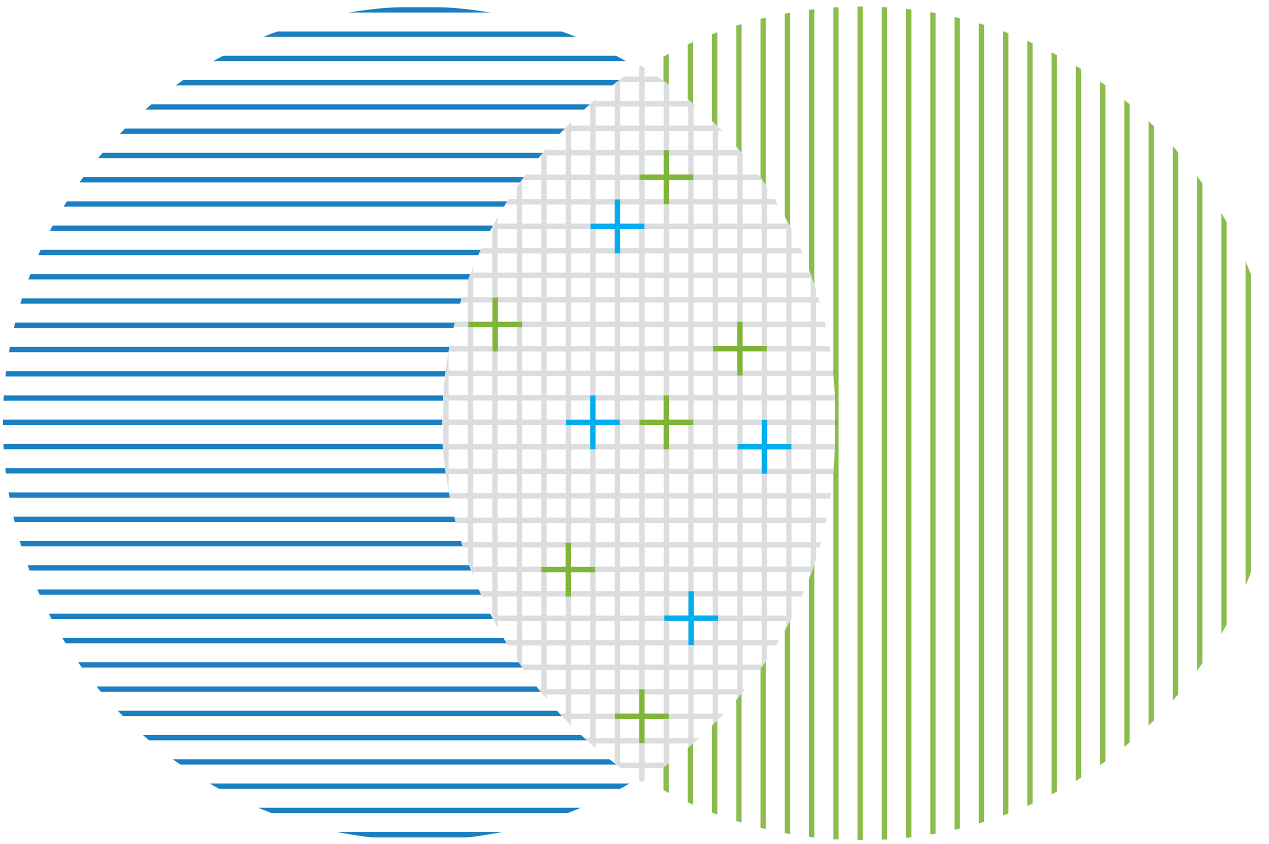
ARVIND MAFATLAL GROUP
The ethics of excellence

NOCIL LIMITED



A Journey of
Growth, Stability and Sustainability

NOCIL LIMITED
60th ANNUAL REPORT 2021-22

What's Inside

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INVESTOR INFORMATION

Market Capitalisation as at March 31, 2022	: ₹ 4,155 Crores
CIN	: L99999MH1961PLC012003
BSE Code	: 500730
NSE Symbol	: NOCIL
AGM Date	: July 28, 2022
AGM Mode	: Virtual

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

A Journey of Growth, Stability and Sustainability

With our expanded capacities, cutting-edge innovation and focus on quality, at NOCIL, we have always endeavoured to cater to customers' needs, while delivering a stable performance. Leveraging on our past laurels and capabilities built over the years we have always been focused on expanding our offerings across the board.

Being part of the chemical industry, sustainability is of paramount importance to us. We deliver a wide range of products to our customers, manufactured through sustainable processes, while delivering a stable performance year on year.

We have constantly striven to continue to expand our horizons and unlock new levels of growth.

Our Annual Report, thus covers our journey of Growth, Stability and Sustainability.

NOCIL Limited – Advancing Sustainability with Stability

At NOCIL Limited, we work with the philosophy of Ethics of Excellence.

It is this philosophy that has made the Company as one of the dependable players in the world, and the largest manufacturer of rubber chemicals in India.

Over the last 4 decades, we have been regarded as one of the most credible names for manufacturing and supplying rubber chemicals, with a customer base that spread across 40 countries.

NOCIL Limited is a part of Arvind Mafatlal Group that firmly believes in growth through technological innovations, global accreditations, customer delight coupled with a responsible approach towards health, safety and environment.

We take pride in the quality of our services as it puts our customers and their needs at the centre of planning. It's because of our vision and commitment that we have evolved as one of the very few rubber chemical manufacturers in the world currently, providing a one-stop solution for all rubber chemical needs.

45+ Years

of Legacy in Rubber Chemicals

40+ Countries

Presence, with long term relationships with Customers

20+ Products
of Legacy in Rubber Chemicals

Dependable, Non- Chinese Player enjoying a favourable positioning

Continuous technological improvements to enhance our product and customer portfolio

Exceptional R&D capabilities

Strong position in specialised applications

Growing Responsibly

Robust financial performance

NOCIL

Dependable, Non-Chinese Player enjoying a favourable positioning

We are a dependable quality player with committed plans for future growth. We offer a wide range of products having presence across 20+ varieties of products in the rubber chemical basket. We are an approved and registered vendor with major Domestic and International tire players. Having a broad base of customers in non-tire applications, we offer a One-Stop-Shop solution for a broad gamut of rubber applications. We also offer technical support to customers across the board.

Continuous technological improvements to enhance our product and customer portfolio

Globally, we are recognised for our technical capabilities and on this aspect alone, we enjoy an edge over other players in this business. Our technical expertise enables us to constantly enhance our product portfolio covering more and more end-user industries. This expertise also helps us expand into newer geographies, while catering to newer customers.

Exceptional R&D capabilities

NOCIL develops solutions based on the principle of 'green chemistry' and next-generation environmentally sustainable growth techniques, which has recently gained a lot of traction across the world. Our capabilities in Research & Development enable us to develop niche products using innovative technologies & Green chemistry concepts, while creating new-generation environmentally sustainable processes for growth.

Strong position in specialised applications

At NOCIL, it is our strong in-house technological backbone that enables us to develop products and solutions for specialised applications.

Growing Responsibly

We are a **Responsible Care** Company and are committed towards the environment around us. We actively work towards being more conscious and taking steps that help conserve nature, energy, and at the same time delivering quality and safety. NOCIL Limited has been awarded **Responsible Care** Logo by the Indian Chemical Council. It's a testament to the Company's continuous improvements in the areas of environmental protection, health, safety and secured transportation of raw materials and finished products. Continual investments have been carried out to adopt various innovative environmental technologies for long-term sustainability.

Robust Financial Performance

STATEMENT OF PROFIT AND LOSS

(Amount ₹ in Lakhs)

Sr. No.	Key Items of Income Statement	2017-18	2018-19	2019-20	2020-21	2021-22
1	Operating Revenue	98,927	104,290	84,629	92,466	157,131
2	Other Income	1,433	1,001	970	1,428	484
3	Total Income	100,360	105,291	85,599	93,894	157,615
4	Operating EBITDA	26,287	29,028	17,645	12,693	28,290
5	Profit Before Tax	25,307	27,669	15,241	10,418	23,959
6	Profit After Tax	16,861	18,409	13,098	8,649	17,595
7	Earning per share (EPS)- Basic (in ₹)	10.27	11.14	7.91	5.21	10.57
8	Earning per share (EPS)- Diluted (in ₹)	10.15	11.08	7.91	5.20	10.54
9	Dividend (₹ per Share)	2.50	2.50	2.50	2.00	3.00

BALANCE SHEET

Sr. No.	Broad Particulars of Assets & Liabilities	31-Mar-18	31-Mar-19	31-Mar-20	31-Mar-21	31-Mar-22
10	Property, Plant and Equipment	54,178	75,961	92,578	90,571	89,263
11	Non-Current Investments	7,701	4,738	4,892	4,975	6,065
12	Other Non-Current Assets	3,293	4,482	3,633	3,329	3,149
13	Current Assets	66,386	57,601	41,684	61,015	83,147
14	Total Assets	131,558	142,782	142,787	159,890	181,624
15	Equity Share Capital	16,448	16,542	16,561	16,622	16,657
16	Free Reserves/ Other Equity	87,295	98,764	101,040	110,728	126,730
17	Total Net Worth	103,743	115,306	117,601	127,350	143,387
18	Average Net Worth	97,124	109,525	116,454	122,476	135,369
19	Deferred Tax Liabilities	10,026	10,536	8,865	9,563	10,281
20	Long Term Borrowings	500	-	-	-	-
21	Capital Employed	114,269	125,842	126,466	136,913	153,668
22	Average Capital Employed	108,264	120,056	126,154	131,690	145,291
23	Other Non-Current Liabilities	1,534	1,471	2,327	1,949	1,866
24	Current Liabilities	15,755	15,469	13,994	21,028	26,090
25	Total Liabilities	131,558	142,782	142,787	159,890	181,624
26	Book Value per Equity Share (₹)	63.07	69.71	71.01	76.62	86.08
	(Face value- ₹ 10 per share)					
27	Operating EBITDA (%)	27%	28%	21%	14%	18%
28	Net Profit %	17%	18%	15%	9%	11%
29	Return on Net Worth (%)	17%	17%	11%	7%	13%
30	Return on Capital Employed (%)	23%	23%	12%	8%	17%
31	Current Ratio	4.21	3.70	2.98	2.90	3.19

Managing Director's Communique

Dear Shareholders,

I hope you're all doing well during these trying times. The year 2021-22 was marked as the year of resilience and recovery. Despite the challenging environment that has prevailed over the previous two years, NOCIL has delivered a robust performance, thanks to its integrated value chain, technological strength, wide product range, and strong marketing network. We continue to pursue to consolidate our position in the global and domestic rubber chemicals market.

Following the effect of COVID-19 (second wave), the Indian tire industry has made a gradual recovery, with a positive long-term prognosis. Supply side issues such as semiconductor chip shortages and logistics impacted demand, but tire replacement demand was strong across the product segments. Furthermore, tire import limitations continue to assist domestic tire manufacturers in maintaining high operating rates.

Statistics on worldwide rubber use, both natural and synthetic, continue to indicate an increasing trend. Domestic tire demand follows the GDP growth trend; hence we estimate that growth will be in the range of 7% to 8% in 2022-23.

We continue to monitor the markets and are confident in our ability to meet future demand. We're also expanding our geographic reach and improving our position in the export market for our products. Our

> I appreciate the efforts put in by all my fellow colleagues who have not only adhered to the COVID protocols but have also delivered impeccably in these challenging times.

new capacity expansion coincides with key business tailwinds, allowing us to accelerate revenue and profit growth in the future years. We would also be investing in small capex programmes towards debottlenecking of capacities of some of the products. Our export market presence has been growing, and we are also positive about our export prospects. The China plus strategy has also supported us in our growth objectives. With enhanced capacities in place, strong technological capabilities and a long-standing connection with domestic and global tire companies, NOCIL is well-positioned to capitalise on the upcoming opportunities.

NOCIL has exhibited a stable and resilient performance during the year. The volumes during the year grew by 16% as compared to same period last year owing to increased demand. The sales growth was driven by price hikes taken across products commensurate with the cost increases and also due to change in the product mix. On a standalone basis, revenue from operations for the 2021-22 grew by 70% to ₹ 1,571 Crores from ₹ 925 Crores in 2020-21. Operating EBITDA during the year recorded a growth of 123% to ₹ 283 Crores from ₹ 127 Crores in 2020-21. EBITDA margins expanded primarily due to the operating leverage benefits from increase in production by 34% as compared to previous year. PAT for financial year more than doubled to reach ₹ 176 Crores vis-a-vis ₹ 86 Crores in 2020-21.

The prices of our essential raw materials and fuels have risen considerably as a result of the global inflationary trend and a strong spike in commodity prices. The price hikes were largely owing to the Russian-Ukraine geo-political crisis, which resulted in higher crude oil and benzene prices, as well as wider gaps between benzene and its derivatives. Furthermore, unexpectedly high coal and gas utility prices, as well as supply chain interruptions due to COVID-19 outages in China, delayed the delivery of imports and caused different logistics challenges.

NOCIL has taken initiatives in recent years to prevent supply chain disruptions, including alternate sourcing, encouraging local suppliers to align with the **ATMANIRBHAR** objective for its raw materials. NOCIL is dedicated to continually enhancing operating efficiencies.

I appreciate the efforts put in by all my fellow colleagues who have not only adhered to the COVID protocols but have also delivered impeccably in these challenging times.

During COVID-19, our priority was our NOCIL family and so we adopted new health protocols and embraced a new work environment. We also conducted vaccination drives for our employees and their families (including contract labour) to ensure their safety. All the protocols/directions issued by various government agencies were strictly followed.

We realise our responsibility towards environment and strive to do our bit for the same. We consciously frame our policies, making them environmentally sensitive, to keep our products and processes sustainable in nature. We are certified with ISO 50001 for energy conservation. We also take pride in being a **Responsible Care** certified Company. Besides, we have always been committed to giving back to the society. We have utilised our resources on education, healthcare and agriculture sectors that help uplift the marginalised sections of the society.

Going ahead, the Company is set to grow in the domestic as well as international markets and explore a plethora of opportunities. We will leverage our position of being the leading manufacturer in India and a dependable non-Chinese manufacturer across the globe to expand our businesses while being sustainable. We will continue to expand our horizons and unlock new levels of growth.

I want to thank all our stakeholders for their continued support in us. I want to conclude by reiterating how proud I feel at this point, envisioning the future of the Company and having a workforce that is resilient and motivated. I hope we continue at this stride and continue making the impact that we do.

Sincerely,

S. R. Deo

The Story of Our Journey

Manufacturing at NOCIL – Stable and Sustainable

As one of the leading manufacturers in rubber chemicals globally, our processes involve complex chemical synthesis. Therefore, it is of prime importance to ensure that all our products adhere to International quality standards. Our manufacturing facilities have the state-of-the-art technologies to manufacture diverse range of rubber chemicals for tire and other rubber applications.

1. Navi Mumbai, Maharashtra

As one of the leading manufacturers in rubber chemicals globally, our processes involve complex chemical synthesis. Therefore, it is of prime importance to ensure that all our products adhere to International quality standards. Our manufacturing facilities have the state-of-the-art technologies to manufacture diverse range of rubber chemicals for tire and other rubber applications.

2. Dahej, Gujarat

The Dahej site is a state-of-the-art manufacturing facility commenced production in 2013. Located at 45 kms from Bharuch, Gujarat, this facility is strategically located in the proximity to petrochemicals industry that is connected with Dahej and Hazira ports. The facility has fully-automated processes that are developed using in-house technology and process controls.

Sustainable Product Portfolio

At NOCIL, we provide our customers a One-Stop-solution with a diverse range of rubber chemicals.

Product Applications

Anti-Degradants/Anti-Oxidants

Anti-Degradants/Anti-Oxidants are ingredients in rubber compounds which deter the ageing and inhibit degradation due to oxygen attack of rubber products, thereby enhancing service life.

Accelerators

Accelerators increase the speed of vulcanisation, permitting the process to proceed at lower temperature & with greater efficiency.

Other Applications

Other applications of our chemicals include pre-vulcanisation inhibition, post vulcanisation stabilisation, latex-based applications etc. Our solutions also encompass improving thermal stability of cross links in rubber products.

Innovation Driving Sustainability

Our R&D facilities are recognised by the Department of Scientific and Industrial Research (DSIR), Ministry of Science and Technology. Research facilities at NOCIL collaborates with Educational Institutions and SSIR for knowledge transfer and innovation.

Impact of R&D at NOCIL

1. Product Quality Improvement
2. Process Development,
3. Reduced energy consumption
4. Environmental strategies for sustainable growth
5. Research initiatives as per customers' perceived needs

Our R&D Capabilities

Our R&D capabilities include research about the products, processes and perceived needs of the customers. We focus on using technology, implementing processes, and making products that not only empower our customers, but also makes our business more sustainable. The Company has a continued focus on developing new generation of rubber chemicals that incorporates cutting-edge technology and green chemistry principles. Our R&D facilities also have pilot plant facilities equipped with modern laboratories and latest analytical instruments.

Innovation Driving Sustainable Growth

- New Generation Treatment Methods
- Greener Process Technologies
- 3Rs Effluent Treatment Rule: **Reduce, Reuse and Recycle**

Moving towards ESG Compliance

Environmental Initiatives

NOCIL's goal isn't just to satisfy environmental regulations, but also to integrate cutting-edge technologies, including green chemistry. Our Research Centre has an experienced team dedicated to advancing environmental research and green chemistry thereby promoting sustainable business practices.

As a responsible corporate citizen, NOCIL has adopted and implemented the '5S Workplace Organisation Method' to promote productivity, safety, and waste reduction. On the pollution prevention and waste management front, we have implemented a '3R' approach to maintain a sustainable environment - '**Reduce, Reuse and Recycle**'.

Total Quality Management (TQM) and Process Safety

From the procurement of inputs to serving the needs of customers, TQM is a fundamental component of the business.

At NOCIL, we have built systems and processes over the years to adhere to international business process standards at each step and to build on continuous improvement recommendations resulting from different audits by suppliers, customers, and certifying organisations. NOCIL's D7 TQM activities, which ensure the correct quality of product and services, have improved the Company's competitiveness and are one of the primary drivers of growth.

Our Certifications

- ISO 17025: 2017: Quality Assurance and Marketing Technical Service accredited laboratories at Navi Mumbai
- ISO 14001: 2015: Environment Management System
- ISO 45001: 2018: Occupational Health & Safety Management System
- ISO 50001: 2018: Energy Management System
- ISO 9001:2015 Quality Management System
- IATF 16949:2016 Automotive Quality Management System

Process Safety Initiatives

Being a **Responsible Care** logo holder, we have always looked at continuous improvements in the areas of environmental protection, health, safety and secured transportation of the raw material and delivering the finished products. For issues concerning process safety and work environment, clear rules, processes, practices, and systems have been established. We ensure adhering by the highest standards of Health, Safety and Environment (HSE) in the Company, to ensure a safe and healthy work environment. Through periodic audits we carry out regular workplace monitoring for Volatile Organic Compounds (VOC), Noise and Illumination levels, Ambient air quality, and other factors. Process safety measures are prioritised, and established Pre-Start Up Safety Review (PSSR) processes are implemented before any plant activities begin. Process safety issues are thoroughly investigated utilising HAZOP/HAZAN/LOPA methodologies, and the results are put into practice.

Social and CSR Initiatives at NOCIL

"More Than An Obligation, More Than A Duty"

At NOCIL, we are actively involved in the upliftment of the communities around us and hold the values of 'giving back to the society' close to our hearts.

As a part of the Arvind Mafatlal Group, NOCIL firmly believes that discharge of Corporate Social Responsibility **in itself is a feeling that we belong to the people at large and more so to the people we serve.** Thus, for NOCIL the satisfaction of giving is supreme without expecting anything in return. This giving comes from unconditional urge to do something meaningful for the Society. We have strived for improvement in conditions faced by the needy and the poor. We fully believe that such acts of giving back to the Society are at the core of a balanced life. As a part of the Arvind Mafatlal Group, we consider our contribution as a humble tribute to what Society has given us. We have pledged our resources in various sectors and are striving continuously with the sole objective of creating an environment of well-being in all spheres of life. The group has been implementing a range of CSR activities over the last fifty years, in areas like healthcare, education, women's upliftment in rural India and environment protection.

NOCIL has invested its resources in a variety of areas and is always working to create a positive atmosphere in all aspects of life. The Company has been implementing a variety of CSR activities in areas such as promoting health care, including preventive health care, rendering Community Health Programmes for the underprivileged spectrum of society living in rural and tribal areas, developing, and expanding the rural community and empowering women to ensure equitable and sustainable development and overall poverty reduction.

A look at some of the core CSR Initiatives:

Promoting Healthcare (including preventive Healthcare): Our CSR activities also encompass rendering community health programmes for the poor and the needy spectrum of society staying in rural and tribal areas. We have contributed funds to prominent NGOs like The Cancer Patients Aids Association which facilitate less expensive and in many cases free treatment of poor and needy patients suffering from serious disorders like Cancer and equipment for early detection of breast cancer in poor women. We have also supported B.Y.L Nair Charitable Hospital for purchase of ventilators during the pandemic and helped to set up a diabetic foot clinic for the poor patients. We have already extended substantial support to all initiatives of the Central and State Govts of Maharashtra and Gujarat for the detection and treatment of the Covid-19 patients during the pandemic. Our regular support to NGOs like the Sri Chaitanya Seva Trust, Shushrusha Citizens Coop Hospital etc. has helped many poor patients staying in rural and tribal areas to get a new lease of life.

Empowerment of Tribal communities: Our support to an NGO called 'Vayam' has helped empower 250 tribal communities in the northern Western Ghats over the past decade, across the Tehsils of Jawhar, Mokhada, and Vikramgad, District of Palghar and Tehsil Trimbakeshwar, district of Nashik.

Livelihood enhancement projects: NOCIL has over the years been extending monetary support to N M Sadguru Water & Development Foundation- a non-profit organisation which has proven credentials in improving the living conditions of rural and tribal people by developing environmentally sound land and water resources programmes, improving the agriculture eco-system, arresting the distress of migration, enriching the socio-economic status of farming communities and striving for their overall development more sustainably.

The institution's environmental, technical, and socially sound natural resource interventions have led to the empowerment of rural community, including women and brought about significant poverty reduction. It is recognised and monetarily supported by the Governments of Rajasthan, Gujarat and Madhya Pradesh.

Besides, the organisation has been imparting training, capacity building and providing technical inputs to a large number of government and non-government organizations at its state-of-the-art training institute at Chosala (Dahod, State Gujarat).

Promotion of sports and games with a mission to support the Indian athletes in winning Olympic Gold medals: NOCIL provides financial support to The Foundation for Promotion of Sports and Games (Olympic Gold Quest), an NGO created by icons Geet Sethi and Prakash Padukone. It is dedicated to bridging the gap between India's greatest athletes and the world's top athletes, with the goal of assisting Indian sportsmen in obtaining Olympic gold medals.

Promoting Education for underprivileged and poor children: We have strongly supported an NGO by the name Muktangan Education Trust which adopted 7 municipal schools (in partnership with MCGM) and currently serves 3,800+ students YOY. Started in 2003, the NGO is internationally recognised for its uniqueness in being a 100% community driven educational model right up to 10th Grade.

Board of Directors

Mr. Hrishikesh A. Mafatlal

Promoter & Chairman

Mr. Mafatlal is the Executive Chairman and promoter director of NOCIL Limited. He is the Chairman of the Arvind Mafatlal Group (AMG). Mr. Mafatlal earned an honours degree in commerce from Mumbai's Sydenham College in 1975. He has studied Advanced Management Programme (AMP) at Harvard Business School in the United States in 1993. For 12 years (1995–2007), he served on the Board of Governors of IIM Ahmedabad and was Vice Chairman of the Cotton Textiles Export Promotion Council (TEXPROCIL).

Mr. S. R. Deo

Managing Director

Mr. Deo holds an M. Tech. in Chemical Engineering from IIT Kanpur and has been a part of the AMG for the past 43 years. He has handled various responsibilities such as technology, projects, marketing and is currently holding the position of Managing Director from August 2017. He has made major contributions towards increasing efficiency at the Plants, product quality, HSE standards, and Human Resources strategy to address future business difficulties. Mr. Deo has put together a formidable Research and Technology team to work on indigenous technology development and deployment.

Mr. Anand V.S.

Deputy Managing Director

Mr. Anand V.S. is qualified as a Bachelor of Engineering in Chemical Engineering from Siddaganga Institute of Technology in Bangalore and holds a Master of Business Administration (MBA) degree in Marketing from MDI Gurgaon. Prior to joining NOCIL, Mr. Anand was the Managing Director of Chemetall India (BASF Company). He has more than two decades of expertise in a variety of fields, including Textile Chemicals, Care Chemicals, Surfactant Chemicals, and so on. He has held several leadership positions during his career. Mr. Anand has been appointed as the Deputy Managing Director w.e.f. March 2, 2022.

Mr. Rohit Arora

Independent Director

Mr. Arora is a Chartered Accountant with close to four decades of experience in Investment Banking, BPM (Business Process Management) and Management Consulting. He has been involved with top tier multinational companies in these industries. He is currently the Founder and Chairman of a BPM company and also serves as a Director on the Boards of some well-known corporates.

Mr. Vilas R. Gupte

Independent Director

Mr. Gupte is a Chartered Accountant with over 40 years of multifaceted corporate experience spanning Finance, Legal and Commercial aspects. He has hands on experience of Mergers and Acquisitions and Financial Restructuring. He retired as Chief Executive Officer of NOCIL Ltd. in July 2005. Presently Mr. Gupte is a Business Solutions Consultant and is also on the Board of Mafatlal Industries Ltd. (an AMG Company).

Mr. D. N. Mungale

Independent Director

Mr. Mungale is a Chartered Accountant who has spent the majority of his career with Bank of America and DSP Merrill Lynch Limited in the Corporate and Investment Banking sectors in India and Europe. He is presently acting as an Advisor to select corporations across India and Europe and serves as a Director on the Boards of some well-known public limited companies of leading Business Groups.

Mr. P. V. Bhide

Independent Director

Mr. Bhide retired as the Revenue Secretary, Ministry of Finance, Government of India, from the Indian Administrative Service (IAS). He also held the coveted position as the Secretary of the Department of Disinvestment, as well as the Special Secretary and Additional Secretary of the Indian Ministry of Home Affairs. Mr. Bhide also serves on the Boards of some leading public limited companies.

Ms. Dharmishta N. Raval

Independent Director

Ms. Raval became a member of the Gujarat Bar Association in 1980 and is now a partner with Raval & Raval, Advocates in Ahmedabad, where she has been practicing law since May 2003. Ms. Raval is the former Executive Director (Law) of the Securities and Exchange Board (SEBI). She is a member of the National Securities Depository Limited (NSDL) Executive Committee, the SEBI Mutual Fund Advisory Committee, and serves an Independent Woman Director on the Boards of a few reputed Public Limited Companies.

Mr. Debnarayan Bhattacharya

Independent Director

Mr. Bhattacharya holds a B. Tech (Hons) degree in Chemical Engineering from IIT Kharagpur and a B. Sc. (Hons) degree in Chemistry from Kolkata's Presidency College. He formerly served as Vice-Chairman of Hindalco Industries Limited, the Aditya Birla Group's metals flagship company, and held position as the Vice-Chairman of Novelis Inc., a world leader in flat-rolled materials and a 100% subsidiary of Hindalco. He also served on the Board of Vodafone Idea Limited.

Mr. Priyavrata H. Mafatlal

Non-Executive Director

Mr. Mafatlal has been appointed to the Board of Directors as a Non-Executive Director. Mr. Priyavrata is the Managing Director of Mafatlal Industries Limited. He is the son of Mr. Hrishikesh A. Mafatlal, the Company's Executive Chairman, and comes from a family of industrialists. Mr. Priyavrata Mafatlal possesses a B.M.S. in Marketing Management and an M. Com. from Mumbai University (Marketing). In August 2014, he also attended the IIM Ahmedabad Emerging Leaders' Programme.

