	Note	For the year ended March 31, 2021	For the year ended March 31, 2020
I Revenue from operations	25	92,466	84,629
II Other Income	26	1,472	917
III Total Income (I + II)		**93,938**	**85,546**
IV EXPENSES			
(a) Cost of materials consumed	27	47,876	36,719
(b) Purchases of Stock-in-trade		142	260
(c) Changes in stock of finished goods, work-in-progress and stock-in-trade	28	2,445	1,805
(d) Employee benefit expense	29	7,005	7,673
(e) Finance costs	30	97	132
(f) Depreciation and amortisation expense	31	3,743	3,374
(g) Other expenses	32	21,917	20,349
Total Expenses (IV)		**83,225**	**70,312**
V Profit Before Tax (III - IV)		**10,713**	**15,234**
VI Tax Expense			
(a) Current tax	33	2,519	3,887
(b) Deferred tax	33	627	(1,720)
(c) (Excess) / Short Provision for tax relating to earlier years*	33	(1,274)	0
Total Tax Expense (VI)		**1,872**	**2,167**
VII Profit After Tax (V -VI)		**8,841**	**13,067**
VIII Other Comprehensive Income			
A (i) Items that may be reclassified to profit or loss		-	-
B (i) Items that will not be reclassified to profit or loss			
(a) Remeasurements of the defined benefit liabilities / (asset)		129	(164)
(b) Equity instruments through other comprehensive income		572	(947)
(ii) Income tax relating to items that will not be reclassified to profit or loss			
(a) On Remeasurements of the defined benefit liabilities / (asset)	33	(1)	(3)
(b) On Equity instruments through other comprehensive income	33	(59)	(50)
Total Other Comprehensive Income for the year		**641**	**(1,164)**
IX Total Comprehensive Income for the year (VII+VIII)		**9,482**	**11,903**
X Net Profit attributable to :			
(a) Owners of the company		8,841	13,067
(b) Non-Controlling Interests		-	-
XI Other Comprehensive Income attributable to :			
(a) Owners of the company		641	(1,164)
(b) Non-Controlling Interests		-	-
XII Total Comprehensive Income attributable to :			
(a) Owners of the company		9,482	11,903
(b) Non-Controlling Interests		-	-
XIII Earnings Per Equity Share (Face Value ₹ 10/- each)	34		
(a) Basic		5.33	7.89
(b) Diluted		5.32	7.89

Significant accounting policies 2

The accompanying notes form an integral part of the Consolidated Financial Statements

* Amount less than ₹ 0.50 Lakhs

In terms of our report attached

For and on behalf of the Board of Directors

For KALYANIWALLA & MISTRY LLP
Chartered Accountants
Firm Regn No.: 104607W/W100166

Hrishikesh A. Mafatlal
Chairman
DIN: 00009872

D. N. Mungale
Director & Chairman-Audit Committee
DIN: 00007563

S. R. Deo
Managing Director
DIN: 01122338

Daraius Z. Fraser
Partner
Membership No. 42454

P. Srinivasan
Chief Financial Officer

Amit K. Vyas
Company Secretary

Place : Mumbai
Dated : May 27, 2021

Consolidated Statement of Cash Flows

For the year ended March 31, 2021

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
A Cash flows from operating activities		
Profit before tax	10,713	15,234
Adjustments for:		
Finance costs	97	132
Interest income	(1,176)	(119)
Dividend income	(2)	(250)
Miscellaneous Income (Refer Note 45)	(7)	-
Loss on disposal / scrapping / write off of property, plant and equipment	81	6
Excess provision for earlier years written back	(147)	(58)
VAT Set Off Reversal	30	-
Fair Value (gain)/loss on investments	(177)	(216)
Depreciation / amortisation expenses	3,743	3,374
Unrealised foreign exchange revalution	(69)	(126)
Expense recognised in respect of equity-settled share-based payments	96	199
Rent from Investment Property / Others	(39)	(43)
Income from Redemption of Mutual Fund	(61)	(121)
Remeasurement of defined benefit liabilities / (assets) through OCI	129	(164)
Operating profit before working capital changes (i)	**13,211**	**17,848**
Adjustments for:		
(Increase)/Decrease in Trade Receivables	(10,418)	3,178
(Increase)/Decrease in Inventories	(2,923)	3,428
(Increase)/Decrease in Other Assets - Current & Non Current	1,995	(772)
(Increase)/Decrease in Other Financial Assets - Current & Non Current	(46)	(78)
Increase/(Decrease) in Trade Payable	8,136	(990)
Increase/(Decrease) in Provisions - Current & Non Current	(195)	264
Increase/(Decrease) in Other Financial Liabilities - Current / Non Current	(327)	59
Increase/(Decrease) in Other Liabilities - Current	(42)	136
Changes in Working Capital (ii)	**(3,820)**	**5,225**
Cash generated from operations (iii) = (i+ii)	**9,391**	**23,073**
(Income taxes paid) / Refund (net) (iv)	(35)	(5,133)
Net cash generated by operating activities (v)= (iii)+(iv)	**9,356**	**17,940**
B Cash flows from investing activities		
Payments to acquire financial assets	(13,632)	(23,828)
Proceeds on redemption of financial assets	9,875	30,694
Income from Promoter Entities post merger (Refer Note 45)	7	-
Interest received	153	180
Dividends received	2	250
Payments for purchase of property, plant and equipment	(2,659)	(17,957)
Proceeds from disposal of property, plant and equipment*	41	(0)
Rent from Investment Property / Others	39	43
Payments for intangible assets	(36)	(29)
Net cash (used in)/generated by investing activities (vi)	**(6,210)**	**(10,647)**

Consolidated Statement of Cash Flows

For the year ended March 31, 2021 (Contd.)

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
C Cash flows from financing activities		
Proceeds from issue of ESOPs	370	97
Dividends paid (including tax)	(71)	(9,824)
Interest paid on lease liability	(59)	(88)
Principal payment of Lease Liability	(175)	(218)
Interest paid	(38)	(44)
Net cash used in financing activities (vii)	**27**	**(10,077)**
Net increase in cash and cash equivalents (v+vi+vii)	3,173	(2,784)
Cash and cash equivalents at the beginning of the year	940	3,704
Unrealised foreign exchange restatement in Cash and cash equivalents	36	20
Acquired Pursuant to the Scheme of Merger (Refer Note 45)	336	-
Cash and cash equivalents at the end of the year	**4,485**	**940**
Reconciliation of cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents at end of the year (including other bank balances)	4,857	1,383
Less: Bank balances held as margin money against guarantees not considered as Cash and cash equivalents	(372)	(443)
Cash and cash equivalents at end of the year	**4,485**	**940**

* Amount Less than ₹ 0.50 Lakhs

Note:

The accompanying notes form an integral part of the Consolidated Financial Statements.

The above cash flow statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (IND AS - 7) "Statement of Cash Flow".

In terms of our report attached

For and on behalf of the Board of Directors

For KALYANIWALLA & MISTRY LLP
Chartered Accountants
Firm Regn No.: 104607W/W100166

Hrishikesh A. Mafatlal
Chairman
DIN: 00009872

D. N. Mungale
Director & Chairman-Audit Committee
DIN: 00007563

S. R. Deo
Managing Director
DIN: 01122338

Daraius Z. Fraser
Partner
Membership No. 42454

P. Srinivasan
Chief Financial Officer

Amit K. Vyas
Company Secretary

Place : Mumbai
Dated : May 27, 2021

Consolidated Statement of Changes in Equity

For the year ended March 31, 2021

(a) Equity share capital

(₹ in Lakhs)

Particulars	Amount
Balance as at March 31, 2019	**16,542**
Changes in equity share capital during the year:	
Issue of equity shares under employee stock option plan	19
Balance as at March 31, 2020	**16,561**
Changes in equity share capital during the year:	
Issue of equity shares under employee stock option plan	61
Balance as at March 31, 2021	**16,622**

(b) Other equity

(₹ in Lakhs)

Particulars	Other Equity					Other Comprehensive Income		Total
	Capital reserve	Securities premium	General reserve	ESOP outstanding reserve	Retained earnings	Equity Instrument through OCI	Other Items of OCI	
Balance as at March 31, 2019	**15**	**1,836**	**4,865**	**422**	**95,454**	**(2,238)**	**(595)**	**99,759**
Profit for the year	-	-	-	-	13,067	-	-	13,067
Other Comprehensive Income for the year, net of income tax	-	-	-	-	-	(997)		(997)
Remeasurement of Defined Benefit Obligation, net of income tax	-	-	-	-	-	-	(167)	(167)
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**13,067**	**(997)**	**(167)**	**11,903**
Premium on shares issued	-	116	-	-	-	-	-	116
Recognition of share based payments	-	-	-	162	-	-	-	162
Payment of dividend and Dividend distribution tax thereon	-	-	-	-	(9,977)	-	-	(9,977)
Balance as at March 31, 2020	**15**	**1,952**	**4,865**	**584**	**98,544**	**(3,235)**	**(762)**	**101,963**
Profit for the year	-	-	-	-	8,841	-	-	8,841
Other Comprehensive Income for the year, net of income tax	-	-	-	-	-	513	-	513
Remeasurement of Defined Benefit Obligation, net of income tax	-	-	-	-	-	-	128	128
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**8,841**	**513**	**128**	**9,482**
Premium on shares issued	-	444	-	-	-	-	-	444
Recognition of share based payments	-	-	-	(38)	-	-	-	(39)
Payment of dividend and Dividend distribution tax thereon	-	-	-	-	-	-	-	-
Balance as at March 31, 2021	**15**	**2,396**	**4,865**	**546**	**107,385**	**(2,722)**	**(634)**	**111,851**

Refer Note 17 for nature and purpose of Reserve. The accompanying notes form an integral part of the Consolidated Financial Statements

In terms of our report attached

For KALYANIWALLA & MISTRY LLP
Chartered Accountants
Firm Regn No.: 104607W/W100166

Daraius Z. Fraser
Partner
Membership No. 42454

Place : Mumbai
Dated : May 27, 2021

For and on behalf of the Board of Directors

Hrishikesh A. Mafatlal
Chairman
DIN: 00009872

D. N. Mungale
Director & Chairman-Audit Committee
DIN: 00007563

S. R. Deo
Managing Director
DIN: 01122338

P. Srinivasan
Chief Financial Officer

Amit K. Vyas
Company Secretary

Notes to Consolidated Financial Statements

For the year ended March 31, 2021

NOTE 1: GENERAL INFORMATION

a) Corporate information

NOCIL Limited (the Company) having Company Identification No: L99999MH1961PLC012003 is a limited Company incorporated on May 11, 1961 and is engaged in manufacture of rubber chemicals domiciled in India. The Company has manufacturing facilities at Navi Mumbai (Maharashtra) and at Dahej (Gujarat). The address of its registered office is Mafatlal House, H.T. Parekh Marg, Backbay Reclamation, Churchgate, Mumbai 400 020, Maharashtra, India. The products manufactured by the Company are used by the tyre industry and other rubber processing industries.

The following wholly owned subsidiary Company is included in the consolidation

Name	Country of Incorporation	Nature of business
PIL Chemicals Limited	India	Processing of rubber chemical products

b) Basis of preparation and presentation

The Consolidated financial statements of the Group have been prepared in accordance with generally accepted accounting principles in India under the historical cost convention on accrual basis at the end of each reporting period except for:

- Certain financial Assets and Liabilities that are measured at fair value
- Defined Benefit Plans that are measured at fair value
- Share based payments – calculated using the Black and Scholes option pricing model

The Generally Accepted Accounting principles in India comply in all material aspects with the Indian Accounting Standards ('Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 (the Act) read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended thereunder and other relevant provisions of the Act.

The Consolidated financial statements have been prepared on going concern basis. The accounting policies are applied consistently to all periods presented in the consolidated financial statements. All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria as set out in the Division II of Schedule III of the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for proceeding and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle not exceeding 12 months for the purpose of current or non-current classification of assets and liabilities.

The Consolidated financial statements of the Group for the year ended March 31, 2021 have been approved for issue in accordance with the resolution of the Board of Directors on May 27, 2021.

c) Functional and presentational currency

The Consolidated financial statements are presented in Indian Rupees (₹), which is the Group's functional and presentation currency. All amounts have been rounded to the nearest lakhs as per the requirement of Schedule III, unless otherwise indicated.

d) Principles of consolidation

i. Subsidiaries

Subsidiaries are all entities over which the group has control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investees).
- Exposure, or rights, to variable returns from its involvement with the investee,
- The ability to use its power over the investee to affect its returns.

Notes to Consolidated Financial Statements

For the year ended March 31, 2021 (Contd.)

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over and investee, including.

- The Contractual arrangement with the other vote holders of the investee,
- Rights arising from other contractual arrangements,
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liability, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it de-recognises the related assets (including goodwill), liability, non-controlling interest and other components of equity while any resultant gain or loss is recognised in statement of profit and loss. Any investment retained is recognised at fair value.

Non-controlling interest in the results and equity of subsidiaries as shown separately in the consolidated statement of profit and loss, consolidated statement of change in equity and balance sheet respectively.

ii. The consolidated financial statements relate to NOCIL Limited, the Holding Company and its subsidiary. The consolidation of accounts of the Company with its subsidiary (collectively known as "Group") has been prepared in accordance with (Ind AS) 110 - Consolidated Financial Statements. The financial statements of the parent and its subsidiary are combined on a line by line basis and intra group balances, intra group transactions and unrealised profits or losses are fully eliminated.

iii. The consolidated financial statements are prepared by adopting uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the parent Company's separate financial statements unless stated otherwise.

iv. The Audited financial statements of the subsidiary used in the consolidation are drawn up to the same reporting date as of the Holding Company i.e. up to March 31, 2021.

e) Key estimates and assumptions

The preparation of Consolidated financial statements requires Management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods of the revision if it affects both current and future periods.

Notes to Consolidated Financial Statements

For the year ended March 31, 2021 (Contd.)

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are as follows:

- Determination of the estimated useful lives of tangible assets and the assessment as to which components of the cost may be capitalised (Note 2(a)).
- Determination of the estimated useful lives of intangible assets (Note 2(c)).
- Impairment of Property, Plant and Equipment (Note 2(d)).
- Recognition and measurement of defined benefit obligations (Note 2(j) and Note 40).
- Fair valuation of employee share options (Note 2(k) and Note 38).
- Discounting of long-term financial liabilities
- Fair value of financial instruments (Note 1(f)).
- Recognition and measurement of provisions and contingencies, key assumptions about the likelihood and magnitude of an outflow of resources; (Note 2(p)).
- Accruals of Sales incentives, Commission, etc.

f) Measurement of Fair value

The Group's Consolidated accounting policies and disclosures require the measurement of fair values for financial instruments. The Group has an established control framework with respect to the measurement of fair values. The Management regularly reviews significant inputs and valuation adjustments. If third party information, such as Government approved valuer, broker quotes or pricing services, is used to measure fair values, then the Management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

While measuring the fair value of a financial asset or a financial liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 inputs for the assets or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

a) Property, Plant and Equipment

Property, Plant and Equipment (PPE) are stated at cost of acquisition, including any attributable cost for bringing the asset to its working condition for its intended use less accumulated depreciation and less accumulated impairment, if any. Cost includes expenses related directly to acquisition and installation of the concerned assets, borrowing cost during the construction period and estimated costs of dismantling and removing the item and restoring the site on which it is located and excludes any duties / taxes recoverable.

Advances paid towards the acquisition of PPE outstanding at each reporting date is classified as Capital Advances under Other Non-Current Assets and assets which are not ready for intended use as on the date of balance Sheet are disclosed as "Capital Work in Progress".

Notes to Consolidated Financial Statements

For the year ended March 31, 2021 (Contd.)

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes all costs incurred to bring the assets to their present location and condition. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted and depreciated for as separate items (major components) of property, plant and equipment.

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from de-recognition of fixed assets 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.

The estimated 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.

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the items will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred.

When significant identifiable parts of PPE are required to be replaced, the Group de-recognises the replaced parts and recognises the new part with its own associated useful life and it is depreciated accordingly. In other cases, expenses are charged off to the Statement of Profit and Loss.

Depreciation is provided, under the Straight Line Method basis so as to write off the original cost of the asset less its estimated residual value over the estimated useful life. The Management's estimate of useful lives is in accordance with Schedule II to the Companies Act, 2013.Assets costing ₹. 50,000 or less are fully depreciated in the year of purchase. Leasehold land is amortised on a straight line basis over the period of the lease.

b) Investment Property

Land or Building held to earn rentals or for capital appreciation or both rather than for use in the production or supply of goods and services or for administrative purposes; or sale in the ordinary course of business is recognised as Investment Property. Investment Property are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Though, the Group measures investment property using cost based measurement, the fair value of investment property is disclosed in Notes. Fair values are determined based on an annual evaluation performed by a Government approved valuer.

Investment properties are de-recognised either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the Statement of Profit and Loss in the period of de-recognition.

c) Intangible Assets

An Intangible asset is recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the Group and the cost of the asset can be measured reliably. Intangible assets that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortised over their estimated useful life. The useful life of intangible assets is assessed as either finite or infinite. Amortisation is recognised on a straight line basis over

Notes to Consolidated Financial Statements

For the year ended March 31, 2021 (Contd.)

their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted on a prospective basis.

Estimated useful lives of finite intangible assets are as follows:

Patents	10 years
Software	3 years

Changes in the expected useful life are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. 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.

Gains or losses arising from de-recognition of an intangible asset 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.

d) Impairment of Non-Financial Assets

At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication of an impairment loss. If any such indication exists, the recoverable amounts are estimated in order to determine the extent of the impairment loss (if any). An impairment loss is recognised whenever the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount. The impairment loss, if any, is recognised in the Statement of Profit and Loss in the period in which impairment takes place.

Recoverable amount is higher of an assets net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an assets and from its disposal at the end of its useful life. Where an impairment loss subsequently reverses, the carrying amount of the assets is increased to the revised estimate of its recoverable amount, however subject to the increased carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior accounting periods.

e) Inventories

Inventories are measured at lower of 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, raw materials, trading and other products is determined on weighted average basis. Cost of work-in-progress and finished stock is determined by the absorption costing method.

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

Provision is made for cost of obsolescence and other anticipated losses, whenever considered necessary by Management.

f) Cash and Cash Equivalents

Cash and Cash Equivalents in the Balance Sheet comprises cash on hand, bank balances and short term deposits with banks with a maturity of three months or less which are readily convertible into cash and which are subject to insignificant risk of changes in value.

For the purpose of the Consolidated Statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

g) Cash flow statement

Cash and Cash Equivalents in the Balance Sheet comprises cash on hand, bank balances and short term deposits with banks with an original maturity of three months or less which are readily convertible into cash and which are subject to insignificant risk of changes in value.

For the purpose of the Statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

h) Financial instruments

A financial instrument is any contract that gives rise to financial assets of one entity and financial liability or equity of another entity. Financial instruments also include derivative contracts such as foreign currency foreign exchange forward contracts.

i) Financial Asset

Initial recognition:

Financial assets are recognised when a Group becomes a party to the contractual provisions of the instruments. Financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of financial assets.

Subsequent measurement of financial assets:

Financial assets are subsequently classified and measured at:

- amortised cost
- fair value through Profit and Loss (FVTPL)
- fair value through Other Comprehensive Income (FVTOCI).

Financial assets are not reclassified subsequent to their recognition, except if and in the period the Group changes its business model for managing financial assets.

Trade Receivables and Loans:

Trade Receivables are initially recognised at fair value. Subsequently, these assets are held at amortised cost, using the effective interest rate (EIR) method net of any expected credit losses. The EIR is the rate that discounts estimated future cash income through the expected life of financial instruments.

For investments in mutual fund, the Group has opted to account for the fair value through profit or loss.

Debt Instruments:

Debt instruments are initially measured at amortised cost, fair value through other comprehensive income ('FVTOCI') or fair value through profit or loss ('FVTPL') till de-recognition on the basis of

(i) the Groups's business model for managing the financial assets and

(ii) the contractual cash flow characteristics of the financial asset.

a) Measured at amortised cost:

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the effective interest rate ('EIR') method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

b) Measured at Fair value through other comprehensive income (FVTOCI):

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognised in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On de-recognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'Other Income' in the Statement of Profit and Loss.

Notes to Consolidated Financial Statements

For the year ended March 31, 2021 (Contd.)

c) Measured at Fair Value Through Profit and Loss (FVTPL):

A financial asset not classified as either amortised cost or FVTOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'Other Income' in the Statement of Profit and Loss.

Equity Instruments:

Investments in equity instruments at FVTPL:

Investments in equity instruments other than investments in subsidiaries are classified as at FVTPL, unless the Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for equity instruments which are not held for trading.

Investments in equity instruments at FVTOCI:

On initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserve for 'equity instruments through other comprehensive income'. The cumulative gain or loss is reclassified to Statement of Profit and Loss on full disposal of the investments.

Impairment of financial assets:

The Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset.

For trade receivables, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

De-recognition of financial assets:

The Group de-recognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

ii) Financial liabilities

Initial recognition

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss. In case of trade payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised cost, using the effective interest method.

Notes to Consolidated Financial Statements

For the year ended March 31, 2021 (Contd.)

Subsequent Measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss is measured at fair value with all changes in fair value recognised in the Consolidated Statement of Profit and Loss. The interest expenses using the effective interest method is recognised over the relevant period of the financial asset. The same is included under Finance cost in the Statement of Profit and Loss unless it is capitalised as part of cost of an item of Property, Plant and Equipment.

Derecognition

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 de-recognition of the original liability and the recognition of the new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Consolidated Statement of Profit and Loss immediately.

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of Ind AS 109 are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

Offsetting of financial instruments

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. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

i) Foreign Exchange Transactions

In preparing the Consolidated financial statements of the Group, transactions in currencies other than the Group's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are restated at the rates prevailing at the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated. Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise.

j) Revenue recognition

Revenue from sale of products is recognised when the products are dispatched to customers, all significant contractual obligations have been satisfied and the collection of the resulting receivable is reasonably expected. Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of customer returns, trade allowance, rebates, goods and services tax and amount collected on behalf of third parties.

Accumulated experience is used to estimate and provide for the discounts and returns. No element of financing is deemed present as the sales are made with normal credit days consistent with market practice.

Notes to Consolidated Financial Statements

For the year ended March 31, 2021 (Contd.)