Corporate Information

Board of Directors

EXECUTIVE DIRECTORS

Mr. Hrishikesh A. Mafatlal
(DIN: 00009872) Chairman
Mr. S.R. Deo (DIN: 01122338)
Managing Director
Mr Anand V.S. (DIN: 07918665)
Deputy Managing Director (w.e.f. March 2, 2022)

INDEPENDENT DIRECTORS

Mr. D. N. Mungale (DIN: 00007563)
Mr. Debnarayan Bhattacharya
(DIN: 00033553)
Mr. P. V. Bhide (DIN: 03304262)
Mr. Rohit Arora (DIN: 00445753)
Mr. Vilas R Gupte (DIN: 00011330)
Ms. Dharmishta N. Raval (DIN: 02792246)

NON-INDEPENDENT DIRECTORS

Mr. Priyavrata H. Mafatlal (DIN: 02433237)

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

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

AUDITORS

Kalyaniwalla & Mistry LLP
Chartered Accountants

SOLICITORS & ADVOCATES

Vigil Juris

REGISTRAR & SHARE TRANSFER AGENT

KFin Technologies 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
ICICI Bank Limited
IDFC First Bank Limited

NOTICE

NOCIL LIMITED
CIN: L99999MH1961PLC012003
Regd. Office: Mafatlal House, H.T. Parekh Marg, Backbay Reclamation,
Churchgate, Mumbai-400020 Tel. No. 91-22-66364062,
Fax No: 91-22-66364060, Website: www.nocil.com
Email: investorcare@nocil.com

NOTICE is hereby given that the SIXTIETH (60th) Annual General Meeting of the Members of NOCIL Limited ('**the Company**') will be held on **Thursday July 28, 2022 at 03.00 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, 2022 and the Balance Sheet as at March 31, 2022 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.

4. **Re-appointment of the Statutory Auditors of the Company.**

   To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution :**

"RESOLVED THAT pursuant to Sections 139, 141, 142 and all other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force), and pursuant to the recommendations of the Audit Committee and the Board of Directors of the Company at their respective meetings, M/s Kalyaniwalla & Mistry LLP, Mumbai (Registration No 104607W/W100166) be and are hereby re-appointed as Statutory Auditors of the Company for a second term of five(5) consecutive years , to hold office from the conclusion of this 60th Annual General Meeting till the conclusion of the 65th Annual General Meeting to be held during the year 2027, to examine and audit the accounts of the Company for the Financial Years 2022-23 to 2026-27 and that the Board of Directors of the Company be and are hereby authorised to fix remuneration as may be mutually agreed upon between the Board and the Statutory Auditors plus reimbursement of out of pocket expenses and applicable taxes."

SPECIAL BUSINESS

5. **Re-appointment of the Managing Director**

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

"RESOLVED THAT pursuant to Sections 196, 197, 198, 200 read with Schedule V and all other applicable provisions of the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force and subject to the approval (if any) of the Central Government and such other approvals, permissions and sanctions, as may be required and subject to such conditions and modifications as may be imposed or prescribed by any other authorities in granting such approvals, permissions and sanctions, approval of the Members of the Company be and is hereby accorded to the re-appointment of Mr. S. R. Deo (holding DIN 01122338) as the Managing Director for a period of one (1) year with effect from August 1, 2022 upto July 31, 2023 and for payment of remuneration and perquisites as set out in the Explanatory Statement annexed to the Notice with liberty to the Board of Directors to alter and vary the terms of remuneration, in such manner as the Board may deem fit.

Notice (Contd.)

FURTHER RESOLVED THAT where during the Financial year 2022-23 during the currency of the tenure of Mr. S.R. Deo, Managing Director, the Company has no profits or its profits are inadequate, the remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting, be paid as minimum remuneration, subject to such statutory approval(s) as may be applicable.

FURTHER RESOLVED THAT the Board of Directors be and are 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. **Ratification of payment of remuneration to the Cost Auditor**.

   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 in their meeting held on May 17, 2022 for carrying out Cost Audit of the Company for the Financial Year 2022-23, be and is hereby approved and ratified."

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

Place : Mumbai
Date: May 17, 2022

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

Sd/-
Amit K. Vyas
Company Secretary

Notice (Contd.)

NOTES

1. As a fall out of the COVID-19 pandemic and the consequent social distancing norms to be followed and pursuant to the General Circular Nos- 14/2020, 17/2020, 20/2020, 02/2021 and 21/2021 dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021 and December 14, 2021 respectively issued by the Ministry of Corporate Affairs (MCA) and Circular Nos-SEBI/HO/CFD/CMD1/CIR/P/2020/79, SEBI/HO/CFD/CMD2/CIR/P/2021/11 and SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 12, 2020, January 15, 2021, and May 13, 2022 respectively issued by the Securities & Exchange Board of India (SEBI) , physical attendance of the Members to 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 60th AGM through VC/OAVM. In compliance with all the applicable 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 60th AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM will be the Registered office of the Company.

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 60th 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 authorising 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 Scrutinizers 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 Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Directors seeking appointment / re-appointment at the 60th Annual General Meeting, form integral part of the Notice.

6. 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 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. The Members can request the Company at investorcare@nocil.com for the inspection of above mentioned documents.

7. 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 this 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 and Investors Grievance Committee, Auditors, etc. The detailed instructions for joining the Meeting through VC/OAVM form part of the Notes to this Notice.

8. 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.

9. 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 Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs (MCA) dated April 08, 2020, April 13, 2020, May 05, 2020, January 13, 2021 and December 14, 2021 the Company is providing 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 venue voting on the date of the AGM will be provided by NSDL.

10. In line with the Ministry of Corporate Affairs (MCA) Circular No. 21/2021 dated December 14, 2021 further extended vide SEBI Circular Reference: SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 the Notice calling the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories/RTA.The same will also be available on the Company's website : www.nocil.com; BSE Limited's website : www.bseindia.com; NSE's website : www.nseindia.com; and the website of National Securities Depository Limited (NSDL) at https://www.evoting.nsdl.com/.

11. 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 Wednesday, July 20, 2022 (09.00 a.m. IST) and Saturday, July 23, 2022 (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 for the AGM.**

12. **Registration of email ids.:**

Members holding shares in demat mode, who have not registered their email addresses are requested to register their email addresses with their respective Depository Participants (D.Ps) and Members holding shares in physical mode are requested to update their email addresses with the Company's RTA, KFin Technologies Limited.

Members may follow the process detailed below for registration of email ID and update of Bank Account details for the receipt of dividend.

Type of Holder	Process to be followed	
Physical Mode	For availing the following investor services, send a written request in the prescribed form to the RTA of the Company, KFin Technologies Limited either by email to einward.ris@kfintech.com or by post to Selenium Tower B, Plot 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500032	
	Form for availing investor services to register PAN, email address, bank details and other KYC details or changes / update thereof for securities held in physical mode	Form ISR-1
	Update of signature of securities holder	Form ISR-2
	For nomination as provided in the Rules 19 (1) of Companies (Share capital and debenture) Rules, 2014	Form SH-13
	Declaration to opt out nomination	Form ISR-3
	Cancellation or Variation of Nomination	Form SH-14

Notice (Contd.)

Type of Holder	Process to be followed	
	Form for requesting issue of Duplicate Certificate and other service requests for shares / debentures / bonds, etc., held in physical form	Form ISR-4
	The forms for updating the above details are available at www.nocil.com	
Demat Mode	Please contact your Depository Participants (D.Ps) and register your email address and Bank Account details in your demat account, as per the process advised by your DP.	

13. Book Closure:

The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, July 22, 2022 to Thursday, July 28, 2022 (both days inclusive) for purposes of the 60th Annual General Meeting to be held on Thursday, July 28, 2022 and for payment of dividend.

14. Payment of Dividend:

Members may note that the Board, at its meeting held on May 17, 2022, has recommended a final dividend of ₹ 3/- per equity share of ₹ 10/- each . The said dividend for the year ended March 31, 2022 , if approved by the Members at the 60th AGM will be paid to those Members whose names appear on the Company's Register of Members on July 21, 2022. 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 21, 2022. The said dividend will be paid at par on or after August 5, 2022. The dividend will be paid electronically to Members who have updated their bank account details. In case of non-availability or non-updation of bank account details of Members, the Company will dispatch dividend warrants/demand drafts to such Members at their address registered with the Company/RTA.

In order to enable the Company to directly credit the dividend amount in the bank accounts:

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

b) **Members holding shares in physical mode are requested to submit written request in the prescribed Form ISR- 1 to the RTA of the Company, KFin Technologies Limited either by email to einward.ris@kfintech.com or by post to Selenium Tower B, Plot 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500032.**

15. Tax Deduction at source / Withholding tax:- Payment of Dividend

Pursuant to the Finance Act, 2020, dividend income is taxable in the hands of shareholders w.e.f. April 1, 2020, and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, please refer to the Finance Act, 2020 and the amendments thereof. Members are requested to update their valid PAN with the DPs (if shares held in dematerialised form) and the Company/RTA (if shares are held in physical form).

Notice (Contd.)

Table 1 : RESIDENT SHAREHOLDERS

Category of Shareholder	Tax Deduction Rate	Exemption applicability/ Documentation requirement
Any resident Shareholder **Note Nos. (4) and (5)**	10%	Update valid PAN, if not already done, with the Depository Participants (D.Ps) (in case of shares are held in the demat mode) and with the Company's Registrar and Transfer Agent - Kfin Technologies Limited ('KFin') (in case shares are held in the physical mode). No taxes will be deducted in the following cases - • If dividend income to a resident Individual Shareholder during F. Y. 2022-23 does not exceed ₹ 5,000/- **Note No. (2)** • If Shareholder is exempted from TDS provisions through any circular(s) or notification(s) and provides an attested copy of the PAN along with the documentary evidence in relation to the same **Note No. (3)**
Submitting Form 15G/ Form 15H	NIL	Resident Individual Shareholder providing Form 15G / Form 15H (applicable to an Individual whose age is 60 years or more during F. Y. 2022-23) - on fulfilment of prescribed conditions. Blank Form 15G and 15H can be downloaded from the link given at the end of this communication **Note No. (6)**
Order under section 197 of the Act	Rate provided in the order	Lower/NIL withholding tax certificate obtained from Income Tax authorities
Insurance Companies: Public & Other Insurance Companies details to be furnished	NIL	Documentary evidence that the provisions of section 194 of the Act are not applicable **Note No. (7)**
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	NIL	Declaration that it is a corporation established by or under a Central Act whereby income-tax is exempt and accordingly, is covered under section 196 of the Act, along with self-attested copy of registration certificate and relevant extract of the section whereby the income is exempt from tax.
Mutual Funds specified under clause (23D) of section 10 of the Act	NIL	Declaration that it is Mutual Fund specified under section 10(23D) of the Act and accordingly, is covered under section 196 of the Act, along with self-attested copy of registration certificate or notification, as the case may be .
Alternative Investment Fund ('AIF')	NIL	Declaration that AIF income is exempt under section 10(23FBA) of the Act as it has been granted a certificate of registration as a Category I or Category II AIF under the SEBI (AIF) Regulations, 2012 or under the International Financial Services Centre Authority Act, 2019 . Also, to provide copy of registration document (self-attested).
New Pension System ('NPS') Trust	NIL	Declaration that NPS Trust income is exempt under section 10(44) of the Act. Self-attested copy of registration document for establishment of said trust under the Indian Trust Act, 1882 along with self-attested copy of PAN card.
Other resident Shareholder without PAN or having Invalid PAN **Note Nos. (8) and (9)**	20%	-
Non-filers of income-tax return - section 206AB **Note No. (10)**	20%	Non-compliance casts an obligation on the Company to deduct at higher rate

Notice (Contd.)

Table 2: NON-RESIDENT SHAREHOLDERS

Category of Shareholder	Tax Deduction Rate	Exemption applicability/ Documentation Requirement
Any non-resident Shareholder **Note No. (11)**	20% (plus applicable surcharge and cess) or Tax Treaty rate, whichever is lower	Non-resident Shareholders may opt for tax rate under Double Taxation Avoidance Agreement ('Tax Treaty'). The Tax Treaty rate shall be applied for tax deduction at source on submission of following documents to the Company: a. Copy of PAN Card, if any, allotted by the Indian authorities b. Self-attested copy of Tax Residency Certificate valid as on the Record Date, obtained from the tax authorities of the Country of which the Shareholder is resident c. Self-declaration in Form 10F d. Self-declaration confirming not having a Permanent Establishment in India and eligibility to Tax Treaty benefit e. Self-declaration regarding 'Principle Purpose Test' (if any) as applicable to respective Treaty f. Self-declaration as regards beneficial ownership In case of Foreign Institutional Investors, Foreign Portfolio Investors, self-attested copy of certificate of registration accorded under the relevant regulations of the SEBI.
Submitting Order under section 197 of the Act	Rate provided in the Order	Lower/NIL withholding tax certificate obtained from Income Tax authorities

Notes:

(1) In due compliance of the applicable provisions of the Act, the Company will be issuing certificate for tax deducted at source in Form 16A. The credit for tax deducted at source can also be verified by the Shareholder by verifying Form 26AS, after the statement of tax deducted at source is furnished by the Company and thereafter Annual Information Statement (Form 26AS) is updated.

(2) In case of any further dividend which is paid in the 2022-23 and considering the amount of dividend payments made earlier, if the aggregate dividend pay-out exceeds ₹ 5,000/- then, from the subsequent payment of dividend, the tax on the current as well as on earlier amount of dividend will be deducted and accordingly, the balance amount of dividend will be paid to the concerned Individual Shareholder.

(3) Reference is drawn to Circular No. 18/2017 dated May 29, 2017, issued by the Government of India, Ministry of Finance, Department of Revenue, Central Board of Direct Taxes as regards requirement of TDS in case of entities whose income is exempt under section 10 of the Act.

(4) In case dividend income under the provisions of the Act is chargeable to tax in hands of any other person other than the Registered Shareholder, then, a declaration to that effect is required to be submitted in terms of section 199 of the Act read with Rule 37BA of the Income Tax Rules, 1962. On such submission, the Company will deduct tax in the name of such person, which would be due compliance of law on the part of the Company.

(5) Shareholders holding shares under multiple accounts under different status / category and single PAN, may note that, higher of the tax as applicable to the status in which shares held under a PAN will be considered on their entire holding in different accounts.

(6) The Company, in compliance with the provisions of the Act, will allot unique identification number and the declarations will be furnished along with the statement of deduction of tax to the Income Tax Authority (Form 15H/15G).

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(7) Insurance companies: The Life Insurance Corporation of India, The General Insurance Corporation of India, The National Insurance Company Limited, The New India Assurance Company Limited, The Oriental Insurance Company Limited, The United India Insurance Company Limited and any other insurer, as per section 2(28BB) of the Act. In case of any other insurer, self-attested copy of registration is to be furnished. If shares are not owned but have full beneficial interest, then, a declaration to that effect.

(8) **Needless to mention, PAN will be mandatorily required. In absence of PAN / Valid PAN, tax will be deducted at a higher rate of 20% as per section 206AA of the Act even if the amount of dividend is ₹ 5,000 or below.**

(9) **Compulsory linking of PAN and Aadhar by all holders of shares in Physical mode**

In terms of Notification dated March 29, 2022 and a Press Release dated March 30, 2022 the Central Board of Direct Taxes (CBDT) has extended the deadline to link PAN with the Aadhaar to March 31, 2023 from the earlier deadline of March 31, 2022. Thus the impact of the same on the holders of shares in physical mode is as under *(In terms of Circular: SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021 and other subsequent applicable SEBI circulars and notifications)* :

(i) All existing shareholders in physical to take steps to link their PAN with their Aadhar Card by March 31, 2023 (or such other date as CBDT may specify) ;

(ii) A "Valid PAN " means it is linked with the Aadhar card ;

(iii) RTAs shall accept only valid PANs and also verify the validity of the PANs in the existing Folios .RTAs have been authorised to use the PAN BULK VERIFICATION(PBV) facility from the service providers of the Income Tax Dept ;

(vi) **The Folios in which PAN is/are not valid as on April 1, 2023 (or any other date which the CBDT may prescribe in this regard) SHALL BE FROZEN**;

(v) With effect from April 1, 2023, (or any other date which the CBDT may prescribe) any dividend payable to shareholders whose PANs have not been validated would result in deduction of income tax at source (TDS) a higher rate , as may be prescribed

(10) TDS to be deducted at higher rate in case of non-filers of Return of Income as per section 206AB of the Act which requires the Company to deduct tax at higher of the following rates in case of a 'specified person':

i. At twice the rate specified in the relevant provision of the Act; or

ii. At twice the rates or rates in force; or

iii. At the rate of 5%; or

iv. At the rate of 20%, if section 206AA is applicable

The term 'specified person' means a person who :

- has not filed return of income for the assessment year relevant to the previous year immediately prior to the previous year in which tax is required to be deducted, for which the time limit of filing return of income under sub-section (1) of section 139 has expired; and
- is subjected to tax deduction/collection at source in aggregate amounting to ₹ 50,000/- or more in the said previous year.

A non-resident who does not have a permanent establishment is excluded from the scope of a specified person. Accordingly, non-resident shareholders are requested to provide declaration if they do not have permanent establishment and hence should not be considered as specified person.

The Income Tax Department has through the reporting portal utility, made available the list of 'specified person' for the purpose of section 206AB which shall be obtained at the time of deduction of TDS and accordingly, for those Shareholders who are classified as a specified persons under section 206AB, TDS on the dividend amount will be deducted at higher rate of 20%.

(11) The provisions of the tax treaty rate shall be applied even if tax is deductible under section 196D. Therefore, under both sections i.e. section 195/196D, the treaty

Notice (Contd.)

provisions can be applied, subject to submission of documents as mentioned above. However, the Company is not obligated to apply the Tax Treaty rates at the time of tax deduction/withholding on dividend amounts, if the completeness of documents submitted by the non-resident Shareholder is not to the satisfaction of the Company, including not in accordance with the provisions of the Act. The Company, in compliance of section 195 of the Act, will furnish information relating to the payment of dividend and deduction of tax at source thereon in Form 15CA by the Company and 15CB by a Chartered Accountant, as applicable.

(12) In case tax on dividend is deducted at a higher rate in the absence of receipt of the aforementioned details / documents, the concerned Shareholder would still have the option of claiming refund of the excess tax deducted at the time of filing the income tax return. **No claim shall lie against the Company for such taxes deducted**.

(13) The above is only to facilitate the Shareholder so that appropriate TDS is deducted on the dividend amount in accordance with the applicable provisions of the Act.

(14) In cases where the status of a shareholder is appearing in the company's records as resident as well as non resident against different folios/D.P id-Client id, the Company would treat the status of the shareholder as "Non-resident". Accordingly, tax will be deducted at the rate applicable to a non-resident based on documents made available to the Company.

(15) Further, it may be noted that:

1. In terms of section 139A of the Act, it is mandatory to quote PAN if tax is deductible on the dividend amount at source under section 194 of the Act. Such non-quoting shall attract penalty of ₹ 10,000/- under section 272B of the Act.

2. SEBI has mandated the submission of PAN by every participant in the securities market. Accordingly, Shareholders are once again requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts, in case of holding in electronic form. Shareholders holding shares in physical form should submit a written request in the prescribed Form ISR- 1 (can be downloaded in the Company's website : www.nocil.com) to the RTA of the Company, KFin Technologies Limited either by email to einward.ris@kfintech.com or by post to Selenium Tower B, Plot 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500032.

   In case of failure to do so, it shall be presumed that you don't have PAN under the Act.

Imp instructions:

(16) No communication on the tax determination / deduction shall be entertained after July 17, 2022 in order to enable the Company to determine and deduct appropriate TDS / withholding tax rate .

(17) Non-resident shareholders [including Foreign Institutional Investors (FIIs)/Foreign Portfolio Investors (FPIs)] can avail beneficial rates under tax treaty between India and their country of tax residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits.

(18) For detail process please refer to Communication on Tax Deduction on Dividend Weblink – https://www.nocil.com/images/fckeditor/file/Communication%20to%20shareholders-%20Intimation%20regarding%20Tax%20Deduction%20on%20Dividend.pdf.

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

(20) 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.

(21) 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.

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(22) 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.

(23) 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.

(24) The following formats can be downloaded from the Companys website - https://www.nocil.com/detail/investors/downloads/92.

i. Circular No. 18/2017 dated May 29, 2017

ii. Beneficial ownership declaration (Rule 37BA(2))

iii. Form 15H

iv. Form 15G

v. Declaration from insurance companies

vi. Declaration from Corporation established by or under a Central Act

vii. Declaration from Mutual Funds

viii. Declaration from Alternative Investment Fund

ix. Form 10F

x. Declaration from Non-resident

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, 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 05, 2026
March 31, 2020*	March 06, 2020	April 12, 2027
March 31, 2021	August 3, 2021	September 9, 2028

*Interim Dividend declared for F. Y. 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 F. Y. 2021-22. **Members wishing to claim dividends that remain unclaimed are requested to correspond with Mr. Polisetty Srinivas Anand, 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.**

b) **Members are requested to address all correspondence, including dividend-related matters, to Mr. Polisetty Srinivas Anand, KFin Technologies Limited, Unit: NOCIL Limited,**

Notice (Contd.)

Selenium Tower B, Plot 31-32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad 500 032.

17. **Dematerialisation of shares**

Shares held in dematerialised mode have several advantages over shares held on physical mode. Physical certificates are always prone to risks of *'theft, ,'misappropriation', 'loss in transit,' 'damage or defacement' due to natural or other factors, 'misplacement'* etc. Apart from the several benefits of holding shares in the dematerialised mode, it is important for shareholders to refer to the following regulatory directions , which make it imperative for shareholders to hold shares in dematerialised mode :

(i) **As per amended Regulation 40 of the SEBI (LODR) Regulations, 2015, transfer of shares in listed entities is permitted to be processed only in dematerialised mode w.e.f April 1, 2019.**

(ii) **MANDATORY CREDIT OF SHARES TO "SUSPENSE ESCROW DEMAT ACCOUNT" :- In terms of SEBI Circular :- SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 shares of companies shall be issued in dematerialised mode only while processing the service requests for issue of duplicate certificates, Transmission of shares, Transposition of shares, Renewal/Exchange of certificates, Endorsement; Subdivision, Splitting of the certificates and Consolidation of certificates/Folios .The said Circular further stipulates that in case the shareholder fails to submit the demat request within the prescribed time frame then the RTA shall credit the shares to a "SUSPENSE ESCROW DEMAT ACCOUNT ";**

(iii) **MANDATORY FREEZING OF FOLIOS :- In terms of SEBI Circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021 read with Clarification Circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/687 dated December 14, 2021 the respective Folios of shares held in physical mode shall be FROZEN by the RTAs if such shareholders have not furnished their valid PAN, KYC details(email id, cell phone, Bank details, Specimen signatures) and Nomination details to the RTAs by March 31, 2023 . The Company has already issued individual notices in this regard to all such shareholders by speed post on February 19, 2022 and also included a reminder to this effect in its email dated June 22, 2022 issued to the shareholders intimating about the provisions relating to deduction of tax at source (TDS) on Dividend for F.Y 2021-22. The investor service request forms for updation of PAN, KYC, Bank details and Nomination viz Form ISR-1,ISR-2, ISR-3, SH-13, SH-14 and the said SEBI Circulars are available on the Company's website at : www.nocil.com; on the websites of the Stock Exchanges viz www.bseindia.com and www.nseindia.com and also on the website of the RTA : https://www.kfintech.com/**

In view of the above developments/directions it is in the interest of shareholders holding shares in physical mode to immediately take steps to dematerialise their shares.

18. **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 may send a written request in the prescribed forms (given in the table here-below) to the RTA of the Company, KFin Technologies Limited either by email to einward.ris@kfintech.com or by post to Selenium Tower B, Plot 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500032.

For nomination as provided in the Rules 19 (1) of Companies (Share capital and debenture) Rules, 2014	Form SH-13
Declaration to opt out nomination	Form ISR-3
Cancellation or Variation of Nomination	Form SH-14

The above referred Forms SH-13, ISR-3 & SH-14 can also be downloaded from the Company's website : https://www.nocil.com/detail/investors/downloads/92

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Members holding shares in physical form may kindly note that in terms of **SEBI Circular No- SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021 read with clarification Circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/687 dated December 14, 2021** it is mandatory to register their nomination details by submitting the above referred forms to the RTA in the manner specified, to avoid **'FREEZING OF THEIR FOLIOS 'on or after April 1, 2023.**

19. **INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING: -**

1. The remote e-voting period commences on Saturday, July 23, 2022 at 09:00 am (IST) and ends on Wednesday, July 27, 2022 at 05:00 pm (IST). During this period, the Members of the Company, holding shares either in physical mode or in dematerialised mode, as on the cut-off date, i.e., Thursday, July 21, 2022, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter.
2. 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.***
3. Once the vote on a resolution is cast by the Member, such Member shall not be allowed to change it subsequently.
4. The Board of Directors have appointed M/s Makarand M Joshi & Co, Practicing Company Secretaries , as the Scrutinisers for scrutinising the e-voting process in a fair and transparent manner.
5. A person who is not a Member as on cut-off date should treat this Notice for information purpose only.

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

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

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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 hold 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

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

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 user 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.'

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(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.

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 General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join 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 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. Institutional shareholders (i.e., other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "**Upload Board Resolution / Authority Letter**" displayed under "**e-Voting**" tab in their login.

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

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"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 Soni Singh at 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 shareholders 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 meeting 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.

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.

5. Any person holding shares in physical mode and non-individual shareholders, who acquires shares of the Company and becomes Member of the Company after the Notice is sent through e-mail and holding shares as of the cut-off date i.e. **July 21, 2022**, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or to the Issuer/RTA.

   However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/ Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or call on toll free no. **1800 1020 990 and 1800 22 44 30**.

   In case of Individual Shareholder holding securities in demat mode who acquire shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. July 21, 2022 may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-Voting system".

THE 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 who have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

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

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the 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 meeting" menu against Company name. You are requested to click on VC/OAVM link placed under **Join 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 Re-appointment of the Statutory Auditors

Pursuant to Section 139 (1) of the Companies Act, 2013, M/s. Kalyaniwalla & Mistry, LLP Chartered Accountants, Mumbai (Registration No.104607W/W100166) were appointed as the Statutory Auditors of the Company at the 55th Annual General Meeting (AGM) held on July 27, 2017 for a period of five (5) years and hence the said Firm's first term comes to an end on the conclusion of the 60th Annual General Meeting convened on July 28, 2022.

In terms of section 139 (2) (b) of the Companies Act, 2013 , an Audit firm is entitled to be appointed or re-appointed as the Statutory Auditor of the Company for a maximum of two terms of five consecutive years. M/s Kalyaniwalla & Mistry, LLP therefore are entitled to be re-appointed for a second term of five years up to the conclusion of the 65th Annual General Meeting of the Company to be held in the year 2027.

M/s. Kalyaniwalla & Mistry, LLP have given their consent for their re-appointment as Statutory Auditors of the Company and have certified that their re-appointment, if made, will be within the limits prescribed under the provisions of Section 139 of the Companies Act, 2013 ('the Act') and the Rules made thereunder. M/s. Kalyaniwalla & Mistry, LLP have confirmed that they are eligible for the proposed appointment under the Companies Act, 2013 , the Chartered Accountants Act, 1949 and the Rules or Regulations made thereunder. The said firm has reported their independence from the Company and its subsidiary, according to the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') and the ethical requirements relevant to audit. After evaluating and considering various factors such as industry experience, competency of the audit team, efficiency in conduct of audit, independence, etc. the Board of Directors at its meeting held on February 4, 2022 (based on the recommendations of the Audit Committee) and subject to approval of Members /Shareholders at the 60th Annual General Meeting, re-appointed M/s. Kalyaniwalla & Mistry, LLP as Statutory Auditors of the Company to hold the office as Statutory Auditors for the second and final term from the conclusion of this 60th Annual General Meeting till the conclusion of its 65th Annual General Meeting i.e., till conclusion of Annual General Meeting to be held during the year 2027 for conducting Statutory Audit for the Financial Years 2022-23 to 2026-27.

The proposed remuneration to be paid to M/s. Kalyaniwalla & Mistry, LLP for audit services is ₹ 36.50 Lakhs p.a. (plus applicable taxes and out of pocket expenses) for the Financial Years 2022-23 and 2023-24.

The Board of Directors and the Audit Committee shall approve revisions to the remuneration of the Statutory Auditors for the remaining part of the tenure.

The Board of Directors, in consultation with the Audit Committee, may alter and vary the terms and conditions of appointment, including remuneration, in such manner and to such extent as may be mutually agreed with the Statutory Auditors.

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 in the said resolution.

Item No-5 Re-appointment of tenure of Mr. S.R Deo, Managing Director

Mr. S.R. Deo is associated with Arvind Mafatlal Group (AMG) since last 43 years. Mr. Deo joined AMG after completing his M. Tech in Chemical Engineering from IIT Kanpur. Mr. Deo has contributed to improve the Plant efficiencies, Product Quality, Health, Safety and Environment (HSE) standards in the Company, Human Resources strategy to meet the future business challenges. Mr. Deo has created a strong technical team of Research and Technology for indigenous development of technologies and its implementation.