Export incentives are recognised as income as per the terms of the scheme in respect of the exports made and included as part of "Other Operating Revenue".

Dividend and interest income

Dividend income from investments is recognised when the Group's right to receive payment has been established.

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that discounts the estimated future cash payments or receipts through the expected life of the financial instruments or a shorter period, where appropriate, to the net carrying amount of the financial assets. Interest income is included in other income in the Consolidated Statement of Profit and Loss.

k) Employee benefits

Short-term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, performance incentives, etc., are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the employee renders the related service. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Post-Employment Benefits:

(a) Defined Contribution Plans

Payments made to a defined contribution plan such as Provident Fund, Family Pension, and Superannuation scheme are charged as an expense in the Statement of Profit and Loss as they fall due.

(b) Defined Benefit Plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, after discounting the same. The calculation of defined benefit obligations is performed annually by a qualified actuary using the Projected Unit Credit method. Re-measurement of the net defined benefit liability, comprise actuarial gains and losses which are recognised immediately in Other Comprehensive Income (OCI). Net interest expense/ (income) on the net defined liability/ (assets) is computed by applying the discount rate, used to measure the net defined liability / (asset). Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss. When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in Statement of Profit and Loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(c) Other Long-Term Employee Benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Re-measurement are recognised in Statement of Profit and Loss in the period in which they arise.

l) Equity Share-Based Payments

Employees of the Group also receive remuneration in the form of share based payments in consideration of the services rendered.

Under the equity settled share based payment, the fair value on the grant date of the awards given to employees is recognised as 'employee benefit expenses' with a corresponding increase in equity over the vesting period. The fair value of the options at the grant date is calculated on the basis of the Black Scholes model. At the end of each reporting period,

Notes to Consolidated Financial Statements

For the year ended March 31, 2021 (Contd.)

apart from the non-market vesting condition, the expense is reviewed and adjusted to reflect changes to the level of options expected to vest. When the options are exercised, the Group issues fresh equity shares. When the terms of an equity-settled award are modified, an additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

m) Leases

Effective April 1, 2019, the Group adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019, except those which are exempted under this standard, using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

As a Lessee

The Group's lease assets classes primarily consist of leases for buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

(i) The contract involves the use of an identified asset

(ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and

(iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the Group changes its assessment of whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

As a Lessor

Lease payments under operating leases is generally recognised as an expense on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the underlying asset and recognised as an expense over the lease term on the same basis as the lease income.,

Notes to Consolidated Financial Statements

For the year ended March 31, 2021 (Contd.)

n) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. 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.

o) Taxes on Income

Income tax expense comprises current tax expense and the deferred tax during the year. Current and deferred taxes are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

<u>Current tax</u>

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year and any adjustments to the tax payable or receivable in respect of previous years as determined in accordance with the provisions of the Income Tax Act, 1961 that have been enacted or subsequently enacted at the end of the reporting period.

Current tax assets and current tax liabilities are offset when there is legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis or simultaneously.

<u>Deferred tax</u>

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

p) Government Grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. The Group accounts for its entitlement as income on accrual basis.

q) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Group has a present obligation as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date. The expenses relating to a provision is presented in the Consolidated Statement of Profit and Loss net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

A contingent asset is not recognised but disclosed in the financial statements where an inflow of economic benefit is probable.

Provisions, contingent assets, contingent liabilities and commitments are reviewed at each balance sheet date.

r) Earnings Per Share (EPS)

Basic EPS is calculated by dividing the net profit or loss 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 for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

s) Dividend

The final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Group's Board of Directors.

t) Segment Reporting

The Group is considered to be a single segment group – engaged in the manufacture of rubber chemicals. As per Ind AS-108 'Operating Segments', if a financial report contains both the consolidated financial statements of a parent that is within the scope of Ind AS-108 as well as the parent's separate financial statements, segment information is required only in the consolidated financial statements. Accordingly, information required to be presented under Ind AS-108 Operating Segments has been given in the consolidated financial statements.

The Group is considered to be a single segment Group – engaged in the manufacture of rubber chemicals. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). Operating Segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the CODM, in deciding how to allocate resources and assessing performance.

Recent Accounting and Other Pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'Financial Liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the Statement of Changes in Equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a Group has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.

Notes to Consolidated Financial Statements

For the year ended March 31, 2021 (Contd.)

- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, ratios, title deeds of immovable property not held in name of Group, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of Profit and Loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The Group will evaluate the amendments and its applicability to the Group and give effect to them as required by law.

- **Code of Social Security, 2020**

  The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.

Notes to Consolidated Financial Statements

For the year ended March 31, 2021 (Contd.)

NOTE 3 : PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars	Land - Leasehold	Buildings	Right-of-Use Assets#	Plant and Equipment	Office Equipment	Furniture & Fixtures	Vehicles	Total
I. Gross Carrying Value								
Balance as at April 1, 2020	25,413	19,497	1,136	54,531	559	375	416	101,927
Additions	-	2,034	19	13,829	124	47	-	16,053
Disposals	-	-	(201)	(312)	(2)	-	(47)	(562)
Balance as at March 31, 2021	**25,413**	**21,531**	**954**	**68,048**	**681**	**422**	**369**	**117,418**
II. Accumulated depreciation and impairment								
Balance as at April 1, 2020	1,853	2,481	271	16,964	338	244	208	22,359
Depreciation expense for the year	463	679	221	2,125	102	67	40	3,697
Eliminated on disposal of assets	-	-	-	(215)	(1)	-	(23)	(239)
Balance as at March 31, 2021	**2,316**	**3,160**	**492**	**18,874**	**439**	**311**	**225**	**25,817**
III. Net Carrying value as at March 31, 2021 (I-II)	**23,097**	**18,371**	**462**	**49,174**	**242**	**111**	**144**	**91,601**

Refer note (d) below.

(₹ in Lakhs)

Particulars	Land - Leasehold	Buildings	Right-of-Use Assets#	Plant and Equipment	Office Equipment	Furniture & Fixtures	Vehicles	Total
I. Gross Carrying Value								
Balance as at April 1, 2019	25,413	11,983	-	46,029	436	280	416	84,557
Additions	-	7,514	1,136	8,517	123	95	-	17,385
Disposals	-	-	-	(15)	-	-	-	(15)
Balance as at March 31, 2020	**25,413**	**19,497**	**1,136**	**54,531**	**559**	**375**	**416**	**101,927**
II. Accumulated depreciation and impairment								
Balance as at April 1, 2019	1,390	2,030	-	15,186	245	118	164	19,133
Depreciation expense for the year	463	451	271	1,787	93	126	44	3,235
Eliminated on disposal of assets	-	-	-	(9)	-	-	-	(9)
Balance as at March 31, 2020	**1,853**	**2,481**	**271**	**16,964**	**338**	**244**	**208**	**22,359**
III. Net Carrying value as at March 31, 2020 (I-II)	**23,560**	**17,016**	**865**	**37,567**	**221**	**131**	**208**	**79,568**

Notes:

a) Property, Plant & Equipment relating to approved R & D facility included above is as under: (₹ in Lakhs)

Particulars	Gross Block	Depreciation	Net Block
Balance as at April, 1, 2020	**612**	**365**	**247**
Additions during the year	41	-	41
Depreciation expense for the year	-	36	(36)
Disposals / Deletions	(15)	(14)	(1)
Balance as at March 31, 2021	**638**	**387**	**251**

Notes to Consolidated Financial Statements

For the year ended March 31, 2021 (Contd.)

b) Additions during the year includes preoperative expenses of ₹ 1,590 Lakhs incurred during the course of construction.

c) Refer Note 36 for disclosure of contractual commitment for acquisition of Property, Plant and Equipment.

d) Right of Use Assets:

Effective April 1, 2019, the Group adopted Ind AS 116 “Leases” and applied the standard to all lease contracts existing on April 1, 2019, except those which are exempted under this standard, using the modified retrospective approach. Accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted. The Group has elected to measure the right-of-use asset equal to the lease liability, with the result of no net impact on retained earnings and no restatement of prior period comparatives.

Right of use assets and lease liabilities of ₹ 1,136 Lakhs have been recognised as on April 1, 2019. In the statement of profit and loss for the previous year, operating lease expenses which were recognised as other expenses in previous periods is now recognised as depreciation expense for the right-of-use asset and finance cost for interest accrued on lease liability. The adoption of this standard did not have any significant impact on the profit for the year and earnings per share.

The weighted average incremental borrowing rate of 8.70% has been applied to lease liabilities recognised in the Balance Sheet at the date of initial application. Interest on lease liabilities is ₹ 59 Lakhs (Previous Year ₹ 88 Lakhs) for the year.

NOTE 4 : INVESTMENT PROPERTY

(₹ in Lakhs)

Particulars	Buildings	Total
I. Gross Carrying Value		
Balance as at April 1, 2020	**83**	**83**
Additions	-	-
Disposals	-	-
Balance as at March 31, 2021	**83**	**83**
II. Accumulated depreciation and impairment		
Balance as at April 1, 2020	37	37
Depreciation expense for the year	2	2
Eliminated on disposal of assets	-	-
Balance as at March 31, 2021	**39**	**39**
III. Net Carrying value as at March 31, 2021 (I-II)	**44**	**44**

(₹ in Lakhs)

Particulars	Buildings	Total
I. Gross Carrying Value		
Balance as at April 1, 2019	**83**	**83**
Additions	-	-
Disposals	-	-
Balance as at March 31, 2020	**83**	**83**
II. Accumulated depreciation and impairment		
Balance as at April 1, 2019	36	36
Depreciation expense for the year	1	1
Eliminated on disposal of assets	-	-
Balance as at March 31, 2020	**37**	**37**
III. Net Carrying value as at March 31, 2020 (I-II)	**46**	**46**

Notes to Consolidated Financial Statements

For the year ended March 31, 2021 (Contd.)

Note:

a) Fair value disclosures

The fair value of the Group's investment properties as at March 31, 2021 and March 31, 2020 has been arrived at on the basis of a valuation carried out on the respective dates by independent & government certified valuer not related to the Group. The fair value was determined based on the comparable sale and market analysis approach based on recent market prices without any significant adjustments being made to the market observable data. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

Details of the Group's investment properties and information about the fair value hierarchy as at March 31, 2021 and March 31, 2020 are as follows:

(₹ in Lakhs)

Particulars	Amount	Fair value hierarchy
As at March 31, 2021		
Fair value of Investment property - Units located in India	1,346	Level 2
As at March 31, 2020		
Fair value of Investment property - Units located in India	1,297	Level 2

b) The Group has no restriction on the releasability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements

c) Information regarding Income and Expenditure of Investment Property

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Rental Income derived from Investment Properties	26	33
Less: Direct Operating Expenses	(22)	(8)
Gain arising from Investment Properties before depreciation	4	25
Less: Depreciation	(2)	(1)
Net Gain arising from Investment Properties	**2**	**24**

Notes to Consolidated Financial Statements

For the year ended March 31, 2021 (Contd.)

NOTE 5 : INTANGIBLE ASSETS

(₹ in Lakhs)

Particulars	Patents	Software	Total
I. Gross Carrying Value			
Balance as at April 1, 2020	**482**	**364**	**846**
Additions	4	32	36
Disposals	-	-	-
Balance as at March 31, 2021	**486**	**396**	**882**
II. Accumulated amortisation			
Balance as at April 1, 2020	**480**	**241**	**721**
Amortisation expense for the year	1	43	44
Eliminated on disposal of assets	-	-	-
Balance as at March 31, 2021	**481**	**284**	**765**
III. Net Carrying value as at March 31, 2021 (I-II)	**5**	**112**	**117**

(₹ in Lakhs)

Particulars	Patents	Software	Total
I. Gross Carrying Value			
Balance as at April 1, 2019	**453**	**364**	**817**
Additions	29	-	29
Disposals	-	-	-
Balance as at March 31, 2020	**482**	**364**	**846**
II. Accumulated amortisation			
Balance as at April 1, 2019	**379**	**204**	**583**
Amortisation expense for the year	101	37	138
Eliminated on disposal of assets	-	-	-
Balance as at March 31, 2020	**480**	**241**	**721**
III. Net Carrying value as at March 31, 2020 (I-II)	**2**	**123**	**125**

Notes:

a) Intangible Assets relating to approved R & D facility included above is as under: **(₹ in Lakhs)**

Particulars	Gross Block	Amortisation	Net Block
Balance as at April, 1, 2020	**30**	**9**	**21**
Additions during the year	-	-	-
Amortisation expense for the year	-	3	(3)
Balance as at March 31, 2021	**30**	**12**	**18**

b) All Intangible assets held by the group are purchased and not internally generated.

Notes to Consolidated Financial Statements

For the year ended March 31, 2021 (Contd.)

NOTE 6 : NON CURRENT INVESTMENTS

(₹ in Lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares/units	Amount	No. of shares/units	Amount
a) Investment in equity instruments				
(i) Quoted Investments (at fair value through other comprehensive income (FVTOCI))				
- Mafatlal Industries Limited (₹ 10/- each, fully paid-up)	1,954,695	1,718	1,954,695	1,217
- HDFC Bank Limited (₹ 1/- each, fully paid-up)	10,000	150	10,000	86
- Bank of India (₹ 10/- each, fully paid up)	19,900	14	19,900	7
- Corporation Bank (₹ 2/- each, fully paid up)	-	-	12,000	1
- Union Bank of India (₹ 10/- each, fully paid-up)	3,960	1	-	-
Total Quoted Investments (A)		**1,883**		**1,311**
(ii) Unquoted Investments (at fair value through other comprehensive income (FVTOCI))				
- The Bharat Co-Operative Bank Limited (₹ 10/- each, fully paid-up)	10,000	1	10,000	1
- Shree Balaji Sahakari Sakhar Karkhana Limited * (₹ 2,000/- each, fully paid-up)	1	0	1	0
- Mafatlal Engineering Industries Limited (₹ 100/- each, fully paid-up)	17,101	18	17,101	18
Less: Provision for Impairment	-	(18)	-	(18)
- Mafatlal UK *	-	-	32,000	0
- Mafatlal Services Limited *	22,320	0	22,320	0
Total Unquoted Investments (B)		**1**		**1**
(b) Investments in Mutual Funds/Others (at fair value through profit and loss account (FVTPL))				
- JM Mutual Fund (of ₹ 10/- each)	50,000	8	50,000	6
- UTI Masters Share (of ₹ 10/- each)	10,560	4	10,560	2
- IDFC Fixed Term Plan Series 177 Direct Plan (1160 Days)	2,000,000	243	2,000,000	222
- Tata Capital Financial Services Market linked Debentures (Maturity on April 14, 2021)	-	-	48	532
- Aditya Birla Sun Life FTP SJ (1135 Days)	2,000,000	242	2,000,000	222
- Aditya Birla Sun Life-FTP-Series SO-Direct (1099 Days)	1,000,000	117	1,000,000	108
Total Investments in Mutual Funds/Others(C)		**614**		**1,092**
Total Investments (A+ B+C)		**2,498**		**2,404**

* Amount less than ₹ 0.50 Lakhs.

Notes to Consolidated Financial Statements

For the year ended March 31, 2021 (Contd.)

NOTE 6 : NON CURRENT INVESTMENTS (Contd.)

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Aggregate Amount of Quoted Investments	1,883	1,311
Market Value of Quoted Investments	1,883	1,311
Aggregate Amount of Unquoted Investments	633	1,111
Aggregate Amount of Impairment in the Value of Investments	18	18

NOTE 7 : NON CURRENT - OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Financial Assets (at amortised cost)		
Security Deposits		
- Unsecured, considered good	722	665
- Unsecured, considered doubtful	300	300
Less : Allowance for bad and doubtful deposits	(300)	(300)
	722	**665**
Earmarked Balances		
- Deposit	2	3
Loans to employees		
- Unsecured, considered good	5	5
Total	**729**	**673**

NOTE 8 : OTHER NON CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with Government Authorities (other than income taxes)		
- CENVAT Credit Receivable	332	335
- VAT Credit Receivable	797	952
- Service Tax Credit Receivable	6	6
- Others	26	26
	1,161	**1,319**
Less: Provision	(302)	(302)
	859	**1,017**
Capital Advances	216	322
Prepaid Expenses	51	63
Total	**1,126**	**1,402**

Notes to Consolidated Financial Statements

For the year ended March 31, 2021 (Contd.)

NOTE 9 : INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE)

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Raw materials	11,900	6,425
Work-in-progress	1,290	1,318
Finished goods#	2,606	5,007
Stock-in-trade	12	29
Stores and spares	758	864
Total	**16,566**	**13,643**
Included above, goods-in-transit:		
(i) Raw materials	1,869	795
(ii) Finished goods	550	173
Total	**2,419**	**968**

Net of write down of ₹ 283 Lakhs (Previous Year: ₹ 135 Lakhs)

NOTE 10 : FINANCIAL ASSETS - CURRENT INVESTMENTS

(₹ in Lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of units	Amount	No. of units	Amount
(a) Investments in Mutual Funds (Unquoted) (at fair value through profit and loss account (FVTPL))				
Edelweiss Arbitrage Fund - Regular Plan Dividend - ATDP	2,424,826	382	-	-
ICICI Prudential Ultra Short Term Fund	-	-	2,994,478	610
HDFC Liquid Fund -Regular Plan-Dividend-Daily Reinvest	-	-	3,874	150
HDFC Arbitrage Fund - WP- Reg - MD	-	-	1,531,373	166
ABSL Corporate Bond Fund - Direct - Growth	698,032	605	698,032	551
Kotak Corporate Bond Fund - Direct - Growth	19,893	594	19,893	549
ICICI Prudential Liquid Fund - Daily Dividend *	-	-	316	0
IDFC Arbitrage Fund - Direct - Growth	952,580	255	-	-
Axis Arbitrage Fund-Direct - Growth	2,470,127	381	-	-
Axis Treasury Advantage Fund - Direct - Growth	10,171	252	-	-
Axis Overnight Fund-Growth	23,157	252	-	-
IDFC Low Duration Fund	822,926	252	-	-
Total (A)		**2,973**		**2,026**
(b) Other Investments (at amortised cost)				
Intercorporate deposits with HDFC Limited		1,172		1,010
Intercorporate deposits with Bajaj Finance Limited		200		-
Total (B)		**1,372**		**1,010**
Total Investments (A+B)		**4,345**		**3,036**

* Amount less than ₹ 0.50 Lakhs.

Particulars	As at March 31, 2021	As at March 31, 2020
Aggregate Amount of Quoted Investments	-	-
Market Value of Quoted Investments	-	-
Aggregate Amount of Unquoted Investments	4,345	3,036
Aggregate Amount of Impairment in the Value of Investments	-	-

Notes to Consolidated Financial Statements

For the year ended March 31, 2021 (Contd.)

NOTE 11 : CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables		
(a) Considered good - Secured	-	-
(b) Considered good - Unsecured	30,856	20,321
(c) Which have significant increase in Credit Risk	-	-
(d) Credit Impaired	14	14
Less: Allowance for doubtful debts	(14)	(14)
Total	**30,856**	**20,321**

NOTE 12 : CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Cash on hand	11	9
Balances with banks	4,474	931
Total	**4,485**	**940**
Cash and cash equivalents as per statement of cash flows	4,485	940

NOTE 13 : CURRENT FINANCIAL ASSETS - OTHER BANK BALANCES

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Earmarked balances with bank		
- Unpaid dividend account	372	443
Investments in term deposits (with original maturity of more than three months but less than twelve months)	3,184	-
Total	**3,556**	**443**

NOTE 14 : CURRENT - OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Financial Assets (at amortised cost)		
Loans to employees		
- Unsecured, considered good	1	1
Security Deposits		
- Unsecured, considered good	-	12
Interest accrued on deposits	88	42
Financial Assets at FVTPL		
Forward Cover / Options Contract Receivable	62	60
Total	**151**	**115**

Notes to Consolidated Financial Statements
For the year ended March 31, 2021 (Contd.)

NOTE 15 : OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Advances to suppliers and Others	851	806
Balances with government authorities (other than income taxes)		
- GST Credit Receivable	430	2,204
Prepaid expenses	597	652
Export incentive receivable	428	396
Other Advances*	0	1
Total	**2,306**	**4,059**

* Amount less than ₹ 0.50 Lakhs.

NOTE 16 : EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Amount	No. of shares	Amount
Authorised:				
Equity shares of ₹ 10/- each	1,200,000,000	120,000	1,200,000,000	120,000
Issued and subscribed:				
Equity shares of ₹ 10/- each	166,219,130	16,622	165,605,955	16,561
Issued, Subscribed and Fully Paid:				
Equity shares of ₹ 10/- each	166,219,130	16,622	165,605,955	16,561

(i) Rights, preferences and restrictions attached to equity shares

The Group has one class of equity share having a par value of ₹ 10/- per share. 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 ensuing annual general meeting, except in case of interim dividend.

In the event of liquidation, the equity shareholders are eligible to receive the remaining asset of the Group after distribution of all preferential amounts, in proportion to their shareholding.

(ii) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

(₹ in Lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Amount	No. of shares	Amount
Equity Shares Outstanding at the beginning of the year	165,605,955	16,561	165,418,830	16,542
Add: Allotment pursuant to exercise of stock options granted under Group's employee stock option plan (refer Note 38)	613,175	61	187,125	19
Equity Shares Outstanding at the end of the year	**166,219,130**	**16,622**	**165,605,955**	**16,561**

Notes to Consolidated Financial Statements
For the year ended March 31, 2021 (Contd.)

(iii) Details of shareholders holding more than 5% of the aggregate equity shares of the Group (*)

(₹ in Lakhs)

Name of shareholders	As at March 31, 2021		As at March 31, 2020	
	No. of shares	% shareholding	No. of shares	% shareholding
Mr Hrishikesh A. Mafatlal (as a Trustee of Gurukripa Trust)	30,326,682	18.25%	-	-
Mafatlal Industries Limited	25,259,059	15.20%	25,259,059	15.25%
Suremi Trading Private Limited (upto March 30, 2021)	-	-	20,772,170	12.54%
Sushripada Investments Private Limited (upto March 30, 2021)	-	-	8,960,880	5.41%

*Refer Note No. 45

(iv) Share options granted under Group's share option plan

Share options granted but not exercised under Group's share option plan carry no rights to dividend and no voting rights. Further details of the employee share option plan are provided in Note 38.