Mr. S.R. Deo was appointed as the Managing Director of the Company for a period of 5 years w. e. f. August 1, 2017 to July 31, 2022 by a Special Resolution passed by the shareholders at the Annual General Meeting held on July 27, 2017. The tenure of Mr. S.R. Deo as the Managing Director thus expires on July 31, 2022. Prior to his appointment as Managing Director, he held the following important positions in the Company :

(i) As the Deputy Managing Director of the Company (w.e.f April 1, 2015) ;and

Annexure to the Notice (Contd.)

(ii) As the Executive Director & President (Technical) w.e.f. January 1, 2014 for a period of five (5) years .

The Board of Directors, on recommendation of the Nomination and Remuneration Committee and considering the critical role played by him in the management of the operations and other valuable contributions made by him, thought it fit in the interest of the Company to extend his tenure/re-appoint him as the Managing Director of the Company for a period of 1 year w.e.f August 1, 2022 to July 31, 2023. The same shall be subject to approval of the shareholders at the Sixtieth (60th) Annual General Meeting.

The terms of remuneration and perquisites payable to Mr. S.R. Deo are as follows:

A. i) Salary : ₹ 800,000/- (Rupees Eight Lakhs only) per month

ii) Perquisites and Allowances, the aggregate monetary value of which shall not exceed ₹ 220,000/- (Rupees Two Lakhs Twenty Thousand only) per month or as may be decided by the Board from time to time.

These perquisites and 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, Superannuation Fund or Annuity Fund to the extent they are not taxable under the Income Tax Act, 1961.
- Gratuity at the rate of one month's salary for every completed year or service or part thereof in excess of six months on the basis of the last drawn salary.
- Encashment of leave as per Company's Rules at the end of the tenure of service from the Company.
- Long Service benefit at the rate of one and half month's salary for every completed year of service or part thereof in excess of six months on the basis of last drawn salary.

B. Performance Bonus as may be fixed by the Board from time to time on the basis of the performance of Mr. S.R. Deo 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) Furnished Residential Accommodation or House Rent Allowance of ₹ 267,000/- (Rupees Two Lakhs Sixty-Seven Thousand only) per month

ii) Leave as per the rules of the Company.

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

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

v) Club Membership Fees subject to a maximum of two Club.

vi) Personal Accident Insurance Policy.

vii) 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.

viii) Life Insurance as per the rules of the Company.

Other particulars pertaining to the Company, which are required to be disclosed as per Regulation 36(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 are given in Annexure A to this Explanatory Statement.

Except Mr. Deo, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested in the resolution. Your Directors recommend this resolution for approval by the Members.

Annexure to the Notice (Contd.)

Item No-6 Ratification of payment of remuneration to the Cost Auditors

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 May 17, 2022 for the Financial Year 2022-23.

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.

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

Place : Mumbai
Date: May 17, 2022

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

Sd/-
Amit K. Vyas
Company Secretary

ANNEXURE A

Particulars of the Directors seeking appointment / re-appointment at the ensuing 60th 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. S.R Deo (DIN : 01122338)**
Age	35 years.	67 years.
Qualifications	M.Com. and B.M.S. (with specialisation in Marketing) and has attended 3 Tier Management Program at IIM, Ahmedabad.	M. Tech. in Chemical Engineering from IIT Kanpur.
Date of Appointment/Reappointment	August 3, 2021.	August 1, 2017.
Date of first appointment on the Board	May 8, 2017.	January 1, 2014.
Expertise in Specific Functional Areas	After his graduation in 2008, Mr. Priyavrata Mafatlal spent three years understanding various facets of management in NOCIL Limited and the other Mafatlal Group 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. Deo has contributed to improve the Plant efficiencies, Product Quality, Health, Safety and Environment (HSE) standards in the Company, Human Resources strategy to meet the future business challenges, creating strong technical team of Research and Technology for indigenous development of technologies and its implementation. Mr. Deo has been instrumental in setting up a greenfield project within house developed technology at Dahej (Gujarat) in 2017-18 , as a Capex plan. By his astute leadership , Mr. Deo led his team to compete the implementation 100% and the entire Capex was accrued and utilised, completely funded through internal accruals. The Company maintains a zero-debt status for the past 5 years, a record in itself for a Company manufacturing rubber chemicals.
Terms & conditions of appointment or re-appointment along with details of remuneration sought to be paid and the remuneration last drawn	–	Refer Explanatory Statement.
Directorship held in other listed entities	Managing Director and CEO - Mafatlal Industries Limited.	–

Annexure A (Contd.)

Name	Mr. Priyavrata H. Mafatlal (DIN: 02433237)	Mr. S.R Deo (DIN : 01122338)
Details of Listed Entities from which the person has resigned in the past three years	–	–
Membership / Chairmanship of Committees	NIL	Member : - Stakeholder Relationship and Investors Grievance Committee. - Corporate Social Responsibility Committee. - Risk Management Committee.
Number of shares held in the Company, including shareholding as a beneficial owner	12,495.	852,850.
Disclosure of relationship with other Director, Manager and KMPs	Mr. Priyavrata H. Mafatlal is related to Mr. Hrishikesh A. Mafatlal - **Executive Chairman.**	N.A.
Number of Board Meetings attended during the year	Seven (7) out of seven (7) meetings held in 2021-22.	Seven (7) out of seven (7) meetings held in 2021-22.

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 year ended March 31, 2022.

FINANCIAL SUMMARY

(₹ In Crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Operative Revenue	1,571.31	924.66
Other Income	4.84	14.28
Total Income	**1,576.15**	**938.94**
Profit before Interest, Depreciation & Tax	287.74	141.21
Less: Interest	1.07	0.96
Less: Depreciation	47.08	36.07
Profit before tax	239.59	104.18
Less: Tax Expenses	63.64	17.69
Net Profit after tax	**175.95**	**86.49**
Earnings per share of face value of ₹ 10 each -Basic	10.57	5.21
Earnings per share of face value of ₹ 10 each - Diluted	10.54	5.20

PERFORMANCE OF THE COMPANY

The year started with the 2nd COVID-19 wave resulting in a dip in sales volumes during the first quarter due to lockdown at some of the customers ends. Thereafter, your Company could register healthy sales volume for the remaining part of the year on a consistent basis. Overall, the annual sales volume recorded an increase of 16%. It is worthwhile to note, that your Company for the second year in succession, could achieve double digit growth as against the industry long term trend of 3% - 4% over the last 10 years.

The Board of Directors are pleased to inform you that, your Company has recorded its highest ever revenue of ₹ 1,571 Crores for the year as against ₹ 925 Crores during the financial year 2020-21. This was on the back of growth in sales volume by 16% for the year under review and price corrections carried out on account of significant cost increases on inputs consumed towards the manufacture of rubber chemicals.

It is further reassuring to see that considering the challenges experienced, your Company could achieve this volume growth as against the growth in the global rubber consumption by 9.60% for the Calendar Year 2021. The performance during the last quarter of the year has further demonstrated that your Company can touch many more heights in the coming years.

Your 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

Your Company recorded a Net Domestic revenue of ₹ 1,004 Crores for the year under review. The domestic business registered a growth of over 15% in volume parameters. To maintain and garner additional market share, the Company consciously undertook an aggressive pricing approach.

The continuing restrictions on import of tires into India, enabled the domestic customers to maintain their utilisation rate thus resulting in an improved demand for rubber chemicals. De-risking of supply chain strategy initiated by some of our customers created additional requirements from their end. In view of the substantial expansion of capacities in place, your Company could cater to the additional volumes sought by its major customers.

The surge in the major input prices from the second half of 2021 continues to be volatile with different challenges emerging from time to time. This even led to disruptions in availability of inputs despite firm orders placed on the vendors by the Company leave alone the substantial price increases of over 100% in some of the key products. Fortunately, price corrections initiated by our competitors on some of the key products with some growth in specialised application products (largely meant for exports), ensured that our profit margins in absolute terms for the year showed significant improvement.

It may be worthwhile to mention that these abnormal price increases in inputs are not sustainable in the long term given that the building blocks of these inputs did not experience such massive increases and we as a Company do not believe in taking substantial price corrections other than the cost increases in absolute terms passed on to us or required to be borne by us. This led to some dips in gross margin percentage as in a high-cost regime, the important point is to maintain the absolute margins adjusted for volumes.

Directors' Report (Contd.)

Though China accounts for 80% of the World's rubber chemical production, it only consumes about 35% of the same, resulting in an exportable surplus, which makes it possible to dump it into nearby markets, including India given that the exports of Chinese rubber chemicals into USA attracts trade sanctions.

To counter the same, your Company made necessary applications before the Director General of Trade Remedies (DGTR) for levy of anti-dumping duty in respect of four of the main products.

We are happy to inform that in all the 4 products, the DGTR recommended positive final findings. In one of our main products, the Central Government did not accept the recommendation in view of the public interest.

In respect of the other 3 products, the Central Government will notify through appropriate customs notification, if they accept the recommendations of the DGTR.

Exports

For the year under review, Exports showed a volume growth of 17%. In view of our strategy of expanded presence in the international market, your Company got additional orders in certain key accounts. The exports business activity ended with a record revenue of ₹ 567 Crores. In view of the additional capacities set-up, we will continue to pursue further growth from the current level of volumes.

Your Company strategically continues to promote some high quality and high value speciality products in the export market which contribute significantly to the export turnover and margins. With additional volumes available from our newly expanded Plants, focus will be on long term business developments with our customers.

Operations

As stated above, the production of all products was aligned with the marketing needs as per the customer enquiries. During the year, after ensuring proper COVID protocols, vaccination of employees across the Company, all the manufacturing sites could operate in a smooth manner with no major hurdles. In this process, 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 Companys' operational parameters registered a higher utilisation of the production capacities marking a growth of over 30% for the year under review.

On the input front, Crude Oil price which started around USD 65 per Barrel at the beginning of the year experienced high volatility during the second half of the year. With the recent Russia-Ukraine war, the crude oil prices touched a high of USD 125 per Barrel in March 22. This led to increased prices of all crude oil derivatives. Since our major inputs are benzene derivatives, your Company too had to expend high input costs as compared to the previous year.

The said factors led to skewed supply demand pattern in several of our inputs, some 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 your Company. Fortunately, due to the corrections undertaken by our competitors from Dec 20 onwards at regular intervals by way of appropriate increase in the selling price of rubber chemicals, your Company could withstand this increase in input costs with no loss of margins.

Project

It may be recalled that the Board of Directors of your Company had approved a capital expenditure of ₹ 470 Crores in financial year 2017-18. In terms of the said plan, besides the capex towards finished goods & intermediates that got commissioned in the previous years, the residual part of utilities, effluent treatment etc. got completed during the 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.

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

Finance Rating

During the year the company judiciously utilised its resources and generated cash profits and thus were not required to utilise any fund based working capital faciltiies for most part of the year. The Company continues to enjoy the 'debt free' status.

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 04, 2018, the Board of Directors have approved the Dividend Distribution Policy 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

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

Dividend Pay-out

The Board of Directors at its meeting held on May 17, 2022 recommended a dividend of ₹ 3 per Equity share of the face value of ₹ 10/- each to be paid to those shareholders whose names appeared in the Register of Members of the Company or in the records of Depositories as beneficial owners of Equity Shares, as on July 21, 2022.

This is subject to the approval of the shareholders at the forthcoming 60th Annual General Meeting convened on July 28, 2022. The cash outflow on account of dividend (if approved) will involve a sum of ₹ 50 Crores (Previous year ₹ 33 Crores) which will be utilised from the Free Reserves prevailing as on the date of 60th 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, 2022 in respect of the last seven years from 2014-15 to 2020-21 is ₹ 3.82 Crores.

During the year, all unclaimed / unpaid dividend up to 2013-14 amounting to ₹ 0.23 Crores have been transferred to the Investor Education and Protection Fund and unclaimed / un-encashed dividend for 2014-15 paid on July 23, 2015 is due for transfer to IEPF on August 29, 2022. As per the IEPF Rules, as amended, the due date for transfer of Equity Shares in respect of Dividend pertaining to the Financial Year 2013-14 was August 06, 2021. 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 claiming the same.

In compliance with the Amended Rules, during the year, the Company has transferred 1,04,627 Equity shares to the designated demat account opened by IEPF Authority with 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 2013-14. The shares held in demat / physical mode were transferred in September 2021.

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

The Company does not any accepts deposits from public, and hence there are no outstanding/unclaimed deposits as of March 31, 2022.

Directors' Report (Contd.)

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.

Health, Safety and Environment (HSE)

Health, Safety and Environment continue to be at the core of NOCIL's long term sustainable growth strategy. Our commitment to the HSE issues ensures clean environment and safety of all the employees, community around all the manufacturing locations and all the stakeholders. We care for nature and operate in an environment friendly manner, complying with all safety and environmental standards and employing best-in-class practices.

Your Company is a "***Responsible Care***" logo holder, which ensures continuous improvements in the areas of environmental protection, health, safety and secured transportation of raw materials and finished products. Implementation of ***Responsible Care*** guiding principles systematically ensures the highest standards of HSE in the Company and the periodic audits assess continuous improvement.

Though the effects of the COVID pandemic were largely overcome during the year, we continue to follow certain essential protocols to ensure no further impact. All the employees including their family members and all the contractor employees were provided with free vaccination by the Company. During the last '*Omicron*' wave there were few cases of infection, which were very mild in nature and there was no impact on the continuity of the operations and the business. The Occupational Health Centre of your Company continues to provide all the necessary awareness inputs and medical help to the employees.

We have very well laid down policies, procedures, practices, and systems in place for Health, Safety and Environment related issues. Necessary training inputs are provided to all the employees, including contract employees and strict adherence to the protocols are monitored through regular auditing, reporting of incidences and timely preventive and corrective measures leading to continuous improvements. Safe practices are encouraged by conducting various annual competitions and rewarding the employees.

Regular workplace monitoring is carried out for Volatile Organic Compounds (VOC), Noise and Illumination levels, Ambient air quality etc. to ensure safe and healthy work environment. Weekly firefighting drills and half yearly Disaster Management Plan drills are conducted to prepare the internal firefighting teams to be in readiness at all the time.

Process Safety Measures are given highest priority and laid down Pre-Start Up Safety Review (PSSR) procedures are followed before starting up of any Plant operations. Similar procedures are followed for Plant shutdowns and stoppages. Process Safety issues are thoroughly analysed using HAZOP/HAZAN / LOPA techniques and findings are implemented.

Your Company endeavors to not only meet the prescribed environmental standards but also strives to implement innovative technologies which encompass green chemistry. Research Centre has an exclusive team focusing on environmental research and green chemistry. Your Company focuses on strategies to reduce consumption of natural resources including electricity and water.

Your Company will continue to assume the role of a responsible citizen and adopt and implement strategies to meet the climate change challenges.

Total Quality Management (TQM)

The primary focus of TQM in your Company is to improve customer satisfaction by having a high customer focus and consistently meeting customer expectations across the organisation. TQM is an integral part of the business from sourcing of inputs to meeting the customer's needs.

Your Company over the years has established systems and processes to adhere to international business process standards at each step and build on continual improvement recommendations emanating from various audits by suppliers, customers and certifying agencies.

TQM initiatives by your Company, which ensure right quality of product and services, have enhanced the competitiveness of the business and are one of the prime enablers for growth.

Directors' Report (Contd.)

Your Company is certified for ISO 14001: 2015 (Environment Management System), ISO 45001: 2018 (Occupational Health & Safety Management System), ISO 50001: 2018 (Energy Management System).

Your Company is amongst the select 75 companies in the country which is certified for "***Responsible Care***". ***"Responsible Care"*** is a Chemical Industry initiative, which calls on Companies to demonstrate their commitment to improve all aspects of performance which relate to protection of health, safety, and environment. Your Company enjoys the privilege of using **Responsible Care** logo.

Your Company has adopted "***5 S – Workplace organisation method***" to improve productivity, safety and to reduce wastage as a part of normal work practices.

Quality Assurance and Marketing Technical Service laboratories at Navi Mumbai location are accredited as per ISO 17025:2017.

Your Company has all the basic elements and practices in place for the **ESG** (Environment, Social & Governance) guiding principles and all initiatives in this regard together with the associated risks are periodically reviewed by the Risk Management Committee of the Board as a part of Enterprise Risk. As per SEBI directions the Company is gearing up for preparation of the Business Responsibility and Sustainability Report (BRSR) covering **ESG** (Environment, Social and Governance) parameters.

Research & Development (R&D)

The Research & Development Centre of your Company, endeavours to develop products and processes for a sustainable future & benefit the customers. The R&D Centre of the Company has been recognized by the Department of Scientific and Industrial Research, Ministry of Science & Technology. The R&D Centre is also involved in collaborative research with Education Institutions and CSIR for exploring newer domains.

The R&D Centre has the following main objectives and each group has specialised knowledge in their respective areas.

Continuous improvement in the existing process to (a) achieve higher volumes in the same hardware by process changes; (b) continuous improvement in product quality; (c) support Technology for debottlenecking of the Plants; (d) to be better in environment standard than stipulated norms.

To scan the perceived needs of the customer and develop products which are future ready and meet the green chemistry norms. To develop environmental strategies and processes in line with the current and future sustainability needs.

Continuous assessment of new technologies being developed in the World and evaluate the adoptability for product and process improvements. Development of niche products and intermediates by novel processes & technologies.

Implementation of ***3R (Reduce, Recycle and Reuse)*** strategies for reducing carbon and water footprint in our manufacturing processes.

R&D efforts in the above areas resulted in increasing production volumes, reduced raw material & energy consumption and reduced environmental emission. The top management is regularly supporting to strengthen the R&D Infrastructure and resources and encouraging R&D team in exploring various Research activities in line with Company's objectives.

Risk Assessment and Management

Your Company has a well-defined Risk Management System in place, as a part of its good Corporate Governance practices. Your Company has assigned the ownership of key risks to various Risk Owners and has made the concerned department(s) and official(s) 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 Management Committee as well as 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 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 2019, as required under Regulation 21(4) of SEBI

Directors' Report (Contd.)

(Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018. The RMC specifically covers inter alia the risk factors related to Cyber Security. The composition of the RMC its 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. SEBI amended Regulation 21 of the SEBI (LODR) Regulations, 2015 w.e.f May 06, 2021 relating to the role and functioning of the Risk Management Committee. The Company's Risk Management Committee is in compliance with the amended Regulation 21.

The Risk Management Policy has been modified and uploaded on the Company's website. The link for accessing the said Policy is given here below:

https://www.nocil.com/images/fckeditor/file/NOCIL%20RISK%20MANAGEMENT%20POLICY.pdf

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. Your 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 of the Board 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 Managing Director and the Chief Financial Officer (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 an instances of fraud or mismanagement, if any. It is heartening to note that no untoward or fraud case was reported.

There has been change in the said Policy during the financial year. Necessary amendments to the Policy have been carried out in line with the regulatory requirements.

The link of the Policy is mentioned as below:

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

Policy on Prevention of Sexual Harassment of Women at Workplace

As per the requirements of 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. The committee of 4 members comprises 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

The Board regrets to report the sad demise of Mr N. Sankar, Independent Director who expired on April 17, 2022, after a brief illness. Late Mr. N. Sankar who had been on the Board of the Company since July 29, 2005 was a man of great

Directors' Report (Contd.)

intellect, vision and courage who contributed immensely to the development of Indian industry on the global stage. Late Mr. N. Sankar has left behind a powerful legacy of humility, simplicity and dedication that will stay with us. Your Directors would like to place on record their highest gratitude and appreciation for the guidance given by Late Mr. N. Sankar to the Board during his tenure as a Director

Number of Board Meetings

The Board of Directors met seven (7) times during the financial year under review as per details stated in the Corporate Governance Report.

Details of Committee Meetings

Audit Committee Meeting

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

Nomination & Remuneration Committee Meeting

The members of Nomination & Remuneration Committee met once 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 Stakeholders' Relationship and Investors' Grievance Committee met once during the financial year under review, as per the details stated in the Corporate Governance report.

Risk Management Committee

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

Corporate Social Responsibility Committee

The members of 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 Directors all of whom are Independent. The norms require atleast 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	Independent 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 at their separate meeting being held every year.

Declaration by the 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 declarations 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 Thursday, April 14, 2022. Further, pursuant to the Companies (Appointment and Qualification of Directors), Rules, 2014 as amended, the said declarations also include 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 have paid the necessary fees for the said registration.

Directors' Report (Contd.)

Familiarisation Programme for the Independent Directors

The Company provides suitable familiarisation programmes 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 presentation on expansion plans and their updates, technical operations, marketing and exports and financial statements. In addition to the above, the Directors are periodically advised about the changes effected in the Corporate Laws, 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:

https://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, 2022, the Indian Accounting Standards (Ind AS), the provisions of the Companies Act, 2013, as applicable and 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, 2022;

(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 the Statutory Auditors.

Remuneration policy

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

There has been a change in the said Policy during the financial year. Necessary amendments to the Policy have been carried out in line with the regulatory requirement.

The weblink of the Policy is:

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

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

Directors' Report (Contd.)

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 2021-22 are given in **Annexure "F".**

SEBI has vide notification Nos SEBI /LADNRO/GN/2021/55 dated November 09, 2021 and SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021 made amendments to the SEBI (LODR) Regulations 2015, with regard to Related Party Transactions (RPTs). Most of the amendments are effective from April 01, 2022 whereas some are effective from April 01, 2023. The Company is in compliance with the said amended Regulations. However, the current Related Party transactions (RPT) policy was amended/modified suitably to reflect the amended Regulations and uploaded on the Company's website.

The weblink of the Policy is as under:

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, 2022.

Extract of Annual Return

Extract of Annual Return for the Financial Year ended March 31, 2022 as required by Section 92 (3) of the Companies Act 2013. The weblink of the same is https://www.nocil.com/images/fckeditor/file/Draft%20Annual%20Return%202021-22.pdf

Subsidiary Company, Associates and Joint Ventures

PIL Chemicals Limited, (PIL), a Wholly Owned Subsidiary (WOS) has recorded a Total Income of ₹ 18.95 Crores and Profit before Tax of ₹ 2.84 Crores, for the year under review. The Board of Directors of PIL declared a total Dividend of ₹ 1.20/-per share. (Previous year Dividend was ₹ 1.20/- 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 Company have been furnished in the Notes forming part of the Accounts.

A statement containing the salient features of the financial statement of the Company's Wholly Owned Subsidiary (WOS) 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' 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 6th April 2016 as amended from time to time.

Personnel

The relations, during the year, between the Employees and the Management of your 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.

Directors' Report (Contd.)

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 60th Annual General Meeting. Being eligible, he offers himself for re-appointment.

Appointment of Mr. Anand V.S. as the Deputy Managing Director

Mr. Anand V.S. has been appointed as the Deputy Managing Director of the Company for a period of 5 years with effect from March 02, 2022 to March 01, 2027.The Company has secured the approval of the Shareholders for his appointment by way of passing an Ordinary Resolution through the mechanism of the Postal Ballot. The details of the Postal Ballot are given under the Corporate Governance section of the Annual Report.

Re-appointment of Mr. S.R. Deo as the Managing Director for a period of One (1) Year

Mr. S.R. Deo was appointed as the Managing Director of the Company for a period of 5 years w. e. f. August 01, 2017 to July 31, 2022 by a Special Resolution passed by the Shareholders at the Annual General Meeting held on July 27, 2017. The tenure of Mr. S.R. Deo as the Managing Director thus expires on July 31, 2022.

Having regard to his critical role in Management of the operations and given his vast experience with the Mafatlal Group, it is proposed to extend his tenure/re-appoint him as the Managing Director of the Company for a period of 1 year w.e.f August 01, 2022 to July 31, 2023.

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

Auditors

M/s. Kalyaniwalla & Mistry, LLP Chartered Accountants, Mumbai (Registration No. 104607W/W100166) were appointed as Statutory Auditors of the Company at the 55th Annual General Meeting (AGM) held on July 27, 2017 for a period of five (5) years and hence their first term comes to an end on the conclusion of the 60th Annual General Meeting convened on July 28, 2022. In terms of section 139 (2) (b) of the Companies Act, 2013, an Audit firm is entitled to be appointed or re-appointed as the Statutory Auditor of the Company for a maximum of two terms of five consecutive years. Thus M/s Kalyaniwalla & Mistry, LLP are entitled to be re-appointed for a second term of five years up to the conclusion of the 65th Annual General Meeting of the Company to be held in the year 2027. M/s. Kalyaniwalla & Mistry, LLP have given their consent for their re-appointment as Statutory Auditors of the Company and have certified that their re-appointment, if made, will be within the limits prescribed under the provisions of Section 139 of the Companies Act, 2013 ('the Act') and the Rules made thereunder. M/s. Kalyaniwalla & Mistry, LLP have confirmed that they are eligible for the proposed appointment under the Companies Act, 2013, the Chartered Accountants Act, 1949 and the Rules or Regulations made thereunder. The said firm has reported their independence from the Company and its subsidiary according to the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') and the ethical requirements relevant to audit. The Board of Directors at their meeting held on February 04, 2022 (based on the recommendations of the Audit Committee meeting held on the same date) and subject to approval of Members /Shareholders at the 60th Annual General Meeting convened on July 28, 2022 , re-appointed M/s. Kalyaniwalla & Mistry, LLP as Statutory Auditors of the Company to hold the office as Statutory Auditors for the second and final term from the conclusion of this 60th Annual General Meeting till the conclusion of its 65th Annual General Meeting i.e., till conclusion of Annual General Meeting to be held during the year 2027 for conducting Statutory Audit for the Financial Years 2022-23 to 2026-27.

Directors' Report (Contd.)

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 Auditors 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 the requisite certificate from the Cost Auditor certifying their independence and arm's length relationship with the Company. The Cost Audit Report in respect of 2020-21 was filed on October 19, 2021 and the Report for the Financial Year 2021-22 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 2022-23 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 approval and 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 2021-22. 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 disclaimer.

Further, PIL Chemicals Limited, is the only Wholly Owned Subsidiary (WOS) of the Company and is 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, 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, 2021. In view of this, as required under Regulation 34(2)(f) SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, a 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. 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 they were 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 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 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 sent the Annual Report for F.Y. 2021-22 to all the shareholders through electronic means as per the relaxations provided by MCA Circular dated May 05, 2020, Janaury 13, 2021 and December 14, 2021 and SEBI Circular dated May 12, 2020, January 15, 2021 and May 13, 2022 due to 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
Date : May 17, 2022

Hrishikesh A. Mafatlal
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 CSR 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 time 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 CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Hrishikesh A. Mafatlal	Chairman	3	3
2	Mr. Vilas R. Gupte	Independent 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:

   https://www.nocil.com/Detail.aspx?mid=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:

   https://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:

   https://www.nocil.com/images/fckeditor/file/List%20of%20CSR%20Projects%20for%20FY%202021-22.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.

Directors' Report (Contd.)

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

7. Average Net Profit of the Company as per Section 135(5) for last three financial years - ₹ **18,658 Lakhs**

   a. Two percent of average net profit of the Company as per section 135(5) - ₹ **373 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) - ₹ **373 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
₹ 373 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 under review:

(₹ 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 Registration Number
1	RAWA Academy	Rehabilitation of deserted, parentless, and abandoned children (Covered under Item -(iii) of the Schedule VII).	No	Bhubaneswar, Odisha	10.00	No*	CSR00002778
2	BAIF Institute for Sustainable Livelihood and Development	Livelihood enhancement projects. (Covered under Item -(ii) of the Schedule VII).	Yes	Pune and Nashik, Maharashtra	15.00	No*	CSR00000259
3	Navi Mumbai Municipal Corporation	Promoting health care including preventive health care. (Covered by Item No- (i) of Schedule VII).	Yes	Navi Mumbai, Maharashtra	6.00	Yes Direct	--
4	Malvi Educational & Charitable Trust	Rural Development Projects (Covered under Item No- (x) of schedule VII).	Yes	Navsari, Gujarat	15.00	No*	CSR00003450
5	Muktangan Education Trust	Promoting Education (Covered under Item No- (ii) of schedule VII).	Yes	Mumbai, Maharashtra	10.00	No*	CSR00000732
6	Shree Bhagwan Mahaveer Viklang Sahayata Samiti	The differently abled and livelihood enhancement projects. (Covered by Item Nos-(ii) of Schedule VII).	No	Jaipur, Rajasthan	15.00	No*	CSR00001480
7	Nisargopchar Ashram	Preventive Health care (Covered by Item Nos-(i) of Schedule VII).	Yes	Pune, Maharashtra	3.98	Yes Direct	CSR00010826
8	Cancer Patients Aids Association	Promoting health care including preventive health care (Covered by Item No- (i) of the Schedule VII).	Yes	Mumbai, Maharashtra	8.00	No*	CSR00000926
9	B.Y.L Nair Charitable Hospital	Promoting health care including preventive health care. (Covered by Item No- (i) of Schedule VII).	Yes	Mumbai, Maharashtra	9.97	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 Registration Number**
10	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.	140.00	No*	CSR00001017
11	N M Sadguru Water and Development Foundation	Livelihood enhancement projects. (Covered under Item -(ii) of the Schedule VII).	Yes	Dahod, Gujarat	55.00	No*	CSR00000285
12	Shushrusha Citizens Co-operative Hospital Limited	Promoting health care including preventive health care (Covered under Item No- (i) to Schedule VII).	Yes	Mumbai, Maharashtra	8.40	No*	CSR00006273
13	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*	CSR00001100
14	Seva Sahyog Foundation	Development and welfare for the underprivileged section of the urban slum lives. (Covered under Item No- (xi) of schedule VII).	Yes	Navi Mumbai, Maharashtra	15.00	No*	CSR00000756
15	Shabari Seva Samiti	Rural Development Projects (Covered under Item No- (x) of schedule VII).	Yes	Thane, Raigad and Nandurbar, Maharashtra	15.00	No*	CSR00002483
16	Vayam	Empowerment of tribal Communities. (Covered under Item No- (x) of Schedule VII to the Act).	No	Nasik and Palghar, Maharashtra	10.00	No*	CSR00008723
17	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- (i) of Schedule VII).	No	Karapakkam, Chennai	10.00	No*	CSR00003082

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 Registration Number**
18	Ramakrishna Mission Hospital	Promoting health care including preventive health care. (Covered under Item No- (i) of Schedule VII).	Yes	Mumbai, Maharashtra	1.71	No*	CSR00006101
		Total			**373.05**		

*Through Implementing Agency as permitted by the CSR rules.