As at March 31, 2021, 14,83,350 equity shares (as at March 31, 2020, 21,03,725 equity shares) of ₹ 10 each were reserved for outstanding employee share option granted.

(v) During the period of five years immediately preceeding the date as at which the Balance Sheet is prepared :
- No Class of Shares were alloted as fully paid up pursuant to contract without payment being received in cash.
- No Class of Shares were alloted as fully paid up by way of bonus shares for consideration other than cash.
- No Class of Shares were bought back by the Group.

(vi) There are no calls unpaid.

(vii) There are no forfeited shares.

NOTE 17 : OTHER EQUITY

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Capital reserve	15	15
Securities premium	2,396	1,952
General reserve	4,865	4,865
Share options outstanding account	546	584
Retained earnings	107,385	98,544
Equity Instrument Through Other Comprehensive Income	(2,722)	(3,235)
Other Items of Other Comprehensive Income		
- Remeasurements of Defined Benefit Obligation	(634)	(762)
Total	**111,851**	**101,963**

(i) Nature and purpose of each reserve within Other equity

Securities premium account:

Where Group issues shares at a premium, a sum equal to the aggregate amount of the premium received on those shares shall be transferred to a "securities premium account" as per the provisions of applicable Companies Act. It can be utilised in accordance with the provisions of the Act, to issue bonus shares, to provide for premium on redemption of shares or debentures, write-off equity related expenses like underwriting costs, etc.

Notes to Consolidated Financial Statements

For the year ended March 31, 2021 (Contd.)

General reserve:

The general reserve comprises of transfer of profits from retained earnings for appropriation purposes. The reserve can be distributed / utilised by the Group in accordance with the Companies Act, 2013.

Share option outstanding account:

This reserve relates to share options granted by the Group to its employees under its employee share option plan. Further information about share based payments to employees is set out in Note 38.

Retained earnings:

Retained earnings represents the surplus / (deficit) of the statement of profit or loss. The amount that can be distributed by the Group as dividends to its equity shareholders is determined based on the financial statements of the Group and also considering the requirements of the Companies Act, 2013.

Equity instrument through other comprehensive income:

This reserve represents the cumulative gains and losses arising on the fair valuation of equity instruments measured at fair value through other comprehensive income, net of amounts reclassified to retained earnings when those assets have been disposed of.

Items of Other Comprehensive Income Remeasurements of Defined Benefit Obligation

Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the years due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in other comprehensive income and are adjusted to retained earnings.

NOTE 18 : NON CURRENT FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Financial Lease Liability (Refer Note 3(d))	386	687
Total	**386**	**687**

NOTE 19 : NON CURRENT PROVISIONS

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits (Refer Note 40)	1,610	1,676
Total	**1,610**	**1,676**

NOTE 20 : OTHER NON CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for customs duty	-	7
Total	**-**	**7**

Notes to Consolidated Financial Statements

For the year ended March 31, 2021 (Contd.)

NOTE 21 : CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Trade payables:		
(a) Payable to Micro and Small enterprises (Refer Note below)	496	624
(b) Payable to Others		
i) Acceptances	4,863	1,276
ii) Other than Acceptances	11,667	7,048
	16,530	**8,324**
Total	**17,026**	**8,948**

Note: Disclosures as required under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act).

The amounts due to Micro and Small Enterprises as defined in the 'The Micro, Small and Medium Enterprises Development Act, 2006' has been determined to the extent such parties have been identified on the basis of information available with the Group. This has been relied upon by the auditors.

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
a) The principal amount remaining unpaid to any supplier at the end of the year	496	620
b) Interest due remaining unpaid to any supplier at the end of the year (*)	0	4
c) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act,2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
d) The amount of interest due and payable for the delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
e) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
f) The amount of further interest remaining due and payable even in the succeeding years until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

* Amount less than ₹ 0.50 Lakhs.

Notes to Consolidated Financial Statements
For the year ended March 31, 2021 (Contd.)

NOTE 22 : CURRENT FINANCIAL LIABILITIES - OTHERS

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Financial liabilities (at amortised cost):		
Lease Liability (Refer Note 3(d))	175	230
Security Deposits	513	444
Unclaimed dividends (Refer Note (a) below)	372	443
Payables for capital supplies	802	1,759
Salary,wages and bonus payable	671	703
Contribution payable towards employee benefits	-	282
MTM on forward contracts (at FVTPL)	-	57
Other payables	112	129
Total	**2,645**	**4,047**

Note:

a) There are no amounts due for payment to the Investor Education and Protection Fund under section 125 of the Companies Act, 2013 at the end of the current financial year.

NOTE 23 : OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Advances received from customers	109	128
Statutory remittances	549	244
Other liabilities	19	11
Total	**677**	**383**

NOTE 24 : CURRENT PROVISIONS

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits (Refer Note 40)	558	684
Total	**558**	**684**

Notes to Consolidated Financial Statements

For the year ended March 31, 2021 (Contd.)

NOTE 25 : REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Sale of goods #	91,306	83,775
Other operating revenues		
Sale of scrap	78	123
Profit on Sale of Raw Material	391	-
Duty drawback and other export incentives	470	641
Cash Discounts Received	14	18
Excess provision for earlier years written back	146	58
Miscellaneous income	61	14
Total	**92,466**	**84,629**

Sales is net of Goods and Service Tax (GST)

NOTE 26 : OTHER INCOME

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
a) Interest Income on		
- Bank deposits	120	25
- Staff Loan*	-	0
- Income Tax/VAT Refund	964	12
- Intercorporate Deposits	55	45
- Other Deposits	37	37
	1,176	**119**
b) Dividend income from		
- Dividend reinvestment of Mutual Fund	2	248
- Equity investments	-	2
	2	**250**
c) Other gains and losses		
- Net gain arising on short term financial investments mandatorily measured at FVTPL	177	224
- Net foreign exchange gain	9	160
	186	**384**
d) Other non-operating income		
- Rent from investment property	39	43
- Miscellaneous income	7	-
- Excess provision for earlier years written back*	1	0
- Income from Redemption of Mutual Fund	61	121
	108	**164**
	1,472	**917**

* Amount less than ₹ 0.50 Lakhs.

Notes to Consolidated Financial Statements
For the year ended March 31, 2021 (Contd.)

NOTE 27 : COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening stock	6,425	8,258
Add: Purchases (Net)	53,351	34,886
	59,776	**43,144**
Less: Closing stock	11,900	6,425
Total	**47,876**	**36,719**

NOTE 28 : CHANGES IN STOCK OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Closing stock		
- Finished goods	2,606	5,007
- Work in progress	1,290	1,318
-Stock-in-trade	13	29
	3,909	**6,354**
Opening stock		
- Finished goods	5,007	6,470
- Work in progress	1,318	1,687
-Stock-in-trade	29	2
	6,354	**8,159**
Net Decrease /(Increase) in Inventories	**2,445**	**1,805**

NOTE 29 : EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries, wages and bonus	5,973	6,338
Contribution to provident and other funds	419	532
Employee Share based payment (Refer Note 37)	96	199
Staff welfare expenses	517	604
Total	**7,005**	**7,673**

Notes to Consolidated Financial Statements

For the year ended March 31, 2021 (Contd.)

NOTE 31 : FINANCE COST

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest cost - on financial liability (at amortised cost)		
a) Borrowings from banks*	-	0
b) Security deposits and others (including MSME vendors)	97	132
Total	**97**	**132**

* Amount less than ₹ 0.50 Lakhs.

NOTE 31 : DEPRECIATION AND AMORTISATION EXPENSES

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation of Property, Plant and Equipment (Refer Note 3)	3,697	3,235
Depreciation of Investment Properties (Refer Note 4)	2	1
Amortisation of Intangible Assets (Refer Note 5)	44	138
Total	**3,743**	**3,374**

NOTE 32 : OTHER EXPENSES

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Power & Fuel oil consumed	7,943	7,220
Processing charges	1,882	2,100
Selling and Distribution expenses	3,673	3,097
Consumption of packing materials	1,564	1,335
Stores and spares consumed	1,053	937
Rent including lease rentals	12	15
Repairs and maintenance:		
- Plant & machinery	1,019	958
- Buildings	190	333
- Others	37	41
Insurance charges	434	488
Rates and taxes	204	312
Loss on fixed assets sold/scrapped/written off	81	6
Expenses on corporate social responsibility	480	476
Provision for Doubtful Debt	-	12
Other General Expenses	3,345	3,019
Total	**21,917**	**20,349**

Notes to Consolidated Financial Statements

For the year ended March 31, 2021 (Contd.)

NOTE 33 : CURRENT TAX AND DEFERRED TAX

(a) Income Tax Expense recognised in Statement of Profit and Loss

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current Tax:		
Current Income Tax Charge	2,519	3,887
Adjustments in respect of prior years*	(1,274)	0
Total	**1,245**	**3,887**
Deferred Tax		
In respect of current year	627	(1,720)
Total	**627**	**(1,720)**
Total tax expense recognised in Statement of Profit and Loss	**1,872**	**2,167**

* Amount less than ₹ 0.50 Lakhs.

(b) Income Tax recognised in other Comprehensive Income

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Deferred Tax (Liabilities)/Assets:		
Remeasurement of Defined Benefit Obligations	(1)	(3)
Net fair value (gain) / loss on investments in equity shares at FVTOCI	(59)	(50)
Total	**(60)**	**(53)**

(c) Reconciliation of income tax expense and the accounting profit multiplied by Company’s domestic tax rate:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit before tax	10,713	15,234
Less: Income taxed at different tax rate	61	121
Profit before tax	**10,652**	**15,113**
Income Tax using the Company's domestic tax rate #	2,689	3,830
Effect of expenses that are not deductible in determining taxable profit	334	381
Effect of income that is not taxable in determining taxable profit	(45)	(120)
Effect of expenditure eligible for weighted deduction / expenditure not debited to Profit and Loss but allowed as deduction	(54)	-
Effect of reversal of deferred tax liability (Net)	155	(319)
Effect on deferred tax balances due to the change in income tax rate (effective 01.04.2020)	12	(1,643)
Effect of income taxed at different rate	54	38
Interest on Income Tax	1	-
Adjustments in respect of prior years*	(1,274)	0
Income tax expense recognised in Statement of Profit and Loss	**1,872**	**2,167**

* Amount less than ₹ 0.50 Lakhs.

The tax rate used for the reconciliations above is the corporate tax rate plus surcharge (as applicable) on corporate tax, education cess and secondary and higher education cess on corporate tax, payable by corporate entities in India on taxable profits under Income Tax Act, 1961.

Notes to Consolidated Financial Statements

For the year ended March 31, 2021 (Contd.)

(d) Movement of Deferred Tax

Deferred tax (assets)/liabilities in relation to the Year Ended March 31, 2021 (₹ in Lakhs)

Particulars	Opening Balance	Recognised in statement of Profit and Loss	Recognised in OCI	Closing Balance
Property, Plant and Equipment, Investment properties and Intangible assets	9,886	836	-	10,722
Financial asset measured at FVTOCI	(441)	-	59	(382)
Financial asset measured at FVTPL	1	-	-	1
Defined benefit obligation	(551)	32	1	(518)
Provision for doubtful debts / advances	(79)	-	-	(79)
Payment for voluntary retirement scheme	(1)	-	-	(1)
Other non financial assets	453	(241)	-	212
Provision for Bonus*	(1)	(0)	-	(1)
Net Tax (Assets)/Liabilities	**9,267**	**627**	**60**	**9,954**

* Amount less than ₹ 0.50 Lakhs.

Deferred tax (assets)/liabilities in relation to the Year Ended March 31, 2020 (₹ in Lakhs)

Particulars	Opening Balance	Recognised in statement of Profit and Loss	Recognised in OCI	Closing Balance
Property, Plant and Equipment, Investment properties and Intangible assets	11,013	(1,127)	-	9,886
Financial asset measured at FVTOCI	(491)	-	50	(441)
Financial asset measured at FVTPL	20	(19)	-	1
Defined benefit obligation	(691)	137	3	(551)
Provision for doubtful debts / advances	(106)	27	-	(79)
Payment for voluntary retirement scheme	(1)	-	-	(1)
Other non financial assets	1,192	(739)	-	453
Provision for Bonus	(1)	-	-	(1)
Net Tax (Assets)/Liabilities	**10,935**	**(1,720)**	**53**	**9,267**

Notes to Consolidated Financial Statements
For the year ended March 31, 2021 (Contd.)

NOTE 34 : EARNINGS PER SHARE

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
1. Calculation of weighted average number of equity shares - Basic		
(a) Number of equity shares at the beginning of the year (in units)	165,605,955	165,418,830
(b) Number of equity shares issued during the year (in units)	613,175	187,125
(c) Number of equity shares outstanding at the end of the year (in units)	166,219,130	165,605,955
(d) Weighted number of equity shares outstanding during the year (in units)	165,866,738	165,528,165
2. Calculation of weighted average number of equity shares - Diluted		
(a) Number of potential equity shares at the beginning of the year (in units)	167,709,680	167,727,580
(b) Number of potential equity shares outstanding at the end of the year (in units)	167,702,480	167,709,680
(c) Weighted number of potential equity shares outstanding during the year (in units)	16,62,42,441	165,552,602
3. Profit for the year (₹ in lakhs)	**8,841**	**13,067**
(a) Basic Earnings per share of ₹ 10/- each (3/1(d))	5.33	7.89
(b) Diluted Earnings per share of ₹ 10/- each (3/2(c))	5.32	7.89

NOTE 35 : LEASES

Operating lease arrangements

Group as lessee

The Group has entered into operating lease arrangements for certain premises (residential, offices, godowns etc.) and plant and machineries. These lease arrangements are ranging between 11 months to 60 months generally or longer and are renewable by mutual consent or mutually agreeable terms.

The specified disclosure in respect of these agreements is given below:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Charged to Statement of Profit and Loss	12	15
Future Minimun Lease rentals Payable under non-cancellable operating leases are as follows:		
Within one year	15	14
After one year but not more than five years	-	-
More than five years	-	-

Group as lessor

The Group has given certain buildings on operating lease. The lease arrangements for 11 months to 60 months are cancellable and are generally renewable by mutual consent or mutually agreeable terms. The rental income of ₹ 39 lakhs (2019-20 : ₹ 43 lakhs) on such lease is included in Other Income.

Notes to Consolidated Financial Statements

For the year ended March 31, 2021 (Contd.)

NOTE 36 : CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Contingent liabilities :		
Claims against the Group not acknowledged as debts (including Direct and Indirect Taxes)	3,119	2,891
(b) Commitments :		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	783	1,214

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

NOTE 37 : DETAILS OF EXPENDITURE AND INCOME ON INHOUSE APPROVED RESEARCH AND DEVELOPMENT (R & D) FACILITY

(₹ in Lakhs)

Particulars (as defined and bifurcated by the management of the Group)	As at March 31, 2021	As at March 31, 2020
(i) Capital Expenditure		
(a) Capital Equipments	41	33
(ii) Revenue expenditure		
(a) Salaries / wages	439	388
(b) Travelling & Conveyance Expenses	12	15
(c) Repairs & Maintainance	32	42
(d) Communication Expenses	-	1
(e) Materials / Consumables	16	19
(f) Housekeeping	1	2
(g) Others	14	16
(h) Depreciation	38	35
Total Revenue Expenditure (a) to (h)	**552**	**518**
(iii) Total R & D Expenditure (i+ii)	**593**	**551**
(iv) Amount received by R & D Facilities	-	-
(v) Net Amount of R & D Expenditure	**593**	**551**

Notes to Consolidated Financial Statements

For the year ended March 31, 2021 (Contd.)

NOTE 38 : SHARE BASED PAYMENTS

Details of the employee share option plan of the Group

The Group has constituted an Employee Stock Option Plan 2007, as approved by shareholders at a previous annual general meeting. The scheme is applicable to all permanent and full-time employees, excluding the employees who are the promoters of the Group. The Nomination and Remuneration Committee, at its sole discretion, shall decide who among those employees shall receive Employee Stock Options in a particular grant.

Each employee share option converts into one equity share of the Group company on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. These options vest 25% every year ('graded vesting'). The options granted can be exercised at any time until completion of ten years from the date of grant, subject to the vesting schedule. Any options remaining unexercised at the end of the exercise period shall lapse.

The number of options granted is calculated in accordance with the performance-based formula approved by the shareholders at a previous annual general meeting and is subject to approval by the nomination and remuneration committee.

The share-based payments to employees being equity-settled are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest with a corresponding increase in equity.

Share options outstanding at the end of the year have the following expiry dates, exercise prices and fair value:

Grant series and grant year	Expiry Year	Exercise price	Fair value	March 31, 2021	March 31, 2020
		₹	₹	Number of options	Number of options
Grant 5 - 2015-16	2025-26	37.65	16.27	95,675	252,850
Grant 6 - 2016-17	2026-27	52.85	19.44	169,725	400,850
Grant 7 - 2016-17	2026-27	84.05	28.74	549,050	773,925
Grant 8 - 2017-18 #	2027-28	188.35	69.28	329,600	329,600
Grant 9 - 2018-19 #	2028-29	142.45	46.27	339,300	346,500
Total				**1,483,350**	**2,103,725**
Weighted average remaining contractual life of options outstanding at the end of year				6.62	7.37

 # 9,500 and 15,600 options from Grant 8 and Grant 9 respectively have been forfeited on account of resignation

Fair value of share options granted in the year:

The weighted average fair value of the share options granted during the financial year is ₹ NIL (Previous year: ₹ NIL). Options were priced using a Black-Scholes option pricing model which takes into account the exercise price, expected volatility, option's life, the share price at grant date, expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

Notes to Consolidated Financial Statements

For the year ended March 31, 2021 (Contd.)

Inputs into the model	March 31, 2021	March 31, 2020
Grant date share price (₹)	Not Applicable	Not Applicable
Exercise price (₹)		
Expected volatility (%)		
Expected life of the options		
Expected dividend (%)		
Risk free interest rate(%)		
Expiry Year		

Basis of assumptions:

1. The risk free interest rates are determined based on the zero-coupon sovereign bond yields with maturity equal to the expected term of the option.
2. The expected volatility was determined based on the volatility of the equity share for the period of one year prior to the issue of the options. Volatility calculation is based on historical stock prices using standard deviation of daily change in stock price. The historical period is taken into account to match the expected life of the option.
3. Dividend yield has been calculated taking into account expected rate of dividend on equity share price as on grant date.

Movement of Options Granted along with weighted average exercise price (WAEP)

(₹ in Lakhs)

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Balance at beginning of period not exercised	2,103,725	98.49	2,308,750	95.25
Granted during the period	-	-	-	-
Forfeited during the period	(7,200)	-	(17,900)	-
Exercised during the period	(613,175)	60.40	(187,125)	52.01
Balance at end of period	**1,483,350**	**114.02**	**2,103,725**	**98.49**
Exercisable at the end of the year	1,231,300		1,159,700	

The weighted average share price at the dates of exercise of options exercised during the year ended March 31, 2021 was ₹ 152.70 (year ended March 31, 2020 : ₹ 99.65)

Notes to Consolidated Financial Statements

For the year ended March 31, 2021 (Contd.)

NOTE 39 : SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Group. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director and CFO of the Group. The Group operates only in one Business Segment i.e. rubber chemicals, hence does not have any reportable Segments as per Ind AS 108 "Operating Segments".

Segment information for Secondary segment reporting (by geographical segment).

The Group has two reportable geographical segments based on location of customers.

(i) Revenue from customers within India - Domestic

(ii) Revenue from customers outside India - Foreign

I. Revenue by Geographical Markets

(₹ in Lakhs)

Particulars	Revenue from operations		Non-Current Assets	
	For the year ended 31 March 2021	For the year ended 31 March 2020	As at March 31, 2021	As at March 31, 2020
India	61,439	55,977	99,194	101,667
Outside India	31,027	28,652	-	-
Total	**92,466**	**84,629**	**99,194**	**101,667**

II. Revenue from Major products:

(₹ in Lakhs)

Particulars	Revenue from operations	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Rubber Chemicals	90,708	83,078
Others	1,758	1,551
Total	**92,466**	**84,629**

Notes to Consolidated Financial Statements
For the year ended March 31, 2021 (Contd.)

NOTE 40 : EMPLOYEE BENEFIT PLANS

1) Defined contribution plans :

The Group participates in a number of defined contribution plans on behalf of relevant personnel. Any expense recognised in relation to these schemes represents the value of contributions payable during the period by the Group at rates specified by the rules of those plans. The only amounts included in the balance sheet are those relating to the prior months contributions that were not due to be paid until after the end of the reporting period.

The major defined contribution plans operated by the Group are as below:

a) Provident fund and Pension

In accordance with the Employee's Provident Fund and Miscellaneous Provisions Act, 1952, eligible employees of the Group are entitled to receive benefits in respect of provident 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 provident fund administered and managed by Government of India. The Group has no further obligations under the fund managed by the GOI beyond its monthly contributions which are charged to the Statement of Profit and Loss in the period in which they are incurred. The benefits are paid to employees on their retirement or resignation from the Group.

b) Superannuation fund

The Group holds two in-house superannuation funds which appropriates funds to Life Insurance Corporation of India (the insurer) at the time of retirement/resignation of employee. The pension annuity is met by the Insurer as required, taking into consideration the contributions made. The Group has no further obligations under the scheme beyond its monthly contributions which are charged to the Statement of Profit and Loss in the period in which they are incurred.

Contribution to Defined Contribution Plans, recognised in the Statement of Profit and Loss for the year under employee benefits expense, are as under :

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
i) Employer's Contribution to Provident Fund and Pension	271	285
ii) Employer's Contribution to Superannuation Fund	55	65
Total	**326**	**350**

(2) Defined Benefit Plans:

a) Gratuity (Funded)

The Group has an obligation towards gratuity, a funded defined benefit retirement plan covering all employees. The plan provides for lump sum payment to vested employees at retirement, death while in employment or on termination of the employment of an amount equivalent to 15 days salary, as applicable, payable for each completed year of service. Vesting occurs upon completion of five years of service. The Group makes annual contributions to gratuity funds established by various in-house funds managed by NOCIL Employees Trust Funds as disclosed in related party transaction (Refer Note 41). The Group accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation using Projected Unit Credit method determined in accordance with the terms of The Payment of Gratuity Act, 1972.