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):

₹ 373.05 Lakhs

g. Excess amount for set off if any

Sl. No.	Particular	Amount (in ₹ Lakhs)
(i)	Two percent of average net profit of the Company as per section 135(5)	373
(ii)	Total amount spent for the Financial Year	373.05
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.05
(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

Directors' Report (Contd.)

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		-	-	-	-	-	-
2		-	-	-	-	-	-
3		-	-	-	-	-	-
	Total	-	-	-	-	-	-

(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		-	-	-	-	-	-	-
2		-	-	-	-	-	-	--
3		-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-

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.

Hrishikesh A. Mafatlal
Chairman - CSR Committee

S. R. Deo
Managing Director

P. Srinivasan
Chief Financial Officer

Place: Mumbai
Date: May 17, 2022

ANNEXURE "B"

FORM NO. MR.3

SECRETARIAL AUDIT REPORT

For the Financial Year Ended March 31, 2022

[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.

Auditor's Responsibility:

Our responsibility is to express an opinion on the compliance of the applicable laws and maintenance of records based on audit. We have conducted the audit in accordance with the applicable Auditing Standards issued by The Institute of Company Secretaries of India. The Auditing Standards requires that the Auditor shall comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Due to the inherent limitations of audit including internal, financial and operating controls, there is an unavoidable risk that some material misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards.

Unmodified Opinion:

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 authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022 (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 March 31, 2022 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 Borrowing (**Not Applicable to the Company during the Audit Period**)

Directors' Report (Contd.)

(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 and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013 and the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(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 and the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(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).**

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 and amendments made thereunder (Hereinafter referred as "**Listing Regulations**").

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 specific laws to the extent applicable to the Company:

- The Petroleum Act, 1934;
- The Inflammable Substance Act, 1952;
- Manufacturing, Storage and Import of Hazardous Chemicals Rules, 1989;
- Chemicals Accidents (Emergency Planning, Preparedness and Response) Rules, 1996;
- Chemical Weapon Convention Act, 2000 and Chemical Weapon Convention Appeal Rules, 2005
- Petroleum Rules, 2002
- Gas Cylinder Rules, 2004

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards made there under for all the above laws to the extent possible.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. 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 and Listing Regulations.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were

Directors' Report (Contd.)

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 has issued and allotted 3,54,725 Equity Shares pursuant to Exercise of the Options granted under Employees Stock Options Scheme of the Company.

Makarand M. Joshi & Co.
Practicing Company Secretaries

Makarand M. Joshi
Partner
FCS No. 5533
CP No. 3662 P.R. No: 640/2019
UDIN:F005533D000332046

Place: Mumbai
Date: May 17, 2022

*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 Secretarial Audit Report for the financial year ended March 31, 2022 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.

Makarand M. Joshi & Co.
Practicing Company Secretaries

Makarand M. Joshi
Partner
FCS No. 5533
CP No. 3662
P.R. No: 640/2019
UDIN: F005533D000332046

Place : Mumbai
Date : May 17, 2022

Directors' Report (Contd.)

ANNEXURE "C"

Disclosure in the Directors' Report as per SEBI Guidelines:

	Particulars	Till the year ended March 31, 2022	
	Options outstanding as at the beginning of the year	1,483,350	
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**	1,043,800	
d	Options Exercised**	354,725	
e	Total no. of shares arising as result of exercise of Options	354,725	
f	Options lapsed *	0	
g	Variation in terms of Options	None	
h	Money realised by exerise of Options (in lakhs)	291	
i	Total number of options in force**	1,128,625	
	** The number of options have been reported as on March 31, 2022 * Lapsed Options includes options cancelled/lapsed.		
j	Employee wise details of options granted to:	**For the Grant made in 2021-22**	
		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 AS 20 '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	37	
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, 2022
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	279,250
2	C.R. Gupte	Former Managing Director	56,700
3	R.M. Gadgil	Former President- Marketing	187,875
4	P. Srinivasan	President Finance & Chief Financial Officer	274,850
5	Dr. C.N. Nandi	Vice President – Research & Development	17,725
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	35,100
8	Milind Shevte	Vice President-Marketing	20,600
9	Ashwin Bhende	Vice President-Process Engineering, Project & Technology	24,900
10	Rakesh Srivastava	Assistant Vice President-Exports	22,700
11	Padam Bahal	Assistant Vice President-Financial and Cost Accounts	12,050
12	Manoj Shah	Assistant Vice President-Materials	18,500
13	Vikas Gupte	Former Assistant Vice President-Legal & Company Secretary	7,875
14	D S Desai	Former Assistant Vice President-MTS	37,200
15	Suresh Shetty	Assistant Vice President-Operations	23,400
16	Mrs. Manisha Shastri (Legal Heir of Late Mr. Nitin Shastri)	Former 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	10,350
			1,128,625

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 31 March 2022.

A. CONSERVATION OF ENERGY

i. The steps taken or impact on conservation of energy

- Installation of energy efficient primary pump of chillers.
- Recovery of Condensate from Main header steam traps.
- Installation of Auto Blow down system at Coal Boiler.
- Installation of energy efficient therminol pump.

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

- Installation of Solar Panel at Dahej Plant.

iii. The capital investment on energy conservation equipment

- Installation of energy efficient primary pump of chiller – ₹ 0.65 Lakhs.
- Recovery of Condensate from Main header steam traps – ₹ 1.20 Lakhs.
- Installation of Auto Blow down system at Coal Boiler – ₹ 6.10 Lakhs.
- Installation of energy efficient therminol pump – ₹ 1.55 Lakhs.
- Installation of LED lights – ₹ 10.00 Lakhs.
- Installation of 130 KW solar panel at Dahej – ₹ 46.00 Lakhs.

B. TECHNOLOGY ABSORPTION:

Efforts in brief made towards technology absorption:

- Capacity expansion of Intermediate Plant by addition of new equipments and related systems to enhance Anti-degradants Production capacity.
- Process de-bottlenecking of Antioxidant Plant to enhance capacity.
- Capacity increase of Stabiliser Plant through process de-bottlenecking & Plant modification.
- Capacity increase of Accelerator Plant through process optimisation and improvement in Drying & Extruder systems.
- Replacement of Steam Ejector with efficient Dry vacuum pump to reduce both water consumption and effluent generation.
- Recycle of Plant Steam Condensate & Agitator Gland Cooling water to reduce water footprint.

Benefits derived as a result of above efforts:

- Increase in production capacities of Antidegradant & its Intermediate, Antioxidant, Accelerators and Stabilizer products to increase finished products volume.
- Reduction of water consumption at source and effluent generation.
- Reduction in utility and energy consumption due to increase in capacity & Process optimisation.
- Improvement in Product quality by process changes.

Expenditure on R & D

(₹ In Lakhs)

	2021-22	2020-21
Capital	24	41
Recurring	557	552
Total	**581**	**593**
Total R & D Expenditure as % to total turnover	0.37	0.64

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	43,123
ii)	Expenditure in foreign currency	229
Foreign exchange earned		
iii)	Export of goods on FOB basis, Commission and Service Charges.	54,449

For and on behalf of Board of Directors

Place: Mumbai
Date: May 17, 2022

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, 2022

Sr. No.	Director	Remuneration (₹ in Lakhs)	Median Remuneration (₹ in Lakhs)	Ratio
1	Mr. Hrishikesh A. Mafatlal - Executive Chairman	525	9	60
2	Mr. V. R. Gupte	34	9	4
3	Late Mr. N. Sankar*	34	9	4
4	Mr. Rohit Arora	31	9	4
5	Mr. Debnarayan Bhattacharya	37	9	4
6	Mr. D. N. Mungale	31	9	4
7	Mr. P. V. Bhide	33	9	4
8	Mrs. Dharmistha Raval	29	9	3
9	Mr.Priyavrata H. Mafatlal	25	9	3
10	Mr. S. R. Deo - Managing Director	340	9	39
11	Mr. Anand V.S.- Deputy Managing Director	20	9	#

*Mr. N. Sankar passed away on April 17, 2022.

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

Sr. No.	Director	Percentage increase
1	Mr. Hrishikesh A. Mafatlal -Executive Chairman	48
2	Mr. V. R. Gupte	25
3	Late Mr. N. Sankar*	25
4	Mr. Rohit Arora	25
5	Mr. Debnarayan Bhattacharya	25
6	Mr. D. N. Mungale	25
7	Mr. P. V. Bhide	25
8	Mrs. Dharmistha Raval	25
9	Mr.Priyavrata H. Mafatlal	25
10	Mr. S. R. Deo - Managing Director	24
11	Mr. Anand V S - Deputy Managing Director	#
12	Mr. P Srinivasan- President Finance & Chief Financial Officer	8
13	Mr. Amit Vyas- Company Secretary	8

* Mr. N. Sankar passed away on April 17, 2022.

\# Not comparable with previous year since appointed Deputy Managing Director w.e.f. March 02, 2022

3 Percentage increase in the median remuneration of employees in the financial year 11%

4 The number of permanent employees on the rolls of the Company as at March 31, 2022 675

Directors' Report (Contd.)

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 11%. 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

Place: Mumbai
Date: May 17, 2022

Hrishikesh A. Mafatlal
Chairman

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), qualification & experience (Years), date of commencement of employment, last employment held (Name of employer, post held and period (years)

1. Mr. Hrishikesh A. Mafatlal (67) Executive Chairman, ₹ 525 Lakhs, B.Com. (Hons.), (6), 19.08.2016, Navin Fluorine International Limited (14), Related to Mr. Priyavrata H. Mafatlal (Director of the Company)
2. Mr. S R Deo (67), Managing Director, ₹ 340 Lakhs, M.Tech -Chemical Engineering from I.I.T. Kanpur (42), 01.11.1979, None.
3. Mr. P. Srinivasan (56), Chief Financial Officer, ₹ 192 Lakhs, B.Com. & A.C.A, (17), 25.01.2005, Flamingo Pharmaceuticals Limited, (3)
4. Dr. C.N. Nandi (65), Vice President- Research & Development, ₹ 116 Lakhs, M.Sc. & PhD. In Chemistry, (40), 08.09.1981, Bhabha Atomic Research Centre (0.5)
5. Dr. N.D. Gangal (56), Vice President- Analytical Research & Quality Assurance, ₹ 108 Lakhs, M.Sc. & PhD. In Chemistry, (14), 01.10.2007, Dow Chemcials, (0.5)
6. Mr. R.M. Desai (61), Vice President- Production & Personnel, ₹ 87 Lakhs, B.E. Chemical Engineering (39),15.06.1982, None
7. Mr. Milind Shevte (52), Vice President Marketing, ₹ 87 Lakhs, BE Chemical Engineering (16), 08.04.2005, Continental Carbon, (0.5)
8. Suresh Shetty (54) Asst. Vice President- Operations, ₹ 75 Lakhs, B.E Chemical Engineering (13), 28.03.2008, Dow Corning Private Limited (2)
9. Mr. M.J. Shah (62), Assistant Vice President-Materials, ₹ 78 Lakhs, Diploma in Material management & Mechanical Engineering, (9), 09.02.2012, Ashapura Minechem Limited (13)
10. Mr. Padam Bahal (58), Assistant Vice President-Financial and Cost Accounts, ₹ 76 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. Anand V.S (48), Deputy Managing Director, ₹ 20 Lakhs, B. E. Chemical Engineering , Chemetall India Private Limited (4), September 2017.

(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, monetory 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. Hrishikesh A. Mafatlal - Executive Chairman of the Company and Mr. Priyavrata H. Mafatlal - Director of the Company.

For and on behalf of the Board of Directors

Place: Mumbai
Date: May 17, 2022

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

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	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								

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

(₹ In Lakhs)

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	Vrata Tech Solutions Private Limited (Promoter)	IT services	Continuing arrangement	1	NA#	Nil
3	PIL Chemicals Limited (Wholly-owned subsidiary)	Processing charges	Continuing arrangement	1,841	NA#	Nil
4	Sri Chaitanya Seva Trust*	Donation under CSR	Donation is as per CSR Policy	150	NA#	Nil
5	N. M. Sadguru Water and Development Foundation*	Donation under CSR	Donation is as per CSR Policy	50	NA#	Nil
6	BAIF Institute for Sustainable Livelihood and Development*	Donation under CSR	Donation is as per CSR Policy	15	NA#	Nil

* Mr. Hrishikesh A. Mafatlal is the Chairman of Sri Chaitanya Seva Trust and Chairman of the trustee of N. M. Sadguru Water and Development Foundation and a Director of BAIF Institute for Sustainable Livelihood and Development, 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 of repetitive in nature.

For **NOCIL Limited**

Place: Mumbai
Date : May 17, 2022

Hrishikesh A. Mafatlal
Chairman

Directors' Report (Contd.)

ANNEXURE "G"

NOCIL Limited

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 uploaded 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 interest 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

The year 2021-22 was an attempt of the Global Economies to inch towards resumption of normalcy and growth despite the continued disruptions due to the pandemic.

With the vaccination in place, the world expected to edge towards an endemic stage of this unprecedented crisis. It is worthwhile to note that the Indian Government conducted the largest vaccination programme in the world. This led to the revival in the domestic economy as most contributors to the economy started getting normalised. Owing to the successful implementation of the vaccination drives, several parts across the country started relaxing the COVID restrictions.

India's GDP growth is around 8.9% for the year under review compared to a de-growth of 6.6% in the previous year. This after combination of growth in agriculture by about 3.9% is supported by a double- digit growth across Manufacturing and Services sector.

The recent COVID variant noticed in China, Hong Kong, Western Countries etc. if not controlled, may further hamper the GDP growth. The Global Economies continue to face challenges in terms of disruptions in supply chain resulting in higher input and freight costs, non-availability of necessities due to the growing inflation in most of the Countries.

The Russia-Ukraine war has brought in additional challenges, adding another bout of uncertainty to disrupt the revival. This has led to further inflationary pressures on account of rising crude, petrochemical, metal prices etc. Though crude oil is kept outside the sanctions, as of now, any further tightening in the form of trade or economic sanctions on Russia (being the third largest oil supplier) may lead to escalated energy, oil, metal prices etc. causing great concerns to oil importing countries like India.

Despite sanctions on Russia, the prolonged war situation continues unabated.

This has led to serious concerns on inflationary pressures across all economies of the world, India being no exception to this trend. As a result, we have started experiencing higher crude oil prices, rising downstream petrochemical prices which are inputs for the Rubber Chemicals Industry. This has led to interest rates hikes initiated by the Central Banks of Russia, U.K., India, USA etc.

Further, the World is facing supply chain issues as China (being a critical manufacturing hub across different industrial sectors) is presently reeling under COVID lockdown in several parts and coupled with the same, there are logistic issues as well.

The USD-INR cross rate continues to be in a volatile range until the conflict subsides, forex flows are regulated, and markets stabilise.

To summarise, the growth experienced in F.Y. 2021-22 was on the back of the de-growth in F.Y. 2020-21 due to lockdown imposed owing to onset of COVID. This growth momentum was expected to continue in F.Y. 2022 - 2023 as well.However, due to the war outbreak, the World at large is likely to experience set back in this growth momentum as per the latest report issued by IMF. In general, the Central Banks of the World will be required to do the challenging task of interest rate hikes to manage inflation vis-à-vis the growth momentum.

Rubber Chemical Industry:

Global Rubber consumption shows growth of ~9.6% during the CY 21 v/s de-growth of ~6.0% during the CY 20 as per the data released by the International Rubber Study Group (IRSG). On the domestic front, the rubber consumption showed a growth of around 23% in CY 21 as against the de-growth of 9% in CY20.

Rubber chemicals essentially follows a similar trend. In comparison, your Company's growth for CY 21 is around 30% more than 3 times the market growth thanks to availability of capacities and some de-risking adopted by some customers.

This was possible due to resumption of normal economic activity coupled with expansion plans of tire majors in place and with the China plus one strategy.

Your Company being the largest domestic manufacturer of Rubber Chemicals with its expanded capacities in place at the right time, is in a good position to take advantage of this opportunity

Industry Structure and Developments

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

The Domestic Tire industry, largest consumer of rubber after having experienced weak demand pattern for over

Management Discussion And Analysis (Contd.)

2 years managed to get a restriction of Tire imports into India. This led to the rapid improvement in their operating rates which became very necessary given the improvement in re-cycled Tires.

The Tire customers which indicated pick-up rates at the beginning of each quarter were in constant need for rubber chemicals. This led to a linear demand during the year barring some interruptions caused during the first quarter on account of second COVID wave.

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

In view of the volatile situation more particularly from October 2021 onwards, supply chain is clearly the most critical aspect of any industry. Our Industry too faced such challenges and we have taken alternate steps to mitigate these challenges from time to time.

Though China accounts for about 80% of World's Rubber Chemical production, it only consumes about 35% of the same resulting in exportable surplus, which makes it possible to dump it into nearby markets, including India. To counter the same, necessary applications were made before the Director General of Trade Remedies (DGTR) for seeking anti-dumping duty protection to ensure level playing field in some of the main products.

Business Outlook: Opportunities & Threats

Opportunities:

The normalisation of the Indian economy will enable the replacement Tire market to operate at a higher rate and your Company being a major 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 your Company besides other non-Chinese players in this industry.

Given the concentration of Rubber Chemicals capacity in China along with the associated uncertainties, there has been some sense of de-risking amongst Global Tire majors about over-dependence on a single source country. With the recent interruptions due to the new variant of COVID in some parts of China, further de- risking of this source will present an additional opportunity to your Company's outlook.

It may be noted that your Company is not only seen as a dependable and quality supplier, but also a player that offers almost a complete range of Rubber Chemicals. Moreover, your Companys' 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, your Company also enjoys a preferred-supplier status with their Indian operations. With increasing presence of these players in the Indian market, your Company 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. Your 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, your Company has a vision to enhance its presence in the global space. Based on the demand outlook, further expansion in the field of rubber chemicals by the Company is an additional opportunity through which we can consolidate in the Global Rubber Chemicals space. With capacities in place, any additional requirements in EU market on account of the prolonged war situation may help the Indian manufacturing industry.

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 ₹ 73.75 –77 per USD. The Company largely continued to mitigate the risk of this volatility through a judicious mix of natural hedge and other tools in the form of 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.

Management Discussion And Analysis (Contd.)

Though 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:

The prolonged war situation leading to inflationary pressures and surge in the crude oil prices and its down-stream petrochemical prices, continued supply chain disruptions on account of COVID variants, logistics related issues, trade tensions between Russia and other countries etc. are all concern areas.

Any disruption in the economic activities can impact the markets either at raw material manufacturers, customers or operational sites partially may impact the business prospects.

Operating & Financial Performance for the Year

The Financial Statements comply in all material aspects with 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.

During the year under review CRISIL & CARE have reaffirmed ratings as CRISIL AA & CARE AA respectively (Double A) (Stable) for long term Bank Facilities (Term loan as well as Fund Based facilities) and CRISIL A1+ & CARE A1+ respectively (A One plus) rating for short term Non-Fund Based Bank facilities.

Despite the challenges faced by the Industry due to lockdown in the first quarter on account of 2nd COVID wave, the Company's performance on the domestic sales volumes, registered a growth of over 16% for the year. On the export business front, despite stiff competition, especially from China, your Company successfully exported to strategic accounts with wide range of products and thus achieved a growth of 17% as against the Global Rubber consumption growth of 9.6%.

During the year under review some Plants were forced to operate at sub-optimal volumes in view of the supply chain crisis for partial period. Further the unprecedented price increases in respect of its major inputs which started from the second half of the previous year continues to be volatile and the inputs are at higher levels. Fortunately, due to timely corrections in our finished products to equate the input costs increase coupled with optimisation of costs due to improved capacity utilisation led to improvement in margins. As a result, the EBIDTA margins increased during the year.

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

(₹ In Crores)

Particulars	2021-22	2020-21
Revenue from Operations	1,571.31	924.66
Other Income	4.84	14.28
Total Income	1,576.15	938.94
Operating EBIDTA	282.90	126.93

During the year under review, the Company achieved a profit before tax of ₹ 239.59 Crores as compared to ₹ 104.18 Crores in 2020-21.

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements), (Amendment), Regulations, 2018, the key financial ratios viz., Debtors turnover, Inventory Turnover, Current Ratio, Net profit (%), 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 (%), 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.

Management Discussion And Analysis (Contd.)

- 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 enabling the Management to evaluate and take decisions based on real time information systems.

The Audit Committee of the Board of Directors regularly reviews 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 the Company and 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 periodical basis through their own systems and check lists the status of compliance 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 your 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.

Your 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.

Your 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 forms 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 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 relationships or transactions 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 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, 2022:

Category	No. of Directors
Independent Directors	7*
Other Non-Executive Directors	1
Executive Chairman & Managing Director	3#
Total	**11**

*Mr. N. Sankar, Independent Director passed away on April 17, 2022.

#Mr. Anand V. S. has been appointed as the Deputy Managing Director for a period of 5 years with effect from March 02, 2022. Mr. Anand's appointment has been approved by the Shareholders (through postal ballot) on April 20, 2022.

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 March 31, 2022	No. of Board meetings attended during F.Y. 2021-22	No. of Directorships in Public Companies as on March 31, 2022*	No. of Board Committee Memberships held in Public Companies as on March 31, 2022**		Attendance at last AGM held on August 03, 2021
						Chairman	Member	
1.	Mr. Hrishikesh A. Mafatlal	Executive Chairman – Promoter Group	791,468	7	3	0	2	Yes
2	Mr. Priyavrata H. Mafatlal	Non –Executive Director	12,495	7	2	0	0	Yes
3	Late Mr. N. Sankar***	Independent Director	-	5	1	-	-	No
4	Mr. Rohit Arora	Independent Director	-	7	1	-	1	Yes
5	Mr. Vilas R. Gupte	Independent Director	600 $	7	2	1	2	Yes
6	Mr. D. N. Mungale	Independent Director	-	7	10	5	4	Yes
7	Mr. P. V. Bhide	Independent Director	-	7	6	1	5	Yes
8	Ms. Dharmishta N. Raval	Independent Director	-	7	6	2	1	Yes
9	Mr. Debnarayan Bhattacharya	Independent Director	-	5	1	0	1	Yes
10	Mr. S.R. Deo	Managing Director	852,860^	7	1	0	1	Yes
11	Mr. Anand V.S#	Deputy Managing Director	-	1	1	0	0	N.A

* 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.

$ Equity Shares held as Joint holders.

*** Mr. N. Sankar Independent Director passed away on April 17, 2022.

Mr. Anand V.S. has been appointed as Deputy Managing Director w.e.f. March 2, 2022.

^ 8,52,850 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 Directorship 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. Rohit Arora	-	-
4	Mr. Vilas R. Gupte	Mafatlal Industries Limited	Independent Director
5	Mr. D. N. Mungale	Tamil Nadu Petroproducts Limited	Independent Director
		Mahindra CIE Automotive Limited	Independent Director
		Mahindra and Mahindra Financial Services Limited	Independent Director
		Mahindra Logistics Limited	Independent Director

Sr. No.	Name of Director	Names of listed entities in which Directorship held	Category of Directorship
6	Mr. P. V. Bhide	GlaxoSmithKline Pharmaceuticals Limited	Independent Director
		L & T Finance Holdings Limited	Independent Director
		Borosil Renewables Limited	Independent Director
7	Ms. Dharmishta N. Raval	Zydus Wellness Limited	Independent Director
		Zydus Life - science Limited (Formerly known as Cadila Healthcare Limited)	Independent Director
8	Mr. Debnarayan Bhattacharya	-	-

During the year under review, seven (7) 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	20.04.2021	10	10
2	27.05.2021	10	10
3	03.08.2021	10	9
4	02.11.2021	10	9
5	22.12.2021	10	10
6	04.02.2022	10	9
7	30.03.2022	11	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 notifications 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 2021-22 were held by video conferencing.

At the beginning of all the Board meetings (including Committee meetings of the Board), all the Directors, the 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 at the first Board Meeting held at each financial year.

The Fifty Nineth (59th) Annual General Meeting was held on August 3, 2021.

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 plan.

Report on Corporate Governance (Contd.)

- 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 summarises the key skills, expertise and competencies that the Board thinks necessary for the proper functioning in the context of the Company's 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 .

S. No	Name of the Director	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. D.N Mungale	Commercial, Finance, Legal, General Management, Domain Industry, Sales & Marketing.
4	Mr. Rohit Arora	Commercial, Finance, Legal, General Management, Domain Industry, Sales & Marketing, IT
5	Mr. P.V Bhide	Commercial, Finance, Legal, General Management, Domain Industry, Sales & Marketing, Science & Technology
6	Mr. Vilas R. Gupte	Commercial, Finance, Legal, General Management, Domain Industry, Sales & Marketing.
7	Mr. Debnarayan Bhattacharya	Commercial, Finance, Legal, General Management, Domain Industry, Sales & Marketing, Science & Technology
8	Ms. Dharmishta Raval	Commercial, Finance, Legal, General Management, Domain Industry, Sales & Marketing.
9	Mr. Priyavrata H. Mafatlal	Commercial, Finance, Legal, General Management, Domain Industry, Sales & Marketing.
10	Mr. Anand V.S.	Commercial, General Management, Domain Industry, Sales & Marketing, Science & Technology

f) Familiarisation Program

Periodically, the Company provides familiarisation Program 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 program have been displayed on the Company's website and its weblink is https://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 December 29, 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 Members all of whom are in 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 2021-22
Mr. D.N. Mungale, Chairman	Independent Director	6
Mr. Rohit Arora	Independent Director	6
Mr. Vilas R. Gupte	Independent Director	6
Mr. P. V. Bhide	Independent Director	6
Mr. Debnarayan Bhattacharya	Independent Director	5

During the year Six (6) Audit Committee Meetings were held, the dates of which are as follows: April 20, 2021; May 27, 2021; August 3, 2021; November 2, 2021; February 4, 2022, and March 30, 2022.

The requisite quorum was present at the meetings.

Audit Committee Meetings are also attended by the Executive Chairman, Managing Director, Deputy 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 SEBI 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 analyse / 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/ re-appointment, remuneration and terms of appointment of Auditors of the Company.

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

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

Report on Corporate Governance (Contd.)

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 operating effectively.

p) To review the annual declaration 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.

q) To review the utilisation of loans and/ or advances from/investment by the holding Company in the subsidiary exceeding rupees one hundred crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

r) To consider and comment on rationale, cost-benefits and impact of schemes involving Merger, Demerger, Amalgamation etc., on the listed entity and its shareholders.

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

4. Share Transfer Committee

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

The Committee takes 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 the same by circulation of Minutes to the Board. The Company's Registrar and Share Transfer Agents verify the required 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 1,04,627 Equity shares belonging to those shareholders holding shares both in dematerialised form as well as physical form, who had not uncashed their Dividend for a period of 7 years or more beginning from the Financial Year 2013-14 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 2021-22 under the heading 'Transfer of Unpaid Dividend and corresponding Equity Shares to the Investor Education and Protection Fund (IEPF)'. Out of 17,88,112 equity shares transferred by the

Report on Corporate Governance (Contd.)

Company to IEPF from the Financial Years 2017-18 to 2021-22, the Authority has credited 32,650 equity shares to the demat account of the claimants on completion of requisite formalities. As on March 31, 2022, the balance number of shares lying with IEPF is 17,55,462.

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 Raval is the Chairperson and Member of the Committee and was present at the Company's Annual General Meeting held on August 3, 2021.

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 2021-22
Ms. Dharmishta N. Raval, Chairperson	Independent Director	1
Mr. Hrishikesh A. Mafatlal	Executive Chairman (Promoter Group)	1
Mr. S. R. Deo	Managing Director	1
Mr. Vilas R. Gupte	Independent Director	1

During the year One (1) Stakeholders' Relationship and Investors' Grievances Committee Meeting was held on September 14, 2021.

The requisite quorum was present at the meeting.

The Committee reviews the complaints received by the Company from its investors and the action taken by the Management to redress the same.

The Company received 7 complaints from shareholders in Financial Year 2021-22 and all the said complaints have been resolved amicably.

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.

The terms of reference of the Stakeholders Relationship and Investors' Grievance Committee are broadly as follows:

a. Resolving the grievances of the shareholders including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.

b. Review of measures taken for effective exercise of voting rights by shareholders.

c. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.

d. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

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

Report on Corporate Governance (Contd.)

meetings attended by the Members during the year are given below:

Name of Members	Category	No. of meeting attended during the Year 2021-22
Mr. Rohit Arora, Chairman	Independent Director	1
Mr. Hrishikesh A. Mafatlal	Executive Chairman	1
Late Mr. N. Sankar*	Independent Director	1
Mr. D.N. Mungale	Independent Director	1

*Mr. N. Sankar Independent Director passed away on April 17, 2022.

During the year, one (1) NRC Meeting was held on February 4, 2022.

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

a. Recommend to the Board the Appointment / re-appointment of Executive Chairman / Managing Director / Deputy Managing Director / Executive Director.

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

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

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

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

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

g. 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.

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

i. Devising a policy on Board diversity.

j. 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.

k. 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.

l. For every appointment of an independent Director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge, and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent Director shall have the capabilities identified in such description. For identifying suitable candidates, the Committee may:

    i. use the services of external agencies, if required.

    ii. consider candidates from a wide range of backgrounds, having due regard to diversity; and

    iii. consider the time commitments of the candidates.

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

Report on Corporate Governance (Contd.)

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:

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	497.40	28.06	525.46
Mr. S. R. Deo, Managing Director	299.82	40.18	340.00
Mr. Anand V.S., Deputy Managing Director (effective March 2, 2022)	18.36	1.94	20.30

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 numbers 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 01-04-2021	No. of ESOPs exercised during 2021-22	No. of Equity Shares sold during 2021-22	No. of Equity Shares held as on 31-03-2022
Mr. S. R. Deo, Managing Director	803,325	49,525	-	852,850

Report on Corporate Governance (Contd.)

Commission / Sitting Fees to Non-Executive Directors for the financial year 2021-22 for attending Board and Committee Meetings.

(₹ In Lakhs)

Name of the Director	Sitting Fees	Commission*	Total
Mr. Rohit Arora	11.25	20.00	31.25
Mr. Vilas R. Gupte	13.50	20.00	33.50
Late Mr. N. Sankar $#	13.50	20.00	33.50
Mr. D. N. Mungale	11.25	20.00	31.25
Mr. P.V. Bhide	12.75	20.00	32.75
Ms. Dharmishta N. Raval	9.00	20.00	29.00
Mr. Debnarayan Bhattacharya $	17.25	20.00	37.25
Mr. Priyavrata H. Mafatlal	5.25	20.00	25.25
Total	**93.75**	**160.00**	**253.73**

* On accrual basis

$ Also includes the sitting fees paid for attending meetings of a Sub Committee constituted by the Nomination and Remuneration Committee.

#Mr. N. Sankar Independent Director passed away on April 17, 2022.

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 2021-22
Mr. Hrishikesh A. Mafatlal, Chairman	Executive Chairman (Promoter Group)	3
Ms. Dharmishta N. Raval	Independent Director	3
Mr. Vilas R. Gupte	Independent Director	3
Mr. S. R. Deo	Managing Director	3

During the year 2021-22, three (3) Committee meetings were held on June 24, 2021, December 14, 2021, and February 3, 2022.

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 comprises:

- 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 Chairman /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 Regulation 21(4) of LODR, applicable from April 01, 2019, top 500 listed companies as per the market capitalisation as at the end of the immediate previous financial year, were required to constitute the Risk Management Committee. Considering that the Company formed a part of top 500 listed entities based on the market capitalisation as of March 31, 2018, the Board constituted Risk Management Committee effective April 01, 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:

Name of Members	Category	No. of meetings attended during the Year 2021-22
Mr. P. V. Bhide	Independent Director	3
Mr. Hrishikesh A. Mafatlal	Executive Chairman (Promoter Group)	3
Late Mr. N. Sankar*	Independent Director	2
Mr. S.R. Deo	Managing Director	3
Mr. Debnarayan Bhattacharya	Independent Director	3
Mr. P. Srinivasan**	President Finance & CFO	3
Mr. Anand V.S.@	Deputy Managing Director	0

*Mr. N. Sankar Independent Director passed away on April 17, 2022.

** Mr. P. Srinivasan is a Management Representative on the Committee

@ Mr. Anand V.S. Deputy Managing Director was appointed on the Risk Management Committee by the Board on May 17, 2022

Report on Corporate Governance (Contd.)

During the year, three (3) RMC Meetings were held on June 28, 2021, October 22, 2021, and December 17, 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 program 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
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.
2020-21	August 3, 2021	Video Conferencing (VC)/ Other Audio-Visual Means (OAVM) at Mafatlal House, H.T. Parekh Marg, Backbay Reclamation, Churchgate, Mumbai 400 020	2.30 p.m.

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

Date of Annual General Meeting	Number and particulars of Special Resolutions passed.
July 30, 2019	a. Continuation of Mr. Debnarayan Bhattacharya as an Independent Director notwithstanding 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 he attains the age of 75 years.
August 28, 2020	No special resolutions were passed.
August 3, 2021	a. Redesignation of Mr. Vilas R. Gupte as an Independent Director of a Company for a period of five (5) Years. b. Appointment of Mr. Hrishikesh A. Mafatlal as the Executive Chairman for a period of five (5) Years , he attains the age of 70 years during his tenure

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 March 2022 through Postal Ballot. Details of which are as under:

Date of Postal Ballot Notice	March 21, 2022
Voting period	March 22, 2022, to April 20, 2022
Date of approval	April 20, 2022
Date of declaration of Result	April 20, 2022

Report on Corporate Governance (Contd.)

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
Appointment of Mr. Anand V.S. (holding DIN: 07918665) as an Deputy Managing Director of the Company for a period of 5 years.	Ordinary	70,315,759	67,690,293	2,625,466	96.27	3.73

The Company successfully completed the process of obtaining the approval of its shareholders for Ordinary Resolution on the item 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 Scrutinizer 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 was 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 08, 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 had not registered their email ids, the Company provided the mechanism in the Notice to register their email ids and a public notice to that effect was also published. Members (whether holding shares in demat form or in physical form) were requested to cast their votes by E-voting. The Company engaged the services of National Securities Depository Limited (NSDL) 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 April 20, 2022. The results were also displayed on the Company's website viz., www.nocil.com and were communicated to the Stock Exchanges, the Depositories (NSDL and CDSL) and 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 05, 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.

Report on Corporate Governance (Contd.)

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 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	:	July 28, 2022 at 3.00 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 April 01 to March 31.

Financial reporting for 2022-23 (Indicative):

Quarter ending in June 2022	:	July 28, 2022
Half year ending in September 2022	:	November 2022
Quarter ending in December 2022	:	end January 2023
Year ending in March 2023	:	end April / May 2023
Annual General Meeting (2022-23)	:	end July 2023

iii) Dividend Payment Date

On or after August 05, 2022 (If approved in the forthcoming 60th 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 Limited for the F.Y. 2022-23.

v) Stock market data

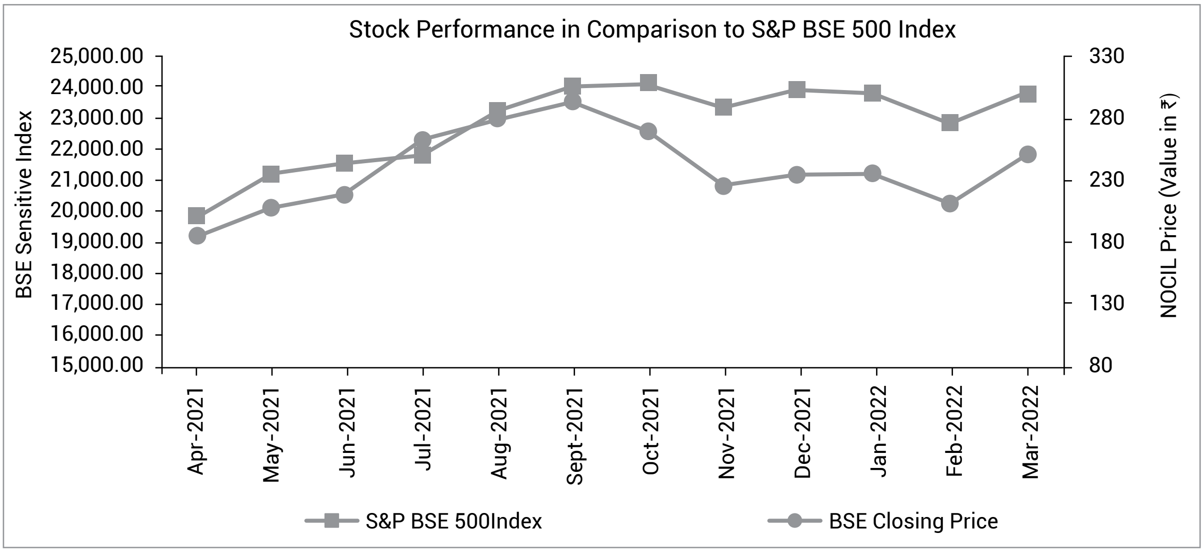
The monthly high / low quotation of shares traded on the Bombay Stock Exchange and the National Stock Exchange of India is as follows:

(Figures in ₹)

Bombay Stock Exchange Limited. (BSE)			National Stock Exchange of India Limited. (NSE)		
Month	High	Low	Month	High	Low
April, 2021	188.60	161.80	April, 2021	188.80	161.90
May, 2021	219.45	181.15	May, 2021	219.40	181.05
June, 2021	225.00	199.00	June, 2021	225.25	199.00
July,2021	278.05	216.45	July,2021	278.00	216.30
August,2021	293.90	230.05	August,2021	293.70	230.05
September, 2021	313.45	271.00	September, 2021	313.50	270.95
October, 2021	321.00	262.30	October, 2021	321.30	262.20
November, 2021	274.75	216.80	November, 2021	274.70	216.55
December, 2021	250.95	214.50	December, 2021	251.00	214.55
January, 2022	262.30	218.25	January, 2022	262.50	218.20
February, 2022	238.45	191.00	February, 2022	238.75	190.70
March, 2022	252.00	194.50	March, 2022	252.90	194.40

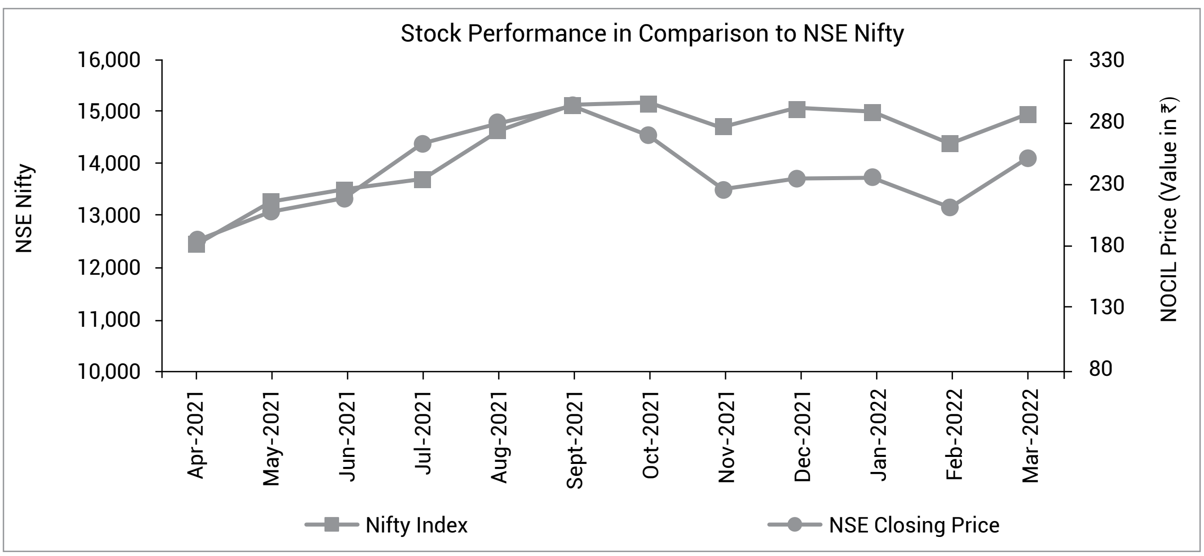
Report on Corporate Governance (Contd.)

vi) NOCIL Stock Performance in comparison to S&P BSE 500 Index



Particulars	April, 2021	March ,2022	Growth
S&P BSE 500 Index	19,689.52	23,695.01	20.16%
NOCIL Share Price	184.35	249.45	35.31%

NOCIL Stock Performance in comparison to NSE 500 Index



Particulars	April 2021	March 2022	Growth
NSE Nifty Index	12,364.35	14,894.50	20.49%
NOCIL Share Price	184.45	248.9	34.94%

Report on Corporate Governance (Contd.)

vii) Registrar and Share Transfer Agents (RTA):

The Company has appointed KFin Technologies Limited (Formerly known as KFin Technologies Private Limited) the RTA.

Address for Investor correspondence

KFin Technologies Limited	Investors' Relation Centre
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	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 Limited, and approved by the Share Transfer Committee of the Company. Effective April 01, 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, 2022

Sr. no	No. of shares	No. of shareholders	% Of Shareholders	No. of shares held	% Of shareholding
1	Up to 1 - 5000	177,821	89.07	19,445,178	11.67
2	5001 - 10000	11,402	5.71	9,213,703	5.53
3	10001 - 20000	5,550	2.78	8,433,791	5.06
4	20001 - 30000	1,729	0.87	4,423,491	2.66
5	30001 - 40000	760	0.38	2,740,515	1.65
6	40001 - 50000	658	0.33	3,144,093	1.89
7	50001 - 100000	922	0.46	6,794,788	4.08
8	100001 & ABOVE	792	0.40	112,378,296	67.46
	Total:	**199,634**	**100.00**	**166,573,855**	**100.00**

b) Shareholding pattern by Ownership as on March 31, 2022

Sr. No.	Ownership	No. of shares held	% Of shareholding
1	Indian Promoters	56,391,184	33.85
2	Mutual Funds	5,125,994	3.08
3	Banks, Financial institutions	28,477	0.02
4	Insurance Companies	1,252,269	0.75
5	Foreign Portfolio Investors	4,229,362	2.54
6	Non-Resident Indians	3,031,980	1.82
7	Private Corporate Bodies	10,306,783	6.19
8	Clearing Members	856,636	0.51
9	NBFC	25,450	0.02
10	Trusts	8,372	0.01
11	Alternative Investment Fund	692,813	0.42
12	Qualified Institutional Buyer	315,621	0.19
13	IEPF	1,755,462	1.05
14	Indian Public	82,553,452	49.55
	Total	**166,573,855**	**100.00**

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x) Demat information

The shares of the Company were held in dematerialised form with effect from May 29, 1999. As on March 31, 2022, about 98.70% shareholding representing 164,409,817 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

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

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 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., https://www.nocil.com/images/fckeditor/file/NOCIL_Vigil_Mechanism.pdf

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

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 Limited 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 https://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 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., https://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 7, 2022 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

Report on Corporate Governance (Contd.)

Company has not accepted the recommendations made by the Audit Committee / Nominations 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 ₹ 40 Lakhs.

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

The disclosures for the Financial Year 2021-22 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

M. Norms for furnishing of PAN, KYC, Bank details and Nomination -Important SEBI Circulars:

(i) Common and simplified Norms for processing investors' service request by RTAs and norms for furnishing of PAN, KYC details and Nomination- FREEZING of Folios without PAN, KYC details and Nomination with effect from April 01, 2023

Shareholders may take note of SEBI Circulars: SEBI/HO/MIRSD/MIRSD_RTAMB/P CIR/2021/655 dated November 03, 2021 and SEBI/HO/MIRSD/MIRSD_RTAMB/P/ CIR/2021/687 dated December 14, 2021, in this regard . The said circulars are also available on the Company's website www.nocil.com and on https://ris.kfintech.com/clientservices/isc/default.aspx (website of the RTA)

(ii) Issuance of Securities in dematerialised form in case of Investor Service Requests and Credit of shares to "Suspense Escrow Demat Account" to be opened by the Company "

Shareholders may take note of SEBI Circular : SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/ dated January 25, 2022 , in this regard. The said circular is also available on the Company's website www.nocil.com and on https://ris.kfintech.com/clientservices/isc/default.aspx (website of the RTA)

(iii) Simplification of the procedure and standardisation of formats of documents for issuance of duplicate share certificates

Shareholders may take note of SEBI Circular :SEBI/ HO/MIRSD_RTAAMB/P/CIR/2022/70 dated May 25, 2022, in this regard. The said circular is also available on the Company's website www.nocil.com and on https://ris.kfintech.com/clientservices/isc/default.aspx (website of the RTA)

(iv) Simplification of the procedure and standardisation of formats of documents for Transmission of shares

Shareholders may take note of SEBI Circular : SEBI/ HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/65 dated May 18, 2022 in this regard. The said circular is also available on the Company's website www.nocil.com and on https://ris.kfintech.com/clientservices/isc/default.aspx (website of the RTA)

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 2021-22 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.

Report on Corporate Governance (Contd.)

d. Reporting of Internal Auditor:

The Internal Auditors of the Company make presentations to the Audit Committee on their reports as per the approved audit programs 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 said Code lays down Guidelines and procedures to be followed and disclosures to be made while dealing with equity shares of the Company. The Company has also installed a dedicated software tool titled "**trackin**" devised by a professional software provider which has the following features:

- As required by SEBI (Prohibition of Insider Trading) Regulations, 2015, the said tool also facilitates maintaining of a Structured Digital Database (SDD).
- The said tool has in built features to keep a track of trading in shares by Designated Employees/ Persons and facilitates online notification of Closure of Trading window, seeking pre-clearance of trades from the Compliance Officer ,Annual Declarations etc.

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, 2022.

Place : Mumbai
Date : May 17, 2022

S. R. Deo
Managing Director.

Report on Corporate Governance (Contd.)

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
Mafatlal House, H T Parekh Marg,
Backbay Reclamation,
Churchgate, Mumbai - 400020

We have examined the compliance of conditions of Corporate Governance by NOCIL Limited ("the Company") for the year ended on March 31, 2022, as stipulated in Regulations 17 to 27 and clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["Listing Regulations"].

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 Listing Regulations.

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.

Makarand M. Joshi & Co.
Practicing Company Secretaries

Makarand M. Joshi
Partner
FCS No. 5533
CP No. 3662
P.R. No: 640/2019
UDIN: F005533D000332145

Place: Mumbai
Date: May 17, 2022

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	2021-22
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/NS
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	₹ 16,657 Lakhs
2	Total Revenue	₹ 157,131 Lakhs
3	Total Profit after taxes	₹ 17,595 Lakhs
4	Total spending on Corporate Social Responsibility (CSR) as a percentage of profit after tax (%)	**2.12%**
5	List of activities in which expenditure in 4 above has been incurred	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, Livelihood Enhancement Projects, Rural Development Projects. (**Refer Annexure A** to the Directors' Report for the Financial Year ended March 31, 2022 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. **Do 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	Mr. S. R. Deo
3	Designation	Managing Director

   (b) Details of BR Head

1	DIN	07315943
2	Name	Mr. 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	Business 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 Board 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.	Not applicable								
6	Any other reason (please specify).	Not applicable								

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 capitalization as on 31st March 2021. 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 complaints 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 NS

   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 respect of the above mentioned products raw material usages and water consumption is reduced by process optimisation.

   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.

iv. **Has the Company taken any steps to procure goods and services from local and small producers, including**

Business Responsibility Report (Contd.)

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. 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.**

We are pursuing 3R approach (Reduce, Reuse and Recycle) in our processes through various innovative technologies viz. Ion exchange resin, Carbon absorption, Solvent extraction, Distillation etc. which help in protecting the environment. More than 10% products/ waste are recycled. We recover and recycle many of the raw materials, catalysts & solvents. NOCIL's R&D team is continuously working 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: 2021 - 2022

Registered Office	**26**
Company's Plant at Navi Mumbai	**339**
Company's Plant at Dahej	**258**
Total	**623**

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

Registered Office	**12**
Company's Plant at Navi Mumbai	**384**
Company's Plant at Dahej	**307**
Total	**703**

iii. **Please indicate the Number of permanent women employees. - 20**

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? - 25%**

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?**

	Category	Safety	Skill upgradation training
a	Permanent employees	100	42
b.	Permanent woman employees	100	1
c.	Casual / Temporary / Contractual employees	100	NIL
d	Employees with disabilities	NA	NA

Business Responsibility Report (Contd.)

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 well being 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 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.

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?**

Special processes like Soil Biotechnology and Multiple Effect Evaporator (MEE) installed and commissioned at Dahej plant for effluent treatment. 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". Few projects in this direction are in active phase.

v. **Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy,**

Business Responsibility Report (Contd.)

etc. Y/ N. If yes, please give hyperlink for webpage.

ISO 50001 - Energy Management System (EnMs) certification done for Navi Mumbai site. Also working on implementation of ESG initiatives. We have received 50001 certification for energy management for Navi Mumbai plant. To generate renewable energy, we have installed Solar cells to generate 1500 units/day.

vi. **Are the emissions / waste generated by the Company within the permissible limits given by CPSB/ SPCB for the financial year being reported?**

Yes. The emissions/ waste generated by the Company are within the limits prescribed by CPSB/ SPCB.

vii. **Number of show cause / legal Notices received from CPCB/ SPCB which are pending (i.e., not resolved to satisfaction) as on end of the Financial Year.**

There is no pending unresolved 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 association? 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.
6. Thane Belapur Industries Association.

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 organization?**

The Company undertakes programs/projects through in-house team as well as through external NGOs under its CSR Policy.

iii. **Have you done any impact assessment of your initiative?**

The Company initially assesses the needs of the community / organization 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 Crore or more and which have been completed not less than one year before undertaking the impact assessment study.

Business Responsibility Report (Contd.)

iv. **What is your Company's direct contribution to community development projects – Amount in ₹ 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, 2022.

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 organizations 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 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 a standard process where it carries out survey and takes feedback of Domestic and International customers on a yearly basis. The Company also receives frequent evaluation on its products and services from major end-users. Due to the pandemic, we could not conduct any survey in the year 2021-22. We have plans to conduct customer satisfaction survey in the year 2022-23.

For and on behalf of Board of Directors

Date: May 17, 2022
Place: Mumbai

H.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

(Currency: ₹ In Lakhs)

Sr. No.	Particulars	
1	Name of the subsidiary:	PIL Chemicals Limited
2	Date since when the subsidiary was acquired	February 22, 2007
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period:	April 01, 2021 to March 31, 2022
4	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries:	Not Applicable
5	Share capital	835
6	Reserves & surplus	2,834
7	Total assets	4,283
8	Total Liabilities	4,283
9	Investments	1,159
10	Turnover	1,841
11	Profit before taxation	284
12	Provision for taxation	87
13	Profit after taxation	197
14	Proposed Dividend	6%
15	% 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 17, 2022

Independent Auditor's 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, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, the Statement of Cash Flow 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 (Indian Accounting Standards) 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, 2022, the profit, 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 Act. 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 judgement, 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 (Accounting policies) for revenue recognition and measurement, Note 26 of the Standalone Ind-AS Financial Statements for aggregate revenue from sale of products recognised as required by the applicable Ind AS. For the year ended March 31, 2022, the Company recognised revenues aggregating to ₹ 156,125 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 discounts, commission and rebates and correct timing of revenue recognition. **Tests of details:** - Verified the supporting documentation for determining that the revenue was recognised in the correct accounting period (cut-off testing).

Independent Auditor's 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 discounts, commission 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 of, 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.	**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.

Independent Auditor's Report (Contd.)

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 Ind-AS financial statements and our auditor's report thereon.

Our opinion on the 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 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 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 on the other information that we obtained prior to the date of this auditor's report, 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.

MANAGEMENT'S RESPONSIBILITIES 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 Act, with respect to the preparation of these 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 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 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 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

Independent Auditor's Report (Contd.)

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, 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

As required by the Companies (Auditor's Report) Order, 2020, ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the 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.

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 rule issued thereunder.

e) On the basis of the written representations received from the Directors of the Company as on March 31, 2022 and taken on record by the Board of Directors, none of the Directors of the Company are disqualified as on March 31, 2022, from being appointed as a Director in terms of section 164(2) of the Act.

Independent Auditor's Report (Contd.)

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 Notes 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 during the year ended March 31, 2022.

iv) The Management has represented that:

a) to the best of its knowledge and belief, other than as disclosed in the standalone Ind-AS financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) to the best of its knowledge and belief, other than as disclosed in the standalone Ind-AS financial statements, no funds have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

Based on such audit procedures performed by us which is considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material misstatement.

v) As per information and explanation represented by Management and based on the records of the Company, the dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Reg. No.: 104607W / W100166

Daraius Z. Fraser
PARTNER
M. No.: 42454
UDIN: 22042454AJDLDB2149
Mumbai: May 17, 2022.

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, 2022:

STATEMENT ON MATTERS SPECIFIED IN PARAGRAPHS 3 AND 4 OF THE COMPANIES (AUDITOR'S REPORT) ORDER, 2020:

i) Property Plant and Equipment:

a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

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

b) The Company has a program of physical verification of Property, Plant and Equipment by which the property, plant and equipment are verified by the Management according to a phased programme designed to cover all the items over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with the policy, the Company has physically verified certain property, plant and equipment during the year and no material discrepancies were noticed in respect of assets verified during the year.

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 Company.

d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.

e) According to the information and explanations given to us, representation obtained from Management and on the basis of our examination of the records of the Company, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2022, for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) (as amended in 2016) and rules made thereunder.

ii) Inventory:

a) The Management has conducted physical verification of inventories at reasonable intervals. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its operations. The discrepancies noticed on such physical verification of inventories between physical stock and book records is less than 10% in the aggregate for each class of inventories and have been properly dealt with in the books of account.

b) According to the information and explanations given to us by the Management and books and records maintained, the Company has been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at various points of time during the year, from banks on the basis of security of current assets of the Company. In our opinion and according to the information and explanations given to us, the quarterly returns filed by the Company with such banks are in agreement with the unaudited books of account of the Company of the respective quarters. The Company has no borrowings from financial institutions during the year.

iii) The Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Therefore, the provisions of sub-clause (a), (b), (c), (d), (e) and (f) of paragraph 3 (iii) of the Order are not applicable.

iv) 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.