Notes to Consolidated Financial Statements

For the year ended March 31, 2021 (Contd.)

b) Gratuity (Unfunded)

The Group has an obligation towards gratuity, an unfunded defined benefit retirement plan covering eligible employees. The plan provides for lump sum payment to vested employees at retirement, death while in employment or on termination of the employment of an amount equivalent to 15 days salary, as applicable, payable for each completed year of service, without any payment ceiling. Vesting occurs upon completion of five years of service. The Group accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation.

The most recent actuarial valuation of the present value of the defined benefit obligation was carried out on March 31, 2021 by an independent actuary. The present value of the defined benefit obligation, and the related current service cost and past service cost were measured using the projected unit credit method.

A. Principal actuarial assumptions used:

The principal assumptions used for the purposes of the actuarial valuations were as follows.

	As at March 31, 2021	As at March 31, 2020
1. Discount rate	6.44% - 6.86%	6.84%
2. Salary escalation	6.00%	6.00%
3. Rate of Employee Turnover	6.00%	6.00%
4. Mortality rate	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

B. Expenses recognised in the Statement of Profit and Loss

(₹ in Lakhs)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Current service cost	102	91
Net Interest cost	74	71
Components of defined benefit costs recognised in the Statement of Profit and Loss	**176**	**162**

The current service cost and the net interest expenses for the year are included in the 'Employee benefits expenses' line item in the Statement of Profit and Loss.

Net Interest Cost recognised in the Statement of Profit and Loss: (₹ in Lakhs)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest Cost	204	210
Interest Income	(130)	(139)
Net interest cost recognised in the Statement of Profit and Loss	**74**	**71**

Notes to Consolidated Financial Statements

For the year ended March 31, 2021 (Contd.)

C. Expenses recognised in the Other Comprehensive Income (OCI)

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Actuarial (Gains)/Losses on Obligation For the Period - Due to changes in financial assumptions*	(0)	82
Actuarial (Gains)/Losses on Obligation For the Period - Due to experience adjustment	(161)	81
Return on Plan Assets, excluding Interest Income	32	1
Net (Income)/Expense recognised in OCI	**(129)**	**164**

* Amount less than ₹ 0.50 Lakhs.

D. Amount recognised in the Balance Sheet

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Present Value of Defined Benefit Obligation as at the end of the year	(2,651)	(2,986)
Fair Value of plan assets	1,842	1,903
Net Asset/(Liability) recognised in the Balance Sheet	**(810)**	**(1,083)**

E. Movements in the present value of defined benefit obligation are as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening defined benefit obligation	2,984	2,814
Current Service Cost	102	91
Interest cost	204	210
Actuarial (gains) / losses	(161)	164
Benefits Paid (From the Fund)	(355)	(186)
Benefit Paid (Directly by the Employer)	(123)	(107)
Closing defined benefit obligation	**2,651**	**2,986**

F. Movements in the fair value of the plan assets are as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening fair value of the plan assets	1,903	1,867
Contributions by the Employer	196	84
Return on Plan Assets, excluding Interest Income	(32)	(1)
Interest income	130	139
Benefits paid	(355)	(186)
Closing fair value of plan assets	**1,842**	**1,903**

Notes to Consolidated Financial Statements

For the year ended March 31, 2021 (Contd.)

G. Maturity profile of defined benefit obligation:

(₹ in Lakhs)

Projected Benefits Payable in Future Years From the Date of Reporting	Estimated for the year ended March 31, 2021	Estimated for the year ended March 31, 2020
1st Following Year	580	1,142
2nd Following Year	359	300
3rd Following Year	382	357
4th Following Year	431	330
5th Following Year	397	285
Sum of Years 6 To 10	800	793
Sum of Years 11 and above	712	604

H. Sensitivity Analysis

The Sensitivity Analysis below has been determined based on reasonably possible change of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. These sensitivities show the hypothetical impact of a change in each of the listed assumptions in isolation. While each of these sensitivities holds all other assumptions constant, in practice such assumptions rarely change in isolation and the asset value changes may offset the impact to some extent. For presenting the sensitivities, the present value of the Defined Benefit Obligation 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 presented above. There was no change in the methods and assumptions used in the preparation of the Sensitivity Analysis from previous year.

(₹ in Lakhs)

Projected Benefits Payable in Future Years From the Date of Reporting	As at March 31, 2021	As at March 31, 2020
Projected Benefit Obligation on Current Assumptions		
Impact of +0.5% Change in Rate of Discounting	(45)	(43)
Impact of -0.5% Change in Rate of Discounting	47	45
Impact of +0.5% Change in Rate of Salary Increase	47	45
Impact of -0.5% Change in Rate of Salary Increase	(42)	(44)
Impact of +0.5% Change in Rate of Employee Turnover	2	1
Impact of -0.5% Change in Rate of Employee Turnover	(2)	1

Notes to Consolidated Financial Statements
For the year ended March 31, 2021 (Contd.)

NOTE 41 : RELATED PARTY DISCLOSURES

A. Details of related parties

Description of relationship	Name of the Related Party
Key Management Personnel	
- Chairman	Mr. Hrishikesh A. Mafatlal
- Managing Director	Mr. S. R. Deo
Enterprises over which Key Management Personnel is able to exercise significant influence	Mafatlal Industries Limited
	Sri Chaitanya Seva Trust
	N. M. Sadguru Water and Development Foundation
	NOCIL Employee Trust Funds

B. Nature of Transactions/ Names of Related Parties

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
A Enterprises over which Key Management Personnel is able to exercise significant influence #		
I Mafatlal Industries Limited		
1 Reimbursement of Expenses	5	9
2 Dividend Paid	-	1,263
II Sri Chaitanya Seva Trust		
1 Expenditure on CSR Activities	150	160
III N. M. Sadguru Water and Development Foundation		
1 Expenditure on CSR Activities	50	56
IV NOCIL Employee Trust Funds		
1 Contributions paid to funds	366	149
2 Post Employement Benefits paid on behalf of Trust	611	128
B Key Management Personnel ##		
1 Short-term employee benefits	541	583
2 Post-employment benefits	68	68
3 Share-based payment	20	41

The transactions with related parties are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions. All the Related Party Transactions are reviewed and approved by the Audit Committee.

Based on the recommendation of the Nomination, Remuneration and Compensation Committee, all decisions relating to the remuneration of the Directors are taken by the Board of Directors of the Company, in accordance with shareholders' approval, wherever necessary.

Notes to Consolidated Financial Statements

For the year ended March 31, 2021 (Contd.)

C. Amounts outstanding with related parties

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
A Enterprises over which Key Management Personnel is able to exercise significant influence		
I Mafatlal Industries Limited		
1 Trade Receivables*	0	-
2 Trade Payables	-	1
II NOCIL Employee Trust Funds		
1 Contributions Payable to Funds	-	311
2 Advance to Post Employment Retirement Funds	75	11
B Key Management Personnel	230	273

* Amounts less than ₹ 0.50 Lakhs

Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

No guarantees have been given or received.

42. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

42.1 Capital management

The capital structure of the Group consists of net debt and total equity of the Group. The Group manages its capital to ensure that the Group will be able to continue as going concern while maximising the return to stakeholders through an optimum mix of debt and equity within the overall capital structure. The Group's risk management committee reviews the capital structure of the Group considering the cost of capital and the risks associated with each class of capital.

42.2 Categories of financial instruments

The following table provides categorisation of all financial instruments at carrying value.

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Financial assets		
Measured at FVTPL		
(a) Mutual Fund Investments	3,587	3,118
(b) Other financial assets (including Derivate Financial Instruments)	62	60
Measured at amortised cost		
(a) Cash and cash equivalent	4,485	940
(b) Bank balance other than (a) above	3,556	443
(c) Trade receivables	30,856	20,321
(d) Other financial assets	818	728
(e) Inter Corporate Deposits	1,372	1,010

Notes to Consolidated Financial Statements
For the year ended March 31, 2021 (Contd.)

Particulars	As at March 31, 2021	As at March 31, 2020
Measured at FVTOCI		
(a) Investments in equity instruments	1,884	1,312
Total Financial Assets	**46,620**	**27,932**
Financial liabilities		
Measured at FVTPL		
(a) Other financial liabilities	-	57
Measured at amortised cost		
(a) Trade payables	17,026	8,948
(b) Financial Lease Liability	561	917
(c) Other financial liabilities (including current maturities of borrowings)	2,470	3,760
Total Financial Liabilities	**20,057**	**13,682**

42.3 Financial risk management objectives

The Group's Corporate Treasury function provides services to the business, co-ordinates access to domestic financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk assessment and analyses forex 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 derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Group's - Risk Management Policy approved by the board of directors, which provide written principles on foreign exchange risk, interest rate risk, the use of financial derivatives and non-derivative financial instruments. Compliance with policies and exposure limits is reviewed on a continuous basis. The Group does not enter into or trade in financial instruments, including derivative financial instruments, for speculative purposes.

42.4 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of Currency risk, Interest rate risk and other price risk. The Group enters into a board approved list of derivative financial instruments to manage its exposure to foreign currency risk, including but not limited to foreign currency forwards and currency options.

42.5 Foreign currency risk management

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arises. Exchange rate exposures are managed within approved policy parameters utilising appropriate derivative instruments.

The carrying amounts of the Group's foreign currency denominated financial assets and financial liabilities at the end of the reporting period are as follows:

Notes to Consolidated Financial Statements

For the year ended March 31, 2021 (Contd.)

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
A. USD Currency:		
Financial Liabilities		
In USD Million	9.04	2.76
Equivalent in ₹ Lakhs	6,641	2,081
Financial Assets		
In USD Million	11.11	7.41
Equivalent in ₹ Lakhs	8,168	5,585
B. Euro Currency:		
Financial Liabilities		
In Euro Million	0.11	0.06
Equivalent in ₹ Lakhs	97	50
Financial Assets		
In Euro Million	0.12	0.11
Equivalent in ₹ Lakhs	102	91

42.5.1 Foreign currency sensitivity analysis in relation to the net foreign exchange exposure as at the balance sheet date

The Group is mainly exposed to the foreign exchange fluctuation in USD.

The following table details the Group's sensitivity to a 5% increase and decrease in the Indian Rupee against USD. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. This is mainly attributable to the exposure outstanding on receivables and payables in the Group at the end of the reporting period. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates an increase in the profit or equity where the Indian Rupee weakens 5% against the relevant currency due to positive net Financial Assets at the end of the current period. For a 5% strengthening of the Rupee against the relevant currency, there would be a comparable reverse impact on the profit or equity.

(₹ in Lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2021
Impact on Statement of Profit and Loss for the year		
5% strengthening against US Dollar	(76)	(175)
5% weakening against US Dollar	76	175

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.

Notes to Consolidated Financial Statements

For the year ended March 31, 2021 (Contd.)

42.5.2 Derivative Financial Instruments

The Group has entered into foreign currency options and forward contracts to manage its exposure to fluctuations in foreign exchange rates on foreign currency receivables and payables. Fair value of derivative financial instruments are determined using valuation techniques based on information derived from observable market data.

(₹ in Lakhs)

Financial assets/ (Financial liabilities)	Particulars	As at March 31, 2021	As at March 31, 2020
Derivative Assets / (Liabilities) measured at FVTPL:			
(i) Forward contracts	Notional value (USD million) - Sell position	2.0	3.0
	No. of Contracts	3	11
	Fair value (₹ Lakhs)	6	(57)
(i) Option contracts	Notional value (USD Million) - Sell position	3.0	6.3
	No. of Contracts	6	17
	Fair value (₹ Lakhs)	56	60

Fair Value Hierarchy	Level 2
Valuation technique(s)	Discounted Cash Flow
Key input	Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counter parties.