Annexure A to the Independent Auditor's Report (Contd.)

v) The Company has not accepted any deposit or amounts which are deemed to be deposits during the year. Hence, reporting under clause 3(v) of the Order is not applicable. According to the information and explanations given to us and representation obtained from Management, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal against the Company in this regard.

vi) We have broadly reviewed the books of account and records maintained by the Company in respect of the product covered under the Rules prescribed by the Central Government for the maintenance of cost records, under sub section (1) of Section 148 of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii) 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 Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material applicable statutory dues during the year. 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.

b) According to the information and explanations given to us, details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2022, on account of disputes are given below:

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 ₹ 36.96 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.	180.48	2011-12, 2012-13, 2015-16 2016-17 2019-20	Commissioner of Income-tax appeals
Employees Provident Funds & Miscellaneous Provisions Act, 1952	Provident Fund Contribution Case (PPD and PCD)	11.93	2002-2004	Assistant PF Commissioner

Annexure A to the Independent Auditor's Report (Contd.)

viii) According to the information and explanations given to us and on the basis of the records examined by us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix) Borrowings:

a) In our opinion and according to the information and explanations given to us, the Company has not defaulted during the year in repayment of loans or other borrowings or payment of interest thereon to banks and financial institutions. The Company has not taken any loan or borrowings from the Government.

b) In our opinion and according to the information and explanations given to us, the Company has not been declared wilful defaulter by any bank or financial institution or Government or any Government authority.

c) In our opinion and according to the information and explanations given to us by the Management, the Company has not availed any term loan during the year. Accordingly, paragraph 3 (ix)(c) of the Order is not applicable to the Company.

d) In our opinion and according to the information and explanations given to us by the Management and on an overall examination of the standalone Ind-AS financial statements of the Company, funds raised on short-term basis have not been used during the year for long-term purposes by the Company.

e) According to the information and explanations given to us by the Management, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary Company. The Company does not have joint ventures or associate companies hence the question of reporting on the same does not arise.

f) According to the information and explanations given to us by the Management, the Company has not raised loans during the year on the pledge of securities held in its subsidiary Company. The Company does not have joint ventures or associate companies hence the question of reporting on the same does not arise.

x) Allotment of Shares

a) According to the information and explanations given to us by the Management, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally convertible) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.

xi) Frauds

a) According to the information and explanations given to us, on the basis of the records examined by us and representation from Management, no fraud by the Company or any fraud on the Company has been noticed or reported during the year.

b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

c) According to the information and explanations given to us and representation from Management, no whistle-blower complaints has been received by the Company during the year.

xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

xiii) 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 Act with respect to applicable transactions with the related

Annexure A to the Independent Auditor's Report (Contd.)

parties and details of such transactions have been disclosed in the standalone Ind-AS financial statements as required by the applicable accounting standards.

xiv) Internal Audit System

(a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

xv) 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 its directors and hence provisions of section 192 of the Act are not applicable to the Company.

xvi) (a) In our opinion, according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and has also not conducted any Non-Banking Financial or Housing Finance activities. Hence, reporting under clauses 3(xvi)(a) and (b) of the Order are not applicable.

(b) The Company and any other company in the Group is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Hence, reporting under clauses 3(xvi)(c) and (d) of the Order are not applicable.

xvii) According to the information and explanations given to us and based on our examination of the standalone Ind-AS financial statements of the Company, the Company has not incurred cash losses during the current financial year and the immediately preceding financial year.

xviii) There has been no resignation of the statutory auditor of the Company during the year.

xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone Ind-AS financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and representation from Management. Our report does not give any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx) Corporate Social Responsibility

There are no unspent amounts towards Corporate Social Responsibility (CSR) as at March 31, 2022. Accordingly, reporting under clause 3(xx)(a) and 3(xx)(b) of the Order is not applicable for the year.

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Reg. No.: 104607W / W100166

Daraius Z. Fraser
PARTNER
M. No.: 42454
UDIN: 22042454AJDLDB2149
Mumbai: May 17, 2022.

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, 2022, 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 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 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 standalone Ind-AS Financial Statements

A Company's internal financial control with reference to standalone Ind-AS 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;

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

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 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, to the best of our knowledge and according to the explanations given to us, 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, 2022, 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 issued by the Institute of Chartered Accountants of India.

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Reg. No.: 104607W / W100166

Daraius Z. Fraser
PARTNER
M. No.: 42454
UDIN: 22042454AJDLDB2149
Mumbai: May 17, 2022.

Standalone Balance Sheet

As at March 31, 2022

(₹ in Lakhs)

Particulars	Note	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	3	88,046	89,016
(b) Capital Work-In-Progress		819	1,397
(c) Investment Property	4	43	44
(d) Intangible Assets	5	355	114
(e) Investments in Wholly Owned Subsidiary	6	2,504	2,504
(f) Financial Assets			
(i) Other Investments	7	3,561	2,471
(ii) Other Financial Assets	8	708	680
(g) Non - Current Tax Assets (Net)		1,511	1,538
(h) Other Non-Current Assets	9	930	1,111
Total Non - Current Assets		**98,477**	**98,875**
Current Assets			
(a) Inventories	10	33,259	16,525
(b) Financial Assets			
(i) Investments	11	627	3,239
(ii) Trade Receivables	12	44,984	30,856
(iii) Cash and Cash Equivalent	13	1,155	4,409
(iv) Bank Balances other than (iii) above	14	382	3,556
(v) Other Financial Assets	15	137	145
(c) Other Current Assets	16	2,603	2,285
Total Current Assets		**83,147**	**61,015**
Total Assets		**181,624**	**159,890**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	17	16,657	16,622
(b) Other Equity	18	126,730	110,728
Total Equity		**143,387**	**127,350**
Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Lease Liabilities	19	286	386
(b) Provisions	20	1,580	1,563
(c) Deferred Tax Liabilities (Net)	34	10,281	9,563
Total Non - Current Liabilities		**12,147**	**11,512**
Current Liabilities			
(a) Financial Liabilities			
(i) Trade Payables			
(a) Total outstanding dues of micro and small enterprises	21	844	485
(b) Total outstanding dues to creditors other than micro and small enterprises	21	20,892	16,611
(ii) Lease Liabilities	22	266	175
(iii) Other Financial Liabilities	23	2,527	2,466
(b) Other Current Liabilities	24	1,067	653
(c) Provisions	25	494	534
(d) Current Tax Liabilities (Net)		-	104
Total Current Liabilities		**26,090**	**21,028**
Total Equity and Liabilities		**181,624**	**159,890**

Significant accounting policies 2

The accompanying notes form an integral part of the Standalone Financial Statements

In terms of our report attached.
For Kalyaniwalla & Mistry LLP
Chartered Accountants
Firm Reg. No. 104607W/W100166

For and on behalf of the Board of Directors

Hrishikesh A. Mafatlal
Chairman
DIN: 00009872

D N Mungale
Director & Chairman Audit Committee
DIN: 00007563

Daraius Z. Fraser
Partner
Membership No.:42454

S R Deo
Managing Director
DIN: 01122338

P. Srinivasan
Chief Financial Officer

Amit Vyas
Company Secretary

Place: Mumbai
Date: May 17, 2022

Standalone Statement of Profit and Loss

for the year ended March 31, 2022

(₹ in Lakhs)

	Particulars	Note	For the year ended March 31, 2022	For the year ended March 31, 2021
I	Revenue from Operations	26	157,131	92,466
II	Other Income	27	484	1,428
III	**Total Income (I + II)**		**157,615**	**93,894**
IV	**EXPENSES**			
	(a) Cost of materials consumed	28	94,524	47,876
	(b) Purchases of Stock-in-trade		272	142
	(c) Changes in stock of finished goods, work-in-progress and stock-in-trade	29	(8,894)	2,460
	(d) Employee benefits expense	30	7,771	6,722
	(e) Finance costs	31	107	96
	(f) Depreciation and amortisation expense	32	4,708	3,607
	(g) Other expenses	33	35,168	22,573
	Total Expenses (IV)		**133,656**	**83,476**
V	**Profit Before Tax (III - IV)**		**23,959**	**10,418**
VI	**Tax Expense**			
	(a) Current Tax	34	5,626	2,416
	(b) Deferred Tax	34	530	638
	(c) Short / (Excess) Provision for tax relating to earlier years	34	208	(1,285)
	Total Tax Expense (VI)		**6,364**	**1,769**
VII	**Profit After Tax (V -VI)**		**17,595**	**8,649**
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 / (assets)		(62)	128
	(b) Equity instruments through other comprehensive income		1,692	565
	(ii) Income tax relating to items that will not be reclassified to profit or loss			
	(a) On Remeasurements of the defined benefit liabilities / (assets)	34	(2)	(1)
	(b) On Equity instruments through other comprehensive income	34	(186)	(59)
	Total Other Comprehensive Income for the year		**1,442**	**633**
IX	**Total Comprehensive Income for the year (VII+VIII)**		**19,037**	**9,282**
X	**Earnings Per Equity Share (Face Value ₹ 10/- each)**	35		
	(a) Basic		10.57	5.21
	(b) Diluted		10.54	5.20

Significant accounting policies 2

The accompanying notes form an integral part of the Standalone Financial Statements

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Chief Financial Officer

Amit Vyas
Company Secretary

Standalone Statement of Cash Flows

for the year ended March 31, 2022

(₹ in Lakhs)

	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
A	**Cash flows from operating activities**		
	Profit before tax	23,959	10,418
	Adjustments for:		
	Finance costs	107	96
	Interest income	(88)	(1,150)
	Dividend income *	(151)	(0)
	Miscellaneous Income (Refer Note 45)	-	(7)
	Loss on Property, Plant and Equipment sold / scrapped / written off	157	23
	Provision for Doubtful Advances	8	-
	Bad Advances written off	3	-
	Excess provision for earlier years written back	(275)	(146)
	VAT Set Off Reversal	-	30
	Fair Value (gain)/loss on investments	(26)	(167)
	Depreciation / amortisation expenses	4,708	3,607
	Unrealised foreign exchange revaluation (Net)	(10)	(69)
	Expense recognised in respect of equity-settled share-based payments	37	96
	Rent from Investment Property / Others	(39)	(39)
	Income from Redemption of Mutual Fund	(106)	(56)
	Remeasurement of defined benefit liabilities / (assets) through OCI	(62)	128
	Operating profit before working capital changes (i)	**28,222**	**12,764**
	Adjustments for:		
	(Increase)/Decrease in Trade Receivables	(14,081)	(10,459)
	(Increase)/Decrease in Inventories	(16,734)	(2,913)
	(Increase)/Decrease in Other Assets - Current & Non Current	(319)	2,008
	(Increase)/Decrease in Other Financial Assets - Current & Non Current	(75)	(48)
	Increase/(Decrease) in Trade Payable	4,861	8,272
	Increase/(Decrease) in Provisions - Current & Non Current	(23)	(199)
	Increase/(Decrease) in Other Financial Liabilities - Current & Non Current	469	(327)
	Increase/(Decrease) in Other Liabilities - Current	414	(50)
	Changes in Working Capital (ii)	**(25,488)**	**(3,716)**
	Cash generated from operations (iii) = (i+ii)	**2,734**	**9,048**
	Income taxes paid (Net) (iv)	(5,910)	(10)
	Net cash (used in)/generated by operating activities (v)= (iii)+(iv)	**(3,176)**	**9,038**
B	**Cash flows from investing activities**		
	Payments to acquire financial assets	(17,672)	(12,882)
	Proceeds on redemption of financial assets	24,203	9,500
	Income from Promoter Entities post merger (Refer Note 45)	-	7
	Interest received	144	122
	Dividends received *	151	0
	Payments for purchase of property, plant and equipment	(3,297)	(2,637)
	Proceeds from disposal of property, plant and equipment	2	21

Standalone Statement of Cash Flows
for the year ended March 31, 2022 (Contd.)

(₹ in Lakhs)

Particulars		For the year ended March 31, 2022	For the year ended March 31, 2021
	Rent from Investment Property / Others	39	39
	Payments for Intangible assets	(286)	(36)
	Net cash generated by / (used in) investing activities (vi)	**3,284**	**(5,866)**
C	**Cash flows from financing activities**		
	Proceeds from issue of ESOPs	291	370
	Borrowings from Banks	4,006	-
	Repayment of borrowings	(4,006)	-
	Dividends paid	(3,317)	(71)
	Interest paid on Lease liability	(47)	(59)
	Principal payment of Lease Liability	(227)	(175)
	Interest paid	(60)	(37)
	Net cash (used in) / generated from financing activities (vii)	**(3,360)**	**28**
	Net (decrease) / increase in Cash and Cash Equivalents (v+vi+vii)	(3,252)	3,200
	Cash and cash equivalents at the beginning of the year	4,409	837
	Unrealised foreign exchange restatement in Cash and cash equivalents	(2)	36
	Acquired Pursuant to the Scheme of Merger (Refer Note 45)	-	336
	Cash and Cash Equivalents at the end of the year	**1,155**	**4,409**
	Reconciliation of Cash and Cash Equivalents with the Balance Sheet:		
	Cash and Cash Equivalents at end of the year (including other Bank Balances)	1,537	4,781
	Less: Unpaid Dividend Bank Account not considered as Cash and cash equivalents	(382)	(372)
	Cash and Cash Equivalents at end of the year	**1,155**	**4,409**

* 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 Kalyaniwalla & Mistry LLP
Chartered Accountants
Firm Reg. No. 104607W/W100166

Daraius Z. Fraser
Partner
Membership No.:42454

Place: Mumbai
Date: May 17, 2022

For and on behalf of the Board of Directors

Hrishikesh A. Mafatlal
Chairman
DIN: 00009872

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Managing Director
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P. Srinivasan
Chief Financial Officer

Amit Vyas
Company Secretary

Statement of Changes in Equity

for the year ended March 31, 2022

(a) Equity Share Capital (Refer Note 17)

(₹ in Lakhs)

Particulars	Amount
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**
Changes in equity share capital during the year:	
Issue of equity shares under employee stock option plan	35
Balance as at March 31, 2022	**16,657**

(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, 2020	**15**	**1,952**	**4,865**	**584**	**97,609**	**(3,233)**	**(752)**	**101,040**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-
Restated 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**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-
Restated balance as at March 31, 2021	**15**	**2,396**	**4,865**	**546**	**106,258**	**(2,727)**	**(625)**	**110,728**
Profit for the period	-	-	-	-	17,595	-	-	17,595
Other Comprehensive Income for the year, net of income tax	-	-	-	-	-	1,506	-	1,506
Remeasurement of Defined Benefit Obligation, net of income tax	-	-	-	-	-	-	(64)	(64)
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**17,595**	**1,506**	**(64)**	**19,037**
Premium on shares issued	-	360	-	-	-	-	-	360
Payment of dividend (₹ 2 per equity share for 2020-21)	-	-	-	-	(3,328)	-	-	(3,328)
Recognition of share based payments	-	-	-	(67)	-	-	-	(67)
Balance as at March 31, 2022	**15**	**2,756**	**4,865**	**479**	**120,525**	**(1,221)**	**(689)**	**126,730**

Refer Note 18 for nature and purpose of Reserves. The accompanying notes form an integral part of the standalone Financial Statements

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For Kalyaniwalla & Mistry LLP
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Daraius Z. Fraser
Partner
Membership No.:42454

Place: Mumbai
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Notes to Standalone Financial Statements

for the year ended March 31, 2022

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 processing 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, 2022, have been approved for issue in accordance with the resolution of the Board of Directors on May 17, 2022.

c) Functional and presentational currency

The financial statements are presented in Indian Rupees (₹), which is the Company's functional and presentational 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 and residual value of tangible assets and the assessment as to which components of the cost may be capitalised (Note 2(a))

Notes to Standalone Financial Statements

for the year ended March 31, 2022 (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.

f) Recent Amendments in Ind AS

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the Company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in the Statement of profit and loss.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 %' test of Ind AS 109 in assessing whether to derecognise a financial liability.

Notes to Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

Based on preliminary assessment, the Company does not expect the above amendments to have any significant impact in its standalone financial statements.

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.

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, except for auxiliaries and certain other machineries, where the life considered is 16-18 years instead of 25 years based on the technical evaluation done by the Company. Assets costing ₹ 50,000 or less are fully depreciated in the year of purchase.

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	10 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 asset's 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 asset 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

Notes to Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

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.

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

<u>**Initial recognition:**</u>

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.

<u>**Subsequent measurement of financial assets:**</u>

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.

<u>**Trade Receivables and Loans:**</u>

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.

<u>**Debt Instruments:**</u>

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

Notes to Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

- 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 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

Notes to Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

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.

<u>De-recognition of financial assets:</u>

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**

<u>Initial recognition</u>

Financial liabilities are recognised when the Company 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.

<u>Subsequent Measurement</u>

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.

<u>De-recognition</u>

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.

<u>Derivative financial instruments</u>

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.

Notes to Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

<u>Offsetting of financial instruments</u>

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 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 Revenues".

<u>Dividend and interest income</u>

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

<u>Short-term Employee Benefits:</u>

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.

<u>Post-Employment Benefits:</u>

(a) <u>Defined Contribution Plans</u>

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) <u>Defined Benefit Plans</u>

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

Notes to Standalone Financial Statements
for the year ended March 31, 2022 (Contd.)

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 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 Company recognises 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.

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 land and 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, if any.

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. Leasehold land is amortised on a straight-line basis over the period of the lease. 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 if 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.

<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

Notes to Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

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.

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 or loss for the period attributable to equity shareholders 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, 2022 (Contd.)

NOTE 3 PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars	Right of Use Assets-Land	Right of Use Assets-Buildings	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
I. Gross Carrying Value								
Balance as at April 1, 2021	**24,413**	**954**	**21,025**	**65,556**	**676**	**420**	**369**	**113,413**
Additions	-	228	163	3,310	69	23	67	3,860
Disposals / Adjustments	-	(9)	(154)	(221)	(2)	-	(8)	(394)
Balance as at March 31, 2022	**24,413**	**1,173**	**21,034**	**68,645**	**743**	**443**	**428**	**116,879**
II. Accumulated depreciation and impairment								
Balance as at April 1, 2021	**2,236**	**492**	**3,012**	**17,687**	**436**	**309**	**225**	**24,397**
Depreciation expense for the year	448	220	720	3,118	89	30	37	4,662
Eliminated on disposal of assets	-	-	(72)	(144)	(2)	-	(8)	(226)
Balance as at March 31, 2022	**2,684**	**712**	**3,660**	**20,661**	**523**	**339**	**254**	**28,833**
III. Net Carrying value as at March 31, 2022 (I-II)	**21,729**	**461**	**17,374**	**47,984**	**220**	**104**	**174**	**88,046**

(₹ in Lakhs)

Particulars	Right of Use Assets-Land	Right of Use Assets-Buildings	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
I. Gross Carrying Value								
Balance as at April 1, 2020	**24,413**	**1,136**	**18,995**	**51,857**	**556**	**373**	**416**	**97,746**
Additions	-	19	2,030	13,824	122	47	-	16,042
Disposals / Adjustments	-	(201)	-	(125)	(2)	-	(47)	(375)
Balance as at March 31, 2021	**24,413**	**954**	**21,025**	**65,556**	**676**	**420**	**369**	**113,413**
II. Accumulated depreciation and impairment								
Balance as at April 1, 2020	**1,789**	**271**	**2,347**	**15,773**	**335**	**243**	**208**	**20,966**
Depreciation expense for the year	447	221	665	2,020	102	66	40	3,561
Eliminated on disposal of assets	-	-	-	(106)	(1)	-	(23)	(130)
Balance as at March 31, 2021	**2,236**	**492**	**3,012**	**17,687**	**436**	**309**	**225**	**24,397**
III. Net Carrying value as at March 31, 2021 (I-II)	**22,177**	**462**	**18,013**	**47,869**	**240**	**111**	**144**	**89,016**

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, 2021	638	387	251
Additions during the year	24	-	24
Depreciation expense for the year	-	47	(47)
Disposals / Deletions	(2)	(1)	(1)
Balance as at March 31, 2022	**660**	**433**	**227**

Notes to Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

NOTE 3 PROPERTY, PLANT AND EQUIPMENT (Contd.)

b) Refer note 37 for disclosure of contractual commitment for acquisition of Property, Plant and Equipment.

c) The Company has not revalued its Property, Plant and Equipment (including Right of Use Asset) during the year.

d) In line with the accounting policy, the Company has reviewed the useful life of certain plant & equipments and accordingly an amount of ₹ 555 Lakhs has been charged off as depreciation during the year based on change in estimated useful life of certain assets.

e) Capital Work-in-Progress (CWIP) :

Ageing Schedule of Capital work-in-progress as on March 31, 2022

(₹ in Lakhs)

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	786	28	5	-	**819**
Projects temporarily suspended	-	-	-	-	**-**
Total	**786**	**28**	**5**	**-**	**819**

Ageing Schedule of Capital work-in-progress as on March 31, 2021

(₹ in Lakhs)

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	682	497	218	-	**1,397**
Projects temporarily suspended	-	-	-	-	-
Total	**682**	**497**	**218**	**-**	**1,397**

Capital Work-in-Progress completion schedule as at March 31, 2022

(₹ in Lakhs)

Overdue completion of Projects lying in Capital Work-in-progress	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects more than ₹ 10 Lakhs					
Expansion of storm water drain & effluent network	234	-	-	-	**234**
Hydrogen storage facility	84	-	-	-	**84**
Upgradation of utility network	76	-	-	-	**76**
Laboratory Information Management System(LIMS)	40	-	-	-	**40**
Procurement of crtical spares for Antioxidant	31	-	-	-	**31**
Total	**465**	**-**	**-**	**-**	**465**
Other Projects (below ₹ 10 Lakhs)	58	-	-	-	**58**
Total	**523**	**-**	**-**	**-**	**523**

Notes to Standalone Financial Statements
for the year ended March 31, 2022 (Contd.)

NOTE 4 INVESTMENT PROPERTY

(₹ in Lakhs)

Particulars		Buildings	Total
I.	**Gross Carrying Value**		
	Balance as at April 1, 2021	**83**	**83**
	Additions	-	-
	Disposals	-	-
	Balance as at March 31, 2022	**83**	**83**
II.	**Accumulated depreciation and impairment**		
	Balance as at April 1, 2021	**39**	**39**
	Depreciation expense for the year	1	1
	Eliminated on disposal of assets	-	-
	Balance as at March 31, 2022	**40**	**40**
III.	**Net Carrying value as at March 31, 2022 (I-II)**	**43**	**43**

(₹ 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**

Note:

a) Fair value disclosures

The fair value of the Company's investment properties as at March 31, 2022 and March 31, 2021 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, 2022 and March 31, 2021 are as follows:

(₹ in Lakhs)

Particulars	Amount	Fair value hierarchy
As at March 31, 2022		
Fair value of Investment property - Residential Units located in India	1,346	Level 2
As at March 31, 2021		
Fair value of Investment property - Residential Units located in India	1,346	Level 2

Notes to Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

NOTE 4 INVESTMENT PROPERTY (Contd.)

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 Property

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Rental Income derived from Investment Properties	25	26
Less: Direct Operating Expenses	(19)	(22)
Gain arising from Investment properties before depreciation	6	4
Less: Depreciation	(1)	(2)
Net Income arising from Investment properties	**5**	**2**

NOTE 5 INTANGIBLE ASSETS

(₹ in Lakhs)

	Particulars	Patents	Software	Total
I.	**Gross Carrying Value**			
	Balance as at April 1, 2021	**486**	**391**	**877**
	Additions	276	10	286
	Disposals	-	-	-
	Balance as at March 31, 2022	**762**	**401**	**1,163**
II.	**Accumulated amortisation**			
	Balance as at April 1, 2021	**481**	**282**	**763**
	Amortisation expense for the year	13	32	45
	Eliminated on disposal of assets	-	-	-
	Balance as at March 31, 2022	**494**	**314**	**808**
III.	**Net Carrying value as at March 31, 2022 (I-II)**	**268**	**87**	**355**

(₹ 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**

Notes to Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

NOTE 5 INTANGIBLE ASSETS (Contd.)

Note:

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, 2021	30	12	18
Additions during the year	-	-	-
Amortisation expense for the year	-	3	(3)
Balance as at March 31, 2022	**30**	**15**	**15**

b) All Intangible assets held by the Company are purchased and not internally generated.

c) The Company has not revalued its Intangible assets during the year.

NOTE 6 INVESTMENT IN WHOLLY OWNED SUBSIDIARY

(₹ in Lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	Amount	No. of shares	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 OTHER INVESTMENTS

(₹ in Lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	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	3,413	1,954,695	1,718
- HDFC Bank Limited (₹ 1/- each, fully paid-up)	10,000	147	10,000	150
Total Quoted Investments (A)		**3,560**		**1,868**
(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)
		-		-

Notes to Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

NOTE 7 NON CURRENT OTHER INVESTMENTS (Contd.)

(₹ in Lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares/units	Amount	No. of shares/units	Amount
Total Unquoted Investments (B)		**1**		**1**
(b) Investments in Mutual Funds (at fair value through profit and loss account (FVTPL))				
- Aditya Birla Sun Life FTP SJ (1135 days)	-	-	2,000,000	242
- IDFC Fixed Term Plan Series 177 Direct Plan (1160 Days)	-	-	2,000,000	243
- Aditya Birla Sun Life-FTP-Series SO-Direct (1099 days)	-	-	1,000,000	117
Total Investments in Mutual Funds (C)		**-**		**602**
Total Investments (A+ B+C)		**3,561**		**2,471**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Aggregate Amount of Quoted Investments	3,560	1,868
Market Value of Quoted Investments	3,560	1,868
Aggregate Amount of Unquoted Investments (At Cost)	19	621
Aggregate Amount of Impairment in the Value of Investments	18	18

* Amount less than ₹ 0.50 Lakhs

NOTE 8 NON CURRENT - OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Financial Assets (at amortised cost)		
Security Deposits		
- Unsecured, considered good	706	678
- Unsecured, considered doubtful	300	300
Less : Allowance for doubtful deposits	(300)	(300)
	706	**678**
Earmarked Balances		
- Deposit with Bank	1	1
Loans to employees		
- Unsecured, considered good	1	1
Total	**708**	**680**

Notes to Standalone Financial Statements
for the year ended March 31, 2022 (Contd.)

NOTE 9 OTHER NON CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with Government Authorities (other than income taxes)		
- CENVAT Credit Receivable	307	332
- VAT Credit Receivable	817	797
- Service Tax Credit Receivable	6	6
- Others	26	26
	1,156	**1,161**
Less: Provision for doubtful receivables	(302)	(302)
	854	**859**
Capital Advances	41	216
Prepaid Expenses	35	36
Total	**930**	**1,111**

NOTE 10 INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE)

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Raw materials (@)	19,119	11,900
Work-in-progress	2,063	1,275
Finished goods (#)	10,654	2,606
Stock-in-trade	71	12
Stores and spares	1,352	732
Total	**33,259**	**16,525**
Included above, goods-in-transit:		
(i) Raw materials	3,748	1,869
(ii) Finished goods	423	550
Total	**4,171**	**2,419**

(@) Net of write down of ₹ 109 Lakhs (Previous year Nil)

(#) Net of write down of ₹ 430 Lakhs (Previous year ₹ 283 Lakhs)

NOTE 11 FINANCIAL ASSETS - CURRENT INVESTMENTS

(₹ in Lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	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
ABSL Corporate Bond Fund - Direct - Growth	-	-	698,032	605
Kotak Corporate Bond Fund - Direct - Growth	-	-	19,893	594
Aditya Birla Sun Life FTP SJ (1135 days)	2,000,000	251	-	-
IDFC Fixed Term Plan Series 177 Direct Plan (1160 Days)	2,000,000	254	-	-
Aditya Birla Sun Life-FTP-Series SO-Direct (1099 days)	1,000,000	122	-	-
IDFC Arbitrage Fund -Direct - Growth	-	-	952,580	255
Axis Arbitrage Fund-Direct - Growth	-	-	2,470,127	381
Total (A)		**627**		**2,217**

Notes to Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

NOTE 11 FINANCIAL ASSETS - CURRENT INVESTMENTS (Contd.)

(₹ in Lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of units	Amount	No. of units	Amount
(b) Other Investments (at amortised cost)				
Intercorporate deposits with HDFC Limited		-		1,022
Total (B)		**-**		**1,022**
Total Investments (A+B)		**627**		**3,239**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Aggregate Amount of Quoted Investments	-	-
Market Value of Quoted Investments	-	-
Aggregate Amount of Unquoted Investments (At Cost)	627	3,239
Aggregate Amount of Impairment in the Value of Investments	-	-

NOTE 12 CURRENT FINANCIAL ASSETS -TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables		
(a) Considered good - Secured	-	-
(b) Considered good - Unsecured	44,984	30,856
(c) Which have significant increase in Credit Risk	-	-
(d) Credit Impaired	14	14
Less: Allowance for doubtful debts	(14)	(14)
Total	**44,984**	**30,856**

Trade Receivables Ageing Schedule as at March 31, 2022

(₹ in Lakhs)

Particulars	Not due	Outstanding for following periods from due date of payment		Total
		Less than 6 months	6 months -1 year	
(i) Undisputed Trade receivables – considered good	42,624	2,359	1	**44,984**
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-
Total	**42,624**	**2,359**	**1**	**44,984**

Notes to Standalone Financial Statements
for the year ended March 31, 2022 (Contd.)

NOTE 12 CURRENT FINANCIAL ASSETS -TRADE RECEIVABLES (Contd.)

Trade Receivables Ageing Schedule as at March 31, 2021

(₹ in Lakhs)

Particulars	Not due	Outstanding for following periods from due date of payment		Total
		Less than 6 months	6 months -1 year	
(i) Undisputed Trade receivables – considered good	28,192	2,659	5	**30,856**
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-
Total	**28,192**	**2,659**	**5**	**30,856**

NOTE 13 CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Cash on hand	11	11
Balances with banks	1,144	4,398
Total	**1,155**	**4,409**
Cash and Cash Equivalents as per Statement of Cash Flows	**1,155**	**4,409**

NOTE 14 CURRENT FINANCIAL ASSETS - OTHER BANK BALANCES

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Earmarked balances with banks		
- Unpaid dividend account	382	372
Investments in term deposits (with original maturity of more than three months but less than twelve months)	-	3,184
Total	**382**	**3,556**

Notes to Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

NOTE 15 CURRENT - OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Financial Assets (at amortised cost)		
Loans to employees		
- Unsecured, considered good	1	1
Interest accrued on deposits	26	82
Financial Assets at FVTPL		
Forward Cover / Options Contract Receivable	110	62
Total	**137**	**145**

NOTE 16 OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Advances to Suppliers and Others	278	848
Balances with Government Authorities (other than Income Taxes)		
- GST Credit Receivable	1,433	416
Prepaid expenses	752	593
Export incentive receivable	140	428
Other Advances *	0	0
Total	**2,603**	**2,285**

* Amount less than ₹ 0.50 Lakhs

NOTE 17 EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	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, Subscribed and Fully Paid:				
Equity shares of ₹ 10/- each	166,573,855	16,657	166,219,130	16,622

(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.

Notes to Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

NOTE 17 EQUITY SHARE CAPITAL (Contd.)

(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, 2022		As at March 31, 2021	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares Outstanding at the beginning of the year	166,219,130	16,622	165,605,955	16,561
Add: Allotment pursuant to exercise of stock options granted under Company's employee stock option plan (refer Note 39)	354,725	35	613,175	61
Equity Shares Outstanding at the end of the year	**166,573,855**	**16,657**	**166,219,130**	**16,622**

(iii) Details of shareholders holding more than 5% of the aggregate equity shares of the Company (*)

Name of Shareholders	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	% Shareholding	No. of Shares	% Shareholding
Mr Hrishikesh Arvind Mafatlal (as a Trustee of Gurukripa Trust)	30,326,782	18.21%	30,326,782	18.25%
Mafatlal Industries Limited	25,259,059	15.16%	25,259,059	15.20%

(*) refer note 45

(iv) Details of shareholding of promoters in the equity shares of the Company

Name of Promoter	As at March 31, 2022		% Change during the year
	No. of Shares	% Shareholding	
Mr Hrishikesh Arvind Mafatlal (as a Trustee of Gurukripa Trust)	30,326,782	18.21%	-
Mafatlal Industries Limited	25,259,059	15.16%	-
Mr Hrishikesh Arvind Mafatlal	791,468	0.48%	-
Mr Priyavrata Hrishikesh Mafatlal	12,495	0.01%	-
Mrs Rekha Hrishikesh Mafatlal	760	0.00%	-
Sumil Trading Private Limited	220	0.00%	-
Mr Hrishikesh Arvind Mafatlal (as a Trustee of Karuna Trust)	100	0.00%	-
Mr Hrishikesh Arvind Mafatlal (as a Trustee of Narsingha Trust)	100	0.00%	-
Mr Hrishikesh Arvind Mafatlal (as a Trustee of Shreeja Trust)	100	0.00%	-
Mrs Rekha Hrishikesh Mafatlal (as a Trustee of Radharaman Trust)	100	0.00%	-

(v) 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, 2022, 1,128,625 equity shares (as at March 31, 2021, 1,483,350 equity shares) of ₹ 10 each were reserved for outstanding employee share option granted.

(vi) 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.

(vii) There are no calls unpaid.

(viii) There are no forfeited shares.

Notes to Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

NOTE 18 OTHER EQUITY

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Capital reserve	15	15
Securities premium	2,756	2,396
General reserve	4,865	4,865
Share options outstanding account	479	546
Retained earnings	120,525	106,258
Equity Instrument through Other Comprehensive Income	(1,221)	(2,727)
Other Items of Other Comprehensive Income		
- Remeasurements of Defined Benefit Obligation	(689)	(625)
Total	**126,730**	**110,728**

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.

Details of dividends paid / proposed:

A dividend of ₹ 2/- per share has been paid on equity shares for year ended March 31, 2021, amounting to ₹ 3,328/- Lakhs during the current year.

A dividend of ₹ 3/- per share has been recommended on equity shares for year ended March 31, 2022. 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.

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.

Notes to Standalone Financial Statements
for the year ended March 31, 2022 (Contd.)

NOTE 19 NON CURRENT FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Financial Lease Liabilities	286	386
Total	**286**	**386**

NOTE 20 NON CURRENT PROVISIONS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits (Refer Note 40)		
- Gratuity	708	606
- Leave Encashment	872	957
Total	**1,580**	**1,563**

NOTE 21 CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Trade payables:		
(a) Payable to Micro and Small enterprises (Refer Note below)	844	485
(b) Payable to Others		
i) Acceptances	6,478	4,863
ii) Other than Acceptances	14,414	11,748
	20,892	**16,611**
Total	**21,736**	**17,096**

Trade Payables Ageing Schedule as at March 31, 2022

(₹ in Lakhs)

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME *	844	0	-	-	-	**844**
(ii) Others	19,305	1,580	2	3	2	**20,892**
(iii) Disputed dues – MSME	-	-	-	-	-	**-**
(iv) Disputed dues – Others	-	-	-	-	-	**-**
Total	**20,149**	**1,580**	**2**	**3**	**2**	**21,736**

Notes to Standalone Financial Statements
for the year ended March 31, 2022 (Contd.)

NOTE 21 CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES (Contd.)

Trade Payables Ageing Schedule as at March 31, 2021

(₹ in Lakhs)

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME *	477	8	0	-	-	**485**
(ii) Others *	15,547	1,059	3	2	0	**16,611**
(iii) Disputed dues – MSME	-	-	-	-	-	**-**
(iv) Disputed dues - Others	-	-	-	-	-	**-**
Total	**16,024**	**1,067**	**3**	**2**	**0**	**17,096**

(*) Amount less than ₹ 0.50 Lakhs

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, 2022	As at March 31, 2021
a) The principal amount remaining unpaid to any supplier at the end of the year	844	485
b) Interest due remaining unpaid to any supplier at the end of the year	-	-
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	-	-

NOTE 22 CURRENT FINANCIAL LIABILITIES - LEASE LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Financial Lease Liabilities	266	175
Total	**266**	**175**

Notes to Standalone Financial Statements
for the year ended March 31, 2022 (Contd.)

NOTE 23 CURRENT FINANCIAL LIABILITIES - OTHERS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Financial liabilities (at amortised cost except otherwise stated):		
Security Deposits	530	513
Unclaimed dividends (Refer note (a) below)	382	372
Payables for capital supplies	381	798
Salary, wages and bonus payable	871	671
Contribution payable towards employee benefits	198	-
MTM on forward contracts (at FVTPL)	3	-
Other payables	162	112
Total	**2,527**	**2,466**

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, 2022	As at March 31, 2021
Advances received from customers	215	109
Statutory remittances	848	525
Other liabilities	4	19
Total	**1,067**	**653**

NOTE 25 CURRENT PROVISIONS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits (Refer Note 40)		
- Gratuity	29	196
- Leave Encashment	465	338
Total	**494**	**534**

Notes to Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

NOTE 26 REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of goods (at contracted price)	156,125	91,306
Other operating revenues		
Sale of scrap	121	78
Profit on Sale of Raw Material	56	391
Duty drawback and other export incentives	451	470
Cash Discounts Received	17	14
Excess provision for earlier years written back	275	146
Miscellaneous income	86	61
Total	**157,131**	**92,466**

NOTE 27 OTHER INCOME

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a) Interest Income on		
- Bank deposits	60	97
- Income Tax/VAT Refund	-	964
- Intercorporate Deposits	10	55
- Other Deposits	18	34
	88	**1,150**
b) Dividend income from		
- Dividend reinvestment of Mutual Fund*	-	0
- Equity investments	151	-
	151	**0**
c) Other gains and losses		
- Net gain arising on short term financial investments mandatorily measured at FVTPL	26	167
- Net foreign exchange gain	74	9
	100	**176**
d) Other non-operating income		
- Rent from investment property / Others	39	39
- Miscellaneous income (Refer Note 45)	-	7
- Income from Redemption of Mutual Fund / Others	106	56
	145	**102**
Total	**484**	**1,428**

* Amount less than ₹ 0.50 Lakhs

Notes to Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

NOTE 28 COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening stock	11,900	6,425
Add: Purchases (Net)	101,743	53,351
	113,643	**59,776**
Less: Closing stock	19,119	11,900
Total	**94,524**	**47,876**

NOTE 29 CHANGES IN STOCK OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Closing stock		
- Finished goods	10,654	2,606
- Work in progress	2,063	1,275
- Stock-in-trade	71	13
	12,788	**3,894**
Opening stock		
- Finished goods	2,606	5,007
- Work in progress	1,275	1,318
- Stock-in-trade	13	29
	3,894	**6,354**
Net (Increase) / Decrease in Inventories	**(8,894)**	**2,460**

NOTE 30 EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, wages and bonus	6,529	5,726
Contribution to provident and other funds (Refer Note 40)	523	387
Employee Share based payment (Refer Note 39)	37	96
Staff welfare expenses	682	513
Total	**7,771**	**6,722**

NOTE 31 FINANCE COSTS

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest cost - on financial liability (at amortised cost)		
a) Borrowings from banks	26	-
b) Security deposits and others	81	96
Total	**107**	**96**

Notes to Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

NOTE 32 DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation of Property, Plant and Equipment (Refer Note 3)	4,662	3,561
Depreciation of Investment Properties (Refer Note 4)	1	2
Amortisation of Intangible Assets (Refer Note 5)	45	44
Total	**4,708**	**3,607**

NOTE 33 OTHER EXPENSES

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Power & Fuel oil consumed	14,222	7,454
Processing charges	3,906	3,400
Selling and Distribution expenses	6,288	3,673
Consumption of packing materials	2,134	1,564
Stores and spares consumed	1,519	961
Rent including lease rentals	6	12
Repairs and maintenance:		
- Plant & machinery	1,575	936
- Buildings	250	188
Insurance charges	476	420
Rates and taxes	159	198
Auditors remuneration and out-of-pocket expenses (Refer Note (a))	37	33
Loss on Property, Plant & Equipment sold/scrapped/written off	157	23
Expenses on corporate social responsibility (Refer Note (b))	373	480
Provision for Doubtful Advances	8	-
Bad Advances written off	3	-
Sitting Fees and Commission Paid to Directors	254	175
Other General Expenses	3,801	3,056
Total	**35,168**	**22,573**

Note (a)

(₹ in Lakhs)

Auditors remuneration and out-of-pocket expenses (net of GST):	For the year ended March 31, 2022	For the year ended March 31, 2021
(i) As Auditors	31	31
(ii) For other services - Certification work	6	2
(iii) Auditors out-of-pocket expenses*	0	-
Total	**37**	**33**

* Amount Less than ₹ 0.50 Lakhs

Notes to Standalone Financial Statements
for the year ended March 31, 2022 (Contd.)

NOTE 33 OTHER EXPENSES (Contd.)

Note (b)

Corporate Social Responsibility

The Company has spent ₹ 373 Lakhs during the financial year (Previous Year ₹ 480 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 ₹ 373 Lakhs (Previous Year ₹ 480 Lakhs)

(b) Shortfall as at March 31, 2022 - Nil

(c) Shortfall as at March 31, 2021 - Nil

(d) Amount spent during the year in cash :

(₹ in Lakhs)

Nature of CSR Activities	For the year ended March 31, 2022	For the year ended March 31, 2021
(i) On Construction / acquisition of any asset	-	-
(ii) On Education, Health, Poverty alleviation, others	373	480
Total	**373**	**480**

(e) Details of related party transactions (refer note 41)

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(i) Sri Chaitanya Seva Trust	140	150
(ii) N. M. Sadguru Water and Development Foundation	55	50
(iii) BAIF Institute for Sustainable Livelihood and Development	15	-

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, 2022	For the year ended March 31, 2021
Current Tax:		
Current Income Tax Charge	5,626	2,416
Adjustments in respect of prior years	208	(1,285)
Total	**5,834**	**1,131**
Deferred Tax:		
In respect of current year	530	638
Total	**530**	**638**
Total tax expense recognised in Statement of Profit and Loss	**6,364**	**1,769**

Notes to Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

NOTE 34 CURRENT TAX AND DEFERRED TAX (Contd.)

(b) Income Tax recognised in Other Comprehensive Income

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Deferred Tax (Liabilities)/Assets:		
Remeasurement of Defined Benefit Obligations	(2)	(1)
Net fair value (gain)/loss on investments in equity shares at FVTOCI	(186)	(59)
Total	**(188)**	**(60)**

(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, 2022	For the year ended March 31, 2021
Profit before tax	23,959	10,418
Less: Income taxed at different tax rate	106	56
Profit before tax	**23,853**	**10,362**
Income Tax using the Company's domestic Tax rate #	6,004	2,608
Effect of expenses that are not deductible in determining taxable profit	278	330
Effect of income that is not taxable in determining taxable profit	(6)	(42)
Effect of expenditure eligible for weighted deduction / expenditure not debited to Profit and Loss but allowed as deduction	(82)	(54)
Effect of reversal of deferred tax liability (Net)	(79)	159
Effect of income taxed at different rate	41	53
Adjustments in respect of prior years	208	(1,285)
Income tax expense recognised in Statement of Profit and Loss	**6,364**	**1,769**

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, 2022

(₹ 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	10,313	529	-	10,842
Financial asset measured at FVTOCI*	(379)	0	186	(193)
Defined benefit obligation	(505)	3	2	(500)
Provision for doubtful debts / advances	(79)	(2)	-	(81)
Other non financial assets	213	-	-	213
Net Tax (Assets)/Liabilities	**9,563**	**530**	**188**	**10,281**

Notes to Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

NOTE 34 CURRENT TAX AND DEFERRED TAX (Contd.)

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)
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**

* Amount Less than ₹ 0.50 Lakhs

NOTE 35 EARNINGS PER SHARE

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
1. Calculation of weighted average number of equity shares - Basic		
(a) Number of equity shares at the beginning of the year (in units)	166,219,130	165,605,955
(b) Number of equity shares issued during the year (in units)	354,725	613,175
(c) Number of equity shares outstanding at the end of the year (in units)	166,573,855	166,219,130
(d) Weighted number of equity shares outstanding during the year (in units)	166,436,713	165,866,738
2. Calculation of weighted average number of equity shares - Diluted		
(a) Number of potential equity shares at the beginning of the year (in units)	167,702,480	167,709,680
(b) Number of potential equity shares outstanding at the end of the year (in units)	167,702,480	167,702,480
(c) Weighted number of potential equity shares outstanding during the year (in units)	166,987,514	166,242,441
3. Profit for the year (₹ in Lakhs)	**17,595**	**8,649**
(a) Basic Earnings per share of ₹ 10/- each (3/1(d))	10.57	5.21
(b) Diluted Earnings per share of ₹ 10/- each (3/2(c))	10.54	5.20

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.

Notes to Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

NOTE 36 LEASES (Contd.)

The specified disclosure in respect of these agreements is given below:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Charged to Statement of Profit and Loss	6	12
Future Minimum Lease rentals Payable under non-cancellable operating leases are as follows:		
Within one year	18	15
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 ₹ 39 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, 2022	As at March 31, 2021
(a)	**Contingent liabilities :**		
	Claims against the Company not acknowledged as debts (including Direct and Indirect taxes)	4,039	3,119
(b)	**Commitments :**		
	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	350	776
	The Company did not have any long-term contracts including derivative contracts for which any provision was required for foreseeable losses.		

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, 2022	For the year ended March 31, 2021
(i)	**Capital expenditure**		
	(a) Capital equipments	24	41
(ii)	**Revenue expenditure**		
	(a) Salaries / wages	402	439
	(b) Travelling & Conveyance Expenses	15	12
	(c) Repairs & Maintainance	40	32
	(d) Communication Expenses	1	-
	(e) Materials/Consumables	23	16
	(f) Housekeeping	2	1
	(g) Others	25	14
	(h) Depreciation	49	38
Total revenue expenditure (a) to (h)		**557**	**552**
(iii)	**Total R & D expenditure (i+ii)**	**581**	**593**
(iv)	**Amount received by R & D facilities**	**-**	**-**
(v)	**Net amount of R & D expenditure**	**581**	**593**

Notes to Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

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.

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, 2022	March 31, 2021
		₹	₹	Number of options	Number of options
Grant 5 - 2015-16	2025-26	37.65	16.27	44,750	95,675
Grant 6 - 2016-17	2026-27	52.85	19.44	56,050	169,725
Grant 7 - 2016-17	2026-27	84.05	28.74	422,925	549,050
Grant 8 - 2017-18 *	2027-28	188.35	69.28	297,000	329,600
Grant 9 - 2018-19 *	2028-29	142.45	46.27	307,900	339,300
Total				**1,128,625**	**1,483,350**
Weighted average remaining contractual life of options outstanding at end of year				5.77	6.62

* 9500 and 15600 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, 2022	March 31, 2021
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		

Notes to Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

NOTE 39 SHARE BASED PAYMENTS (Contd.)

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.

Movement of Options Granted along with weighted average exercise price (WAEP)

(₹ in Lakhs)

Particulars	Year ended March 31, 2022		Year ended March 31, 2021	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Balance at beginning of period not exercised	1,483,350	114.02	2,103,725	98.49
Granted during the period	-	-	-	-
Forfeited during the period	-	-	(7,200)	-
Exercised during the period	(354,725)	82.15	(613,175)	60.40
Balance at end of period	**1,128,625**	**124.04**	**1,483,350**	**114.02**
Exercisable at the end of the year	1,043,800		1,231,300	

The weighted average share price at the dates of exercise of options exercised during the year ended March 31, 2022 was ₹ 242.28 (year ended March 31, 2021 : ₹ 152.70)

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

Notes to Standalone Financial Statements
for the year ended March 31, 2022 (Contd.)

NOTE 40 EMPLOYEE BENEFIT PLANS (Contd.)

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.

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, 2022	For the year ended March 31, 2021
i) Employer's Contribution to Provident Fund and Pension	262	259
ii) Employer's Contribution to Superannuation Fund	52	55
Total	**314**	**314**

(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, 2022 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.

Particulars	Gratuity (Funded)	
	As at March 31, 2022	As at March 31, 2021
1. Discount rate	7.15%	6.86%
2. Salary escalation	6.00%	6.00%
3. Rate of Employee Turnover	6.00%	6.00%
4. Mortality rate	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2006-08)

Notes to Standalone Financial Statements
for the year ended March 31, 2022 (Contd.)

NOTE 40 EMPLOYEE BENEFIT PLANS (Contd.)

B. Expenses recognised in the Statement of Profit and Loss

(₹ in Lakhs)

Particulars	Gratuity (Funded)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Current service cost	104	99
Net Interest cost	53	71
Components of defined benefit costs recognised in the Statement of Profit and Loss	**157**	**170**

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)

Particulars	Gratuity (Funded)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest Cost	179	201
(Interest Income)	(126)	(130)
Net interest cost recognised in the Statement of Profit and Loss	**53**	**71**

C. Expenses recognised in the Other Comprehensive Income (OCI)

(₹ in Lakhs)

Particulars	Gratuity (Funded)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Actuarial (Gains)/Losses on Obligation For the Period - Due to changes in financial assumptions	(23)	(2)
Actuarial (Gains)/Losses on Obligation For the Period - Due to experience adjustment	60	(159)
Actuarial (Gains)/Losses on Obligation For the Period - Due to demographic assumptions *	(0)	-
Return on Plan Assets, excluding Interest Income	26	32
Net Expense / (Income) recognised in OCI	**63**	**(129)**

* Amount Less than ₹ 0.50 Lakhs

D. Amount recognised in the Balance Sheet

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Present Value of Defined Benefit Obligation as at the end of the year	(2,584)	(2,605)
Fair Value of plan assets	1,708	1,842
Net Liability recognised in the Balance Sheet	**(876)**	**(763)**

Notes to Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

NOTE 40 EMPLOYEE BENEFIT PLANS (Contd.)

E. Movements in the present value of defined benefit obligation are as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening defined benefit obligation	2,605	2,942
Current Service Cost	104	99
Interest cost	179	201
Actuarial (gains) / losses	36	(160)
Benefits Paid (From the Fund)	(195)	(355)
Benefit Paid (Directly by the Employer)	(145)	(122)
Closing defined benefit obligation	**2,584**	**2,605**

F. Movements in the fair value of the plan assets are as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening fair value of the plan assets	1,842	1,903
Contributions by the Employer	(39)	196
Return on Plan Assets, excluding Interest Income	(26)	(32)
Interest income	126	130
Benefits paid	(195)	(355)
Closing fair value of plan assets	**1,708**	**1,842**

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, 2022	Estimated for the year ended March 31, 2021
1st Following Year	875	575
2nd Following Year	242	356
3rd Following Year	459	379
4th Following Year	218	425
5th Following Year	275	394
Sum of Years 6 To 10	784	783
Sum of Years 11 and above	570	712

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

Notes to Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

NOTE 40 EMPLOYEE BENEFIT PLANS (Contd.)

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, 2022	As at March 31, 2021
Projected Benefit Obligation on Current Assumptions		
Impact of +0.5% Change in Rate of Discounting	(39)	(43)
Impact of -0.5% Change in Rate of Discounting	41	45
Impact of +0.5% Change in Rate of Salary Increase	41	45
Impact of -0.5% Change in Rate of Salary Increase	(40)	(40)
Impact of +0.5% Change in Rate of Employee Turnover	2	2
Impact of -0.5% Change in Rate of Employee Turnover	(2)	(2)

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 (PIL)
Key Management Personnel	
- Chairman	Mr. H. A. Mafatlal
- Managing Director	Mr. S R. Deo
- Deputy Managing Director	Mr. V.S. Anand (w.e.f. March 2, 2022)
Enterprises over which Key Management Personnel and their relatives are able to exercise significant influence	Mafatlal Industries Limited
	Vrata Tech Private Limited
	Sri Chaitanya Seva Trust
	N. M. Sadguru Water and Development Foundation
	BAIF Institute for Sustainable Livelihood and Development
	NOCIL Employee Trust Funds

B. Nature of Transactions/ Names of Related Parties

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
A Subsidiary Company		
I PIL Chemicals Limited		
1 Processing Charges	1,841	1,518
2 Dividend Received	150	-
B Enterprises over which Key Management Personnel and their relatives are able to exercise significant influence*		
I Mafatlal Industries Limited		
1 Reimbursement of Expenses	8	5
II Vrata Tech Private Limited		
1 IT Services	1	-

Notes to Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

NOTE 41 RELATED PARTY DISCLOSURES (Contd.)

(₹ in Lakhs)

Particulars			For the year ended March 31, 2022	For the year ended March 31, 2021
	III	**Sri Chaitanya Seva Trust**		
		1 Expenditure on CSR Activities	140	150
	IV	**N. M. Sadguru Water and Development Foundation**		
		1 Expenditure on CSR Activities	55	50
	V	**BAIF Institute for Sustainable Livelihood and Development**		
		1 Expenditure on CSR Activities	15	-
	VI	**NOCIL Employee Trust Funds**		
		1 Contributions paid to funds	60	366
		2 Post Employement Benefits paid on behalf of Trust	235	611
C	**Key Management Personnel #**			
	1	Short-term employee benefits	808	541
	2	Post-employment benefits	70	68
	3	Share-based payment	8	20

* 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			For the year ended March 31, 2022	For the year ended March 31, 2021
A	**Subsidiary Company**			
	I	**PIL Chemicals Limited**		
		1 Trade Payable	322	172
B	**Enterprises over which Key Management Personnel and their relatives are able to exercise significant influence**			
	I	**Mafatlal Industries Limited**		
		1 Trade Receivables*	-	0
		2 Trade Payable	3	-
	II	**NOCIL Employee Trust Funds**		
		1 Contributions Payable to Funds	198	-
		2 Advance to Post Employment Retirement Funds	-	75
C	**Key Management Personnel**		480	230

* 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, 2022 (Contd.)

NOTE 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, 2022	As at March 31, 2021
Financial assets		
Measured at FVTPL		
(a) Mutual Fund Investments	627	2,819
(b) Other financial assets (including Derivate Financial Instruments)	110	62
Measured at amortised cost		
(a) Cash and cash equivalent	1,155	4,409
(b) Bank balance other than (a) above	382	3,556
(c) Trade receivables	44,984	30,856
(d) Other financial assets (including Security Deposits)	735	762
(e) Inter Corporate Deposits	-	1,022
Measured at FVTOCI		
(a) Investments in equity instruments	3,561	1,869
Total Financial Assets	**51,554**	**45,355**
Financial liabilities		
Measured at FVTPL		
(a) Other financial liabilities	3	-
Measured at amortised cost		
(a) Trade payables	21,736	17,096
(b) Financial Lease Liabilities	552	561
(c) Other financial liabilities	2,524	2,466
Total Financial Liabilities	**24,815**	**20,123**

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 in financial instruments, including derivative financial instruments, for speculative purposes.

Notes to Standalone Financial Statements
for the year ended March 31, 2022 (Contd.)

NOTE 42 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Contd.)

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:

	Particulars	As at March 31, 2022	As at March 31, 2021
A.	**USD Currency:**		
	Financial Liabilities		
	In USD million	10.95	9.04
	Equivalent in ₹ Lakhs	8,283	6,641
	Financial Assets		
	In USD million	18.44	11.11
	Equivalent in ₹ Lakhs	13,950	8,168
B.	**Euro Currency:**		
	Financial Liabilities		
	In Euro million	0.002	0.11
	Equivalent in ₹ Lakhs	2	97
	Financial Assets		
	In Euro million	0.24	0.12
	Equivalent in ₹ Lakhs	206	102

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

Notes to Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

NOTE 42 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Contd.)

5% strengthening of the Rupee against the relevant currency , there would be a comparable reverse impact on the profit or equity.

(₹ in Lakhs)

Particulars	USD Currency Impact	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Impact on Statement of Profit and Loss for the year		
5% strengthening against US Dollar	(283)	(76)
5% weakening against US Dollar	283	76

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.

Financial assets/ (Financial liabilities)	Particulars	As at March 31, 2022	As at March 31, 2021
Derivative Assets / (Liabilities) measured at FVTPL:			
(i) Forward contracts	Notional value (USD million) - Sell position	4.0	2.0
	No. of Contracts	6	3
	Fair value (₹ Lakhs)	50	6
	Notional value (USD million) - Buy position	0.5	-
	No. of Contracts	2	-
	Fair value (₹ Lakhs)	3	-
(ii) Option contracts	Notional value (USD million) - Sell position	3.0	3.0
	No. of Contracts	12	6
	Fair value (₹ Lakhs)	60	56

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 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.

Notes to Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

NOTE 42 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Contd.)

The Company manages the surplus funds majorly through combination of investments in debt based /arbitrage / 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, 2022 would increase/decrease by ₹ 178 Lakhs (Previous year: increase/decrease by ₹ 93 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, 2022 would increase / decrease by ₹ 6 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 ranging between 60 to 90 days. The Company's trade and other receivables consists of a large number of customers, hence the Company is not exposed to concentration risk.

Refer note 12 for ageing analysis of trade receivables.

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

Notes to Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

NOTE 42 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Contd.)

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, 2022			
Trade Payables	21,729	7	-
Other Financial Liabilities	2,524	-	-
Total	**24,253**	**7**	**-**
March 31, 2021			
Trade Payables	17,091	5	-
Other Financial Liabilities	2,466	-	-
Total	**19,557**	**5**	**-**

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)	As at March 31, 2022	As at March 31, 2021	Fair value hierarchy	Valuation technique(s) and key input(s)
a) At FVTPL:				
(i) Investments in Mutual funds	627	2,819	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)	110	62	Level 2	MTM of derivative instrument is provided by the bankers as at the reporting date
(iii) Other financial liabilities	3	-	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)	3,560	1,868	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

Notes to Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

NOTE 43 FAIR VALUE MEASUREMENTS (Contd.)

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, 2022		As at March 31, 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets held at amortised cost:				
Cash and cash equivalent	1,155	1,155	4,409	4,409
Other Bank balance	382	382	3,556	3,556
Trade receivables	44,984	44,984	30,856	30,856
Other financial assets	735	735	762	762
Inter Corporate Deposits	-	-	1,022	1,022
Financial liabilities held at amortised cost:				
Trade Payables	21,736	21,736	17,096	17,096
Financial Lease Liability	552	552	561	561
Other financial liabilities	2,524	2,524	2,466	2,466

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 statement.

(ii) There are no loans, securities and guarantees given / provided during the year.

NOTE 45 MERGER OF PROMOTER GROUP ENTITIES WITH THE COMPANY

A. Pursuant to the Scheme of Amalgamation of Suremi Trading Private Limited and Sushripada Investments Private Limited (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, 21,599,859 equity shares and 9,517,830 equity shares in NOCIL held by Suremi Trading Private Limited and Sushripada Investments Private Limited respectively were cancelled and instead, the Company during the previous year issued 31,117,689 equity shares to the shareholders of the Promoter Entities, 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 Mafatlal	439
3	Mr Hrishikesh Arvind Mafatlal (as a trustee of Gurukripa Trust)	30,326,682
	Total	**31,117,689**

Notes to Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

NOTE 45 MERGER OF PROMOTER GROUP ENTITIES WITH THE COMPANY (Contd.)

B. In accordance with the terms of the Scheme:

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) in the previous period.

C. 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 in the previous year ended March 31, 2021 are as under:

Particulars	Suremi	Sushripada
Revenue (Sale of Uniforms)	865	0
Other Income	3	2
Total Income	**868**	**2**
Purchase of Uniforms	857	0
Employee Benefit Expense	4	0
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 RATIO ANALYSIS

Ratio	Numerator	Denominator	Current year ratio	Previous year ratio	Variance	% Change	Reason for Variance > 25%
Current Ratio	Current Assets	Current Liabilities	3.19	2.90	0.29	10%	-
Debt - Equity ratio	Total Debt	Shareholder's Equity	NA				
Debt Service coverage ratio	Earnings available for debt service (Note a)	Interest cost + debts as on balance sheet date	NA				
Return on Equity Ratio	Profit after tax	Average Shareholder's Equity (Note b)	13%	7%	6%	84%	On account of improved selling prices, capacity utilisation netted off by increase in input costs.
Inventory Turnover Ratio	Cost of goods sold	Average inventory (Note c)	4.95	5.06	-0.11	-2%	-
Trade Receivable Turnover Ratio	Net Credit Sales	Average Trade Receivables (Note d)	4.12	3.57	0.55	15%	-
Trade Payable Turnover Ratio	Net Credit Purchases of materials	Average Trade payables (Note e)	6.21	4.87	1.34	27%	Improved due to higher local purchases where average credit terms are lower than import credit terms.
Net Capital Turnover Ratio	Net Sales	Working Capital (Note f)	2.74	2.29	0.45	20%	-

Notes to Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

NOTE 46 RATIO ANALYSIS (Contd.)

Ratio	Numerator	Denominator	Current year ratio	Previous year ratio	Variance	% Change	Reason for Variance > 25%
Net Profit ratio	Profit after tax	Operating Revenue	11%	9%	2%	20%	-
Return on Capital Employed	Earning before Interest and tax	Average Capital Employed (Note g)	17%	8%	9%	107%	On account of improved selling prices, capacity utilisation netted off by increase in input costs.
Return on Investment	Income on investment	Average Invested Funds	23%	9%	13%	140%	Increase in Fair Value of Non Current Investment

Note :

(a) Earnings available for debt service : Net Profit after Tax + Depreciation + Interest Cost + Loss on Sale of Property, Plant and Equipments

(b) Average Shareholders Equity : (Opening Shareholders Equity + Closing Shareholders Equity)/ 2

(c) Average Inventory : (Opening Inventory + Closing Inventory)/ 2

(d) Average Trade Receivables : (Opening Trade Receivables + Closing Trade Receivables)/ 2

(e) Average Trade Payables : (Opening Trade Payables + Closing Trade Payables)/ 2

(f) Working Capital : Current Assets - Current Liabilities

(g) Average Capital Employed : {Opening (Networth + Borrowings + Deferred Tax Liabilities)+Closing (Networth + Borrowings + Deferred Tax Liabilities)}/2

NOTE 47 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 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 The Company has complied with number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of layers) Rules, 2017 as at March 31, 2022.

NOTE 50 The Company has not advanced any funds or loaned or invested by the Company to or in any other person(s) or entities, including foreign entities ("Intermediaries"), with the understanding that the intermediary shall whether directly or indirectly lend or invest in other persons or entities identified in any manner by or on behalf of the Company (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of ultimate beneficiaries.

The Company has not received any funds from any person(s) or entities including foreign entities ("Funding Parties") with the understanding that such Company shall whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or provide guarantee, security or the like on behalf of the Ultimate beneficiaries.

Notes to Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

NOTE 51 The Company has not granted Loans or Advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person during the year.

NOTE 52 The Company has borrowings from banks on the basis of security of current assets during the current year to whom quarterly statements of current assets were filed by the Company, which are in agreement with the books of accounts.

The Company had no borrowings during the previous year from banks or financial institutions and from financial institution in the current year.

NOTE 53 The Company has earned profits in the current financial year, the current assets are more than the current liabilities and there are accumulated profits as on the balance sheet date. Hence, the financial statements have been prepared on going concern basis.

NOTE 54 No transactions to report against the following disclosure requirements as notified by MCA pursuant to amended Schedule III :

(a) As on March 31, 2022, the Company has not been declared wilful defaulter by any bank or financial institution or other lender.

(b) The Company is not engaged in the business of trading or investing in crypto currency or virtual currency.

(c) The Company does not have any charges or satisfaction yet to be registered with the Registrar of Companies (ROC) beyond the statutory period as at March 31, 2022.

(d) No proceedings have been initiated or are pending against the Company as on March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(e) The Company does not have any transaction with companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.

Independent Auditor's 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, 2022, the Consolidated Statement of Profit and Loss (*including Other Comprehensive Income*), 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 ('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 (Indian Accounting Standards) Rules, 2015, as amended, (Ind-AS) and with other accounting principles generally accepted in India, of the state of affairs of the Group as at March 31, 2022, 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 (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, 2022, the Group recognised revenues from sale of goods aggregating to ₹ 156,125 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 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 (cut-off testing).

Independent Auditor's 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 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.	**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.

Independent Auditor's Report (Contd.)

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 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

Independent Auditor's Report (Contd.)

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 with reference to consolidated Ind-AS financial statements 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.
- 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 ₹ 4,283 Lakhs as at March 31, 2022, total revenue of ₹ 1,895 Lakhs and net cash outflows amounting to ₹ 14

Independent Auditor's Report (Contd.)

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.

   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, 2022, 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, 2022, 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 consolidated Ind-AS 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 37 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 Notes 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.

Independent Auditor's Report (Contd.)

iv) The respective Management of the Holding Company and its subsidiary whose financial statements have been audited under the Act has represented that:

a) to the best of their knowledge and belief, other than as disclosed in the consolidated Ind-AS financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) to the best of their knowledge and belief, other than as disclosed in the consolidated Ind-AS financial statements, no funds have been received by the Holding Company or any of such subsidiary from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

Based on such audit procedures performed by us which is considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material misstatement.

v) As per information and explanation represented by Management and based on the records of the Holding Company, the dividend proposed in the previous year, declared and paid by the Holding Company during the year is in accordance with Section 123 of the Act, as applicable.

The Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Holding Company and its subsidiary included in the consolidated financial statements, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Reg. No.: 104607W / W100166

Daraius Z. Fraser
PARTNER
M. No.: 42454
UDIN: 22042454AJDLQB9427
Mumbai: May 17, 2022.

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 Holding Company on the consolidated Ind-AS financial statements for the year ended March 31, 2022.

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, 2022, 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 Group are responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated Ind-AS financial statements criteria established by the Group 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").

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 Act, 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 consolidated Ind-AS financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

A Company's internal financial control with reference to consolidated Ind-AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated Ind-AS financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to consolidated Ind-AS 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 Group;

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 Group are being made only in accordance with authorisations of management and directors of the Group; and

3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Group'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, 2022, 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: 22042454AJDLQB9427
Mumbai: May 17, 2022.

Consolidated Balance Sheet

as at March 31, 2022

(₹ in Lakhs)

Particulars	Note	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	3	90,539	91,601
(b) Capital Work-in-Progress		837	1,410
(c) Investment Property	4	43	44
(d) Intangible Assets	5	356	117
(e) Financial Assets			
(i) Other Investments	6	3,586	2,498
(ii) Other Financial Assets	7	757	729
(f) Non - Current Tax Assets (Net)		1,599	1,669
(g) Other Non-Current Assets	8	938	1,126
Total Non - Current Assets		**98,655**	**99,194**
Current Assets			
(a) Inventories	9	33,274	16,566
(b) Financial Assets			
(i) Investments	10	1,761	4,345
(ii) Trade Receivables	11	44,984	30,856
(iii) Cash and Cash Equivalent	12	1,217	4,485
(iv) Bank Balances other than (iii) above	13	382	3,556
(v) Other Financial Assets	14	142	151
(c) Other Current Assets	15	2,635	2,306
Total Current Assets		**84,395**	**62,265**
Total Assets		**183,050**	**161,459**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	16	16,657	16,622
(b) Other Equity	17	127,864	111,851
Total Equity		**144,521**	**128,473**
Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Lease Liabilities	18	286	386
(b) Provisions	19	1,636	1,610
(c) Deferred Tax Liabilities (Net)	33	10,679	9,954
Total Non - Current Liabilities		**12,601**	**11,950**
Current Liabilities			
(a) Financial Liabilities			
(i) Trade Payables			
(a) Total outstanding dues of micro and small enterprises	20	856	496
(b) Total outstanding dues to creditors other than micro and small enterprises	20	20,656	16,515
(ii) Lease Liabilities	21	266	175
(iii) Other Financial Liabilities	22	2,532	2,470
(b) Other Current Liabilities	23	1,113	692
(c) Provisions	24	505	558
(d) Current Tax Liabilities (Net)		-	130
Total Current Liabilities		**25,928**	**21,036**
Total Equity and Liabilities		**183,050**	**161,459**
Significant accounting policies	2		

The accompanaying notes form an integral part of the Consolidated Financial Statements

In terms of our report attached.
For Kalyaniwalla & Mistry LLP
Chartered Accountants
Firm Reg. No. 104607W/W100166

For and on behalf of the Board of Directors

Hrishikesh A. Mafatlal
Chairman
DIN: 00009872

D N Mungale
Director & Chairman Audit Committee
DIN: 00007563

Daraius Z. Fraser
Partner
Membership No.:42454

S R Deo
Managing Director
DIN: 01122338

P. Srinivasan
Chief Financial Officer

Amit Vyas
Company Secretary

Place: Mumbai
Date: May 17, 2022

Consolidated Statement of Profit and Loss

for the year ended March 31, 2022

(₹ in Lakhs)

	Particulars	Note	For the year ended March 31, 2022	For the year ended March 31, 2021
I	Revenue from Operations	25	157,131	92,466
II	Other Income	26	388	1,472
III	**Total Income (I + II)**		**157,519**	**93,938**
IV	**EXPENSES**			
	(a) Cost of materials consumed	27	94,524	47,876
	(b) Purchases of Stock-in-trade		272	142
	(c) Changes in stock of finished goods, work-in-progress and stock-in-trade	28	(8,865)	2,445
	(d) Employee benefits expense	29	8,081	7,005
	(e) Finance costs	30	109	97
	(f) Depreciation and amortisation expense	31	4,834	3,743
	(g) Other expenses	32	34,502	21,917
	Total Expenses (IV)		**133,457**	**83,225**
V	**Profit Before Tax (III - IV)**		**24,062**	**10,713**
VI	**Tax Expense**			
	(a) Current tax	33	5,706	2,519
	(b) Deferred tax	33	537	627
	(c) (Excess) / Short Provision for tax relating to earlier years	33	208	(1,274)
	Total Tax Expense (VI)		**6,451**	**1,872**
VII	**Profit After Tax (V -VI)**		**17,611**	**8,841**
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)		(62)	129
	(b) Equity instruments through other comprehensive income		1,688	572
	(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	(2)	(1)
	(b) On Equity instruments through other comprehensive income	33	(186)	(59)
	Total Other Comprehensive Income for the year		**1,438**	**641**
IX	**Total Comprehensive Income for the year (VII+VIII)**		**19,049**	**9,482**
X	**Net Profit attributable to :**			
	(a) Owners of the Company		17,611	8,841
	(b) Non-Controlling Interests		-	-
XI	**Other Comprehensive Income attributable to :**			
	(a) Owners of the Company		1,438	641
	(b) Non-Controlling Interests		-	-
XII	**Total Comprehensive Income attributable to :**			
	(a) Owners of the Company		19,049	9,482
	(b) Non-Controlling Interests		-	-
XIII	**Earnings Per Equity Share (Face Value ₹ 10/- each)**	34		
	(a) Basic		10.58	5.33
	(b) Diluted		10.55	5.32

Significant accounting policies 2

The accompanaying notes form an integral part of the Consolidated Financial Statements

In terms of our report attached.
For Kalyaniwalla & Mistry LLP
Chartered Accountants
Firm Reg. No. 104607W/W100166

For and on behalf of the Board of Directors

Hrishikesh A. Mafatlal
Chairman
DIN: 00009872

D N Mungale
Director & Chairman Audit Committee
DIN: 00007563

Daraius Z. Fraser
Partner
Membership No.:42454

S R Deo
Managing Director
DIN: 01122338

P. Srinivasan
Chief Financial Officer

Amit Vyas
Company Secretary

Place: Mumbai
Date: May 17, 2022

Consolidated Statement of Cash Flows

for the year ended March 31, 2022

(₹ in Lakhs)

	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
A	**Cash flows from operating activities**		
	Profit before tax	24,062	10,713
	Adjustments for:		
	Finance costs	109	97
	Interest income	(111)	(1,176)
	Dividend income	(1)	(2)
	Miscellaneous Income (Refer Note 45)	-	(7)
	Loss on Property, Plant & Equipment sold / scrapped / written off	157	81
	Provision for Doubtful Advances	8	-
	Bad Advances written off	3	-
	Excess provision for earlier years written back	(276)	(147)
	VAT Set Off Reversal	-	30
	Fair Value (gain)/loss on investments	(54)	(177)
	Depreciation / amortisation expenses	4,834	3,743
	Unrealised foreign exchange revalution (Net)	(10)	(69)
	Expense recognised in respect of equity-settled share-based payments	37	96
	Rent from Investment Property / Others	(39)	(39)
	Income from Redemption of Mutual Fund	(107)	(61)
	Remeasurement of defined benefit liabilities / (assets) through OCI	(62)	129
	Operating profit before working capital changes (i)	**28,550**	**13,211**
	Adjustments for:		
	(Increase)/Decrease in Trade Receivables	(13,909)	(10,418)
	(Increase)/Decrease in Inventories	(16,708)	(2,923)
	(Increase)/Decrease in Other Assets - Current & Non Current	(323)	1,995
	(Increase)/Decrease in Other Financial Assets - Current & Non Current	(74)	(46)
	Increase/(Decrease) in Trade Payable	4,550	8,136
	Increase/(Decrease) in Provisions - Current & Non Current	(27)	(195)
	Increase/(Decrease) in Other Financial Liabilities - Current & Non Current	469	(327)
	Increase/(Decrease) in Other Liabilities - Current	421	(42)
	Changes in Working Capital (ii)	**(25,601)**	**(3,820)**
	Cash generated from operations (iii) = (i+ii)	**2,949**	**9,391**
	Income taxes paid (Net) (iv)	(5,971)	(35)
	Net cash (used in)/generated by operating activities (v)= (iii)+(iv)	**(3,022)**	**9,356**
B	**Cash flows from investing activities**		
	Payments to acquire financial assets	(17,922)	(13,632)
	Proceeds on redemption of financial assets	24,452	9,875
	Income from Promoter Entities post merger (Refer Note 45)	-	7
	Interest received	166	153
	Dividends received	1	2
	Payments for purchase of property, plant and equipment	(3,336)	(2,659)
	Proceeds from disposal of property, plant and equipment	2	41

Consolidated Statement of Cash Flows

for the year ended March 31, 2022 (Contd.)

(₹ in Lakhs)

	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
	Rent from Investment Property / Others	39	39
	Payments for intangible assets	(286)	(36)
	Net cash generated by / (used in) investing activities (vi)	**3,116**	**(6,210)**
C	**Cash flows from financing activities**		
	Proceeds from issue of ESOPs	291	370
	Borrowings from Banks	4,006	-
	Repayment of borrowings	(4,006)	-
	Dividends paid	(3,317)	(71)
	Interest paid on lease liability	(47)	(59)
	Principal payment of Lease Liability	(227)	(175)
	Interest paid	(60)	(38)
	Net cash (used in) / generated from financing activities (vii)	**(3,360)**	**27**
	Net (decrease) / increase in cash and cash equivalents (v+vi+vii)	**(3,266)**	**3,173**
	Cash and cash equivalents at the beginning of the year	4,485	940
	Unrealised foreign exchange restatement in Cash and cash equivalents	(2)	36
	Acquired Pursuant to the Scheme of Merger (Refer Note 45)	-	336
	Cash and cash equivalents at the end of the year	**1,217**	**4,485**
	Reconciliation of Cash and Cash Equivalents with the Balance Sheet:		
	Cash and Cash Equivalents at end of the year (including other Bank Balances)	1,599	4,857
	Less: Unpaid Dividend Bank Account not considered as Cash and cash equivalents	(382)	(372)
	Cash and Cash Equivalents at end of the year	**1,217**	**4,485**

Note:

The accompanaying 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 Kalyaniwalla & Mistry LLP
Chartered Accountants
Firm Reg. No. 104607W/W100166

Daraius Z. Fraser
Partner
Membership No.:42454

Place: Mumbai
Date: May 17, 2022

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 Vyas
Company Secretary

Consolidated Statement of Changes in Equity

for the year ended March 31, 2022

(a) Equity Share Capital (Refer Note 16)

(₹ in Lakhs)

Particulars	Amount
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**
Changes in equity share capital during the year:	
Issue of equity shares under employee stock option plan	35
Balance as at March 31, 2022	**16,657**

(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, 2020	**15**	**1,952**	**4,865**	**584**	**98,544**	**(3,235)**	**(762)**	**101,963**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-
Restated 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)	-	-	-	(38)
Balance as at March 31, 2021	**15**	**2,396**	**4,865**	**546**	**107,385**	**(2,722)**	**(634)**	**111,851**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-
Restated balance as at March 31, 2021	**15**	**2,396**	**4,865**	**546**	**107,385**	**(2,722)**	**(634)**	**111,851**
Profit for the year	-	-	-	-	17,611	-	-	17,611
Other Comprehensive Income for the year, net of income tax	-	-	-	-	-	1,502	-	1,502
Remeasurement of Defined Benefit Obligation, net of income tax	-	-	-	-	-	-	(64)	(64)
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**17,611**	**1,502**	**(64)**	**19,049**
Premium on shares issued	-	360	-	-	-	-	-	360
Recognition of share based payments	-	-	-	(67)	-	-	-	(67)
Payment of dividend	-	-	-	-	(3,328)	-	-	(3,328)
Balance as at March 31, 2022	**15**	**2,756**	**4,865**	**479**	**121,668**	**(1,220)**	**(699)**	**127,864**

Refer Note 17 for nature and purpose of Reserves. The accompanaying notes form an integral part of the consolidated Financial Statements

In terms of our report attached.
For Kalyaniwalla & Mistry LLP
Chartered Accountants
Firm Reg. No. 104607W/W100166

Daraius Z. Fraser
Partner
Membership No.:42454

Place: Mumbai
Date: May 17, 2022

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 Vyas
Company Secretary

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

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

Holding Company and its subsidiary together referred as "Group."

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, 2022, have been approved for issue in accordance with the resolution of the Board of Directors on May 17, 2022.

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.

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, 2022.

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.

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 and residual value of tangible assets and the

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

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(k) and Note 40).
- Fair valuation of employee share options (Note 2(l) 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(q)).
- 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 entirety 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.

g) Recent Amendments in Ind AS

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the Company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in the Statement of profit or loss.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to

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fulfilling contracts. The amendment is essentially a clarification.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10%' test of Ind AS 109 in assessing whether to derecognise a financial liability.

Based on the preliminary assessment, the Group does not expect the amendment to have any significant impact in its Consolidated financial statements.

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.

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, , except for auxiliaries and certain other machineries, where the life considered is 16-18 years instead of 25 years based on the technical evaluation done by the Company. Assets costing ₹ 50,000 or less are fully depreciated in the year of purchase.

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.

Notes to Consolidated Financial Statements

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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 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	10 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 asset's 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 asset 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 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) 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

Notes to Consolidated Financial Statements

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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) <u>Measured at Fair value through other comprehensive income (FVTOCI):</u>

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.

c) <u>Measured at Fair Value Through Profit and Loss (FVTPL):</u>

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.

<u>Equity Instruments:</u>

<u>Investments in equity instruments at FVTPL:</u>

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.

<u>Investments in equity instruments at FVTOCI:</u>

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.

<u>Impairment of financial assets:</u>

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.

<u>De-recognition of financial assets:</u>

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.

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

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.

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 Revenues".

<u>**Dividend and interest income**</u>

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

<u>**Short-term Employee Benefits:**</u>

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.

<u>**Post-Employment Benefits:**</u>

(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, 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

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 01, 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 land and 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, if any.

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. Leasehold land is amortised on a straight-line basis over the period of the

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lease. 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 if 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.,

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.

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 Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

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 or loss for the period attributable to equity shareholders 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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

NOTE 3 PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

	Particulars	Right of Use Assets-Land	Right of Use Assets-Buildings	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
I.	**Gross Carrying Value**								
	Balance as at April 1, 2021	**25,413**	**954**	**21,531**	**68,048**	**681**	**422**	**369**	**117,418**
	Additions	-	228	166	3,340	70	23	67	3,894
	Disposals	-	(9)	(154)	(221)	(2)	-	(8)	(394)
	Balance as at March 31, 2022	**25,413**	**1,173**	**21,543**	**71,167**	**749**	**445**	**428**	**120,918**
II.	**Accumulated depreciation and impairment**								
	Balance as at April 1, 2021	**2,316**	**492**	**3,160**	**18,874**	**439**	**311**	**225**	**25,817**
	Depreciation expense for the year	464	220	734	3,213	90	30	37	4,788
	Eliminated on disposal of assets	-	-	(72)	(144)	(2)	-	(8)	(226)
	Balance as at March 31, 2022	**2,780**	**712**	**3,822**	**21,943**	**527**	**341**	**254**	**30,379**
III.	**Net Carrying value as at March 31, 2022 (I-II)**	**22,633**	**461**	**17,721**	**49,224**	**222**	**104**	**174**	**90,539**

(₹ in Lakhs)

	Particulars	Right of Use Assets-Land	Right of Use Assets-Buildings	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
I.	**Gross Carrying Value**								
	Balance as at April 1, 2020	**25,413**	**1,136**	**19,497**	**54,531**	**559**	**375**	**416**	**101,927**
	Additions	-	19	2,034	13,829	124	47	-	16,053
	Disposals	-	(201)	-	(312)	(2)	-	(47)	(562)
	Balance as at March 31, 2021	**25,413**	**954**	**21,531**	**68,048**	**681**	**422**	**369**	**117,418**
II.	**Accumulated depreciation and impairment**								
	Balance as at April 1, 2020	**1,853**	**271**	**2,481**	**16,964**	**338**	**244**	**208**	**22,359**
	Depreciation expense for the year	463	221	679	2,125	102	67	40	3,697
	Eliminated on disposal of assets	-	-	-	(215)	(1)	-	(23)	(239)
	Balance as at March 31, 2021	**2,316**	**492**	**3,160**	**18,874**	**439**	**311**	**225**	**25,817**
III.	**Net Carrying value as at March 31, 2021 (I-II)**	**23,097**	**462**	**18,371**	**49,174**	**242**	**111**	**144**	**91,601**

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, 2021	638	387	251
Additions during the year	24	-	24
Depreciation expense for the year	-	47	(47)
Disposals / Deletions	(2)	(1)	(1)
Balance as at March 31, 2022	**660**	**433**	**227**

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

NOTE 3 PROPERTY, PLANT AND EQUIPMENT (Contd.)

b) Refer Note 36 for disclosure of contractual commitment for acquisition of Property, Plant and Equipment.

c) The Company has not revalued its Property, Plant and Equipment (including Right of Use Asset) during the year.

d) In line with the accounting policy, the Company has reviewed the useful life of certain plant & equipments and accordingly an amount of ₹ 555 Lakhs has been charged off as depreciation during the year based on change in estimated useful life of certain assets.

e) Capital Work-in-Progress :

Ageing Schedule of Capital Work-in-progress as on March 31, 2022

(₹ in Lakhs)

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	804	28	5	-	837
Projects temporarily suspended	-	-	-	-	-
Total	**804**	**28**	**5**	**-**	**837**

Ageing Schedule of Capital Work-in-progress as on March 31, 2021

(₹ in Lakhs)

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	695	497	218	-	**1,410**
Projects temporarily suspended	-	-	-	-	-
Total	**695**	**497**	**218**	**-**	**1,410**

Capital Work-in-Progress completion schedule as at March 31, 2022

(₹ in Lakhs)

Overdue completion of Projects lying in Capital Work-in-progress	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects more than ₹ 10 Lakhs					
Expansion of storm water drain & effluent network	234	-	-	-	**234**
Hydrogen storage facility	84	-	-	-	**84**
Upgradation of utility network	76	-	-	-	**76**
Laboratory Information Management System (LIMS)	40	-	-	-	**40**
Procurement of crtical spares for Antioxidant	31	-	-	-	**31**
Total	**465**	**-**	**-**	**-**	**465**
Other Projects (below ₹ 10 Lakhs)	58	-	-	-	**58**
Total	**523**	**-**	**-**	**-**	**523**

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

NOTE 4 INVESTMENT PROPERTY

(₹ in Lakhs)

Particulars	Buildings	Total
I. Gross Carrying Value		
Balance as at April 1, 2021	**83**	**83**
Additions	-	-
Disposals	-	-
Balance as at March 31, 2022	**83**	**83**
II. Accumulated depreciation and impairment		
Balance as at April 1, 2021	**39**	**39**
Depreciation expense for the year	1	1
Eliminated on disposal of assets	-	-
Balance as at March 31, 2022	**40**	**40**
III. Net Carrying value as at March 31, 2022 (I-II)	**43**	**43**

(₹ 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**

Note:

a) Fair value disclosures

The fair value of the Group's investment properties as at March 31, 2022 and March 31, 2021 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, 2022 and March 31, 2021 are as follows:

(₹ in Lakhs)

Particulars	Amount	Fair value hierarchy
As at March 31, 2022		
Fair Value of Investment Property - Units located in India	1,346	Level 2
As at March 31, 2021		
Fair Value of Investment Property - Units located in India	1,346	Level 2

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

NOTE 4 INVESTMENT PROPERTY (Contd.)

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, 2022	For the year ended March 31, 2021
Rental Income derived from Investment Properties	25	26
Less: Direct Operating Expenses	(19)	(22)
Gain arising from Investment Properties before depreciation	**6**	**4**
Less: Depreciation	(1)	(2)
Net Income arising from Investment Properties	**5**	**2**

NOTE 5 INTANGIBLE ASSETS

(₹ in Lakhs)

Particulars	Patents	Software	Total
I. Gross Carrying Value			
Balance as at April 1, 2021	**486**	**396**	**882**
Additions	276	10	286
Disposals	-	(1)	(1)
Balance as at March 31, 2022	**762**	**405**	**1,167**
II. Accumulated amortisation			
Balance as at April 1, 2021	**481**	**284**	**765**
Amortisation expense for the year	13	33	46
Eliminated on disposal of assets	-	(1)	(1)
Balance as at March 31, 2022	**494**	**317**	**811**
III. Net Carrying value as at March 31, 2022 (I-II)	**268**	**88**	**356**

(₹ 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**

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

NOTE 5 INTANGIBLE ASSESTS (Contd.)

Note:

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, 2021	30	12	18
Additions during the year	-	-	-
Amortisation expense for the year	-	3	(3)
Balance as at March 31, 2022	**30**	**15**	**15**

b) All Intangible assets held by the group are purchased and not internally generated.

c) The Company has not revalued its Intangible assets during the year.

NOTE 6 NON CURRENT INVESTMENTS

(₹ in Lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	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	3,413	1,954,695	1,718
- HDFC Bank Limited (₹ 1/- each, fully paid-up)	10,000	147	10,000	150
- Bank of India (₹ 10/- each, fully paid up)	19,900	9	19,900	14
- Union Bank of India (₹ 10/- each, fully paid-up)	3,960	2	3,960	1
Total Quoted Investments (A)		**3,571**		**1,883**
(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 Services Limited *	22,320	0	22,320	0
		-		-
Total Unquoted Investments