42.6 Interest rate risk management

The Group does not have interest rate risk exposure as there are no outstanding loans as at the year end.

42.7 Other price risks

The Group is exposed to price risks arising from mutual funds and equity investments other than investments in subsidiary.

Equity price risk is related to change in market reference price of investments in equity securities held by the Group. The fair value of quoted investments held by the Group exposes the Group to equity price risks. In general, these investments are not held for trading purposes.

The Group manages the surplus funds majorly through combination of investments in debt based / artibrage / equity oriented mutual fund schemes and fixed deposits. The price of investment in these mutual funds is the Net Asset Value (NAV) declared by the Asset Management Company on daily basis as reflected by the movement in the NAV of invested schemes. The Group is exposed to price risk on such Investment schemes.

Mutual fund investments are susceptible to market price risk, mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments. However, due to the very short tenor of the underlying portfolio in the liquid schemes, these do not hold any significant price risks.

Notes to Consolidated Financial Statements

For the year ended March 31, 2021 (Contd.)

42.7.1 Equity price sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 5% higher / lower, the other comprehensive income for the year ended March 31, 2021 would increase / decrease by ₹ 94 Lakhs (2019-20: increase / decrease by ₹ 66 Lakhs) as a result of the changes in fair value of equity investments measured at FVTOCI.

42.7.2 Mutual fund price sensitivity analysis

The sensitivity analysis below has been determined based on Mutual Fund Investment at the end of the reporting period. If NAV had been 1% higher / lower, the profit for year ended March 31, 2021 would increase / decrease by ₹ 36 lakhs (2019-20 : increase / decrease by ₹ 31 lakhs) as a result of the changes in fair value of mutual funds.

42.8 Credit risk management

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Group periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information.

For trade and other receivables, credit evaluation is performed on the financial condition of accounts receivable using independent ratings where available or by assessment of the customer's credit quality based on its financial position, past experience and other factors. The maximum exposure to credit risk in respect of the above at the reporting date is the carrying value of financial assets recorded in the financial statements, net of any allowance for losses. Based on the historical data, since loss on collection of receivable is not material, no additional provision is considered.

Trade receivables consist of a large number of customers, spread across the country comprising primarily dealers and manufacturers.

The average credit period on sales of goods is 60 days. The Group's trade and other receivables consists of a large number of customers, hence the Group is not exposed to concentration risk.

The ageing analysis of trade receivables as of the reporting date is as follows:

(₹ in Lakhs)

Ageing of trade receivables	As at March 31, 2021	As at March 31, 2020
Within the credit period	27,374	15,457
0 - 180 days past due	3,481	4,846
More than 180 days past due	1	18
Total Trade receivables	**30,856**	**20,321**

Notes to Consolidated Financial Statements

For the year ended March 31, 2021 (Contd.)

Reconciliation of loss allowance provision for Trade Receivables

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance as at beginning of the year	**14**	**2**
Impairment losses recognised in the year based on lifetime expected credit losses	-	12
Amounts written off during the year as uncollectible	-	-
Amounts written back during the year	-	-
Amounts recovered during the year	-	-
Balance at end of the year	**14**	**14**

42.9 Liquidity risk management

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as and when required. The Treasury Risk Management Policy includes an appropriate liquidity risk management framework for the management of the short-term, medium-term and long term funding and cash management requirements. The Group manages the liquidity risk by maintaining adequate cash reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The Group invests its surplus funds mainly in bank fixed deposits and mutual funds which carry no / negligible mark to market risks.

42.9.1 Liquidity risk table

The following table details 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. The tables include principal cash flows along with interest. The contractual maturity is based on the earliest date on which the Group may be required to pay.

(₹ in Lakhs)

Particulars	Upto 1 year	1-5 years	5+years
March 31, 2021			
Trade Payables	17,026	-	-
Other Financial Liabilities	2,470	-	-
Total	**19,496**	-	-
March 31, 2020			
Trade Payables	8,948	-	-
Other Financial Liabilities	3,760	-	-
Total	**12,708**	-	-

Notes to Consolidated Financial Statements
For the year ended March 31, 2021 (Contd.)

NOTE 43 : FAIR VALUE MEASUREMENTS

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

43.1 Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

(₹ in Lakhs)

Financial assets/ (Financial liabilities)	March 31, 2021	March 31, 2020	Fair value hierarchy	Valuation technique(s) and key input(s)
a) At FVTPL:				
(i) Investments in Mutual funds	3,587	3,118	Level 2	Fair value of investments in Mutual Funds is based on Net asset value (NAV) declared by mutual fund houses at the reporting date.
(ii) Other financial assets (including Derivate Financial Instruments)	62	60	Level 2	MTM of derivative instrument is provided by the bankers as at the reporting date
(iii) Other financial liabilities	-	57	Level 2	MTM of derivative instrument is provided by the bankers as at the reporting date
b) At FVTOCI:				
Investments in equity instruments (quoted) (see note below)	1,883	1,311	Level 1	Quoted bid prices in an active market

Note: These investments in equity instruments are not held for trading. Instead, they are held for medium or long-term strategic purpose. Upon the application of Ind AS 109, the Group has chosen to designate these investments in equity instruments as at FVTOCI as the Management believe that this provides a more meaningful presentation for medium or long-term strategic investments, than reflecting changes in fair value immediately in the Statement of Profit and Loss.

There were no transfers between Level 1 and 2 in the period.

43.2 Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

Except as detailed in the following table, the Group considers that the carrying amounts of financial instruments recognised in the financial statements approximate their fair values.

(₹ in Lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets held at amortised cost:				
Cash and cash equivalent	4,485	4,485	940	940
Other Bank balance	3,556	3,556	443	443
Trade receivables	30,856	30,856	20,321	20,321
Other financial assets	818	818	728	728
Inter Corporate Deposits	1,372	1,372	1,010	1,010

Notes to Consolidated Financial Statements

For the year ended March 31, 2021 (Contd.)

(₹ in Lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities held at amortised cost:				
Trade Payables	17,026	17,026	8,948	8,948
Financial Lease Liability	561	561	917	917
Other financial liabilities	2,470	2,470	3,760	3,760

NOTE 44 : DISCLOSURE AS PER SECTION 186 OF THE COMPANIES ACT, 2013

The details of loans, guarantees and investments under Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 are as follows:

(i) Details of Investments made by the Group are given in Note 6 and 10 in the financial statement.

(ii) There are no securities and guarantees provided / given during the year.

NOTE 45 : MERGER OF PROMOTER GROUP ENTITIES

A. Pursuant to the Scheme of Amalgamation of Suremi Trading Private Limited (Suremi) and Sushripada Investments Private Limited(Sushripada) (Promoter Entities) with the Company (the Scheme), the Company had filed an application before the National Company Law Tribunal, Mumbai (NCLT) which approved the Scheme vide its order dated March 3, 2021. In terms of the said Scheme, 2,15,99,859 equity shares and 95,17,830 equity shares in NOCIL held by Suremi Trading Private Limited and Sushripada Investments Private Limited respectively were cancelled and instead, NOCIL issued 3,11,17,689 equity shares to the shareholders of the Promoter Entities on March 30, 2021, as under:

S. No.	Name of Promoter shareholder	Number of equity shares of ₹ 10/- each allotted (as per NCLT order)
1	Mr. Hrishikesh A. Mafatlal	790,568
2	Mr. Priyavrata H. Mafatlal	439
3	Mr. Hrishikesh A. Mafatlal (as a trustee of Gurukripa Trust)	30,326,682
	Total	**31,117,689**

B. In accordance with the terms of the Scheme:

(i) The business of the promoter entities have been merged with the Company from October 1, 2020, being the Appointed Date.

(ii) All transactions of the Promoter Entities effective October 1, 2020, have been incorporated in the financial statements of the Company for the year ended March 31, 2021.

(iii) The stamp duty and legal charges in connection with the said Scheme have been borne solely by the Promoter Entities.

C. The trading sales and trading purchases pursuant to the execution of a tender entered into prior to October 1, 2020, by one of the Promoter Entities engaged in trading activities, being a one-off transaction for the Company, has been included under Miscellaneous Income under Other Non-Operating Income (refer Note 26).

Notes to Consolidated Financial Statements
For the year ended March 31, 2021 (Contd.)

D. The assets and liabilities of the Promoter Entities taken over as of October 1, 2020, and incorporated in the financial statements of the Company are as under:

(₹ in Lakhs)

Assets	**Suremi**	**Sushripada**
Cash & Cash Equivalents	164	172
Other Current Assets	3	7
Total Assets	**167**	**179**
Liabilities		
Trade Payables	1	4
Other Current liabilities	166	169
Short term provisions	-	6
Total Liabilities	**167**	**179**

E. The Income and Expenses of the Promoter Entities in respect of their activities for the period October 1, 2020 to March 31, 2021, incorporated in the financial statements of the Company are as under:

(₹ in Lakhs)

Particulars	**Suremi**	**Sushripada**
Revenue	865	-
Other Income	3	2
Total Income	**868**	**2**
Purchases	857	-
Employee Benefit Expense	4	-
Other Expenses	1	1
Total Expenses	**862**	**1**
Profit Before Tax	**6**	**1**

NOTE 46: SUBSEQUENT EVENTS

There are no significant subsequent events that would require adjustments or disclosures in the financial statement between the Balance Sheet date and the date of signing of accounts.

Notes to Consolidated Financial Statements

For the year ended March 31, 2021 (Contd.)

NOTE 47: IMPACT OF COVID-19

The Group's operations were impacted during the first quarter of the current financial year due to shutdown of its plants following the nationwide lockdown imposed by the Government of India during the first wave of COVID-19 pandemic. The Group's plants have since resumed operations, taking all due care for the health and safety of its employees and adopting work from home policy wherever possible.

The Group thereafter, has evaluated the impact of this pandemic on its business operations, financial position and based on its review of current indicators, there is no significant impact on the Group's assets, capital and financial resources, liquidity position, supply chain or demand for its products for the year ended March 31, 2021. The profitability for the year was impacted during the first quarter of the financial year due to sub optimal operations on account of the lockdown.

However, the impact assessment of COVID-19 is a continuous process, given the uncertainties associated with its nature and duration. The financial implications are contingent on the various business parameters which may emerge from time to time and the Group will continue to closely monitor any material changes from those estimated as on the date of adoption of these financial results.

NOTE 48: SHARE OF ENTITIES IN GROUP

Name of the Entity in the Group	Net Assets, i.e. total assets minus total liabilities		Share in profit or loss	
	As a % of consolidated net assets	Amount ₹ in lakhs	As a % of consolidated profit and loss	Amount ₹ in lakhs
Parent				
NOCIL Limited	99%	127,350	98%	8,649
Subsidiary - Indian				
PIL Chemicals Limited	3%	3,627	2%	192
Inter Company Elimination	**(2%)**	**(2,504)**	**0%**	**-**
Total	**100%**	**128,473**	**100%**	**8,841**

NOTE 49

Previous year's figures have been regrouped wherever necessary, to conform to the current year's classification.

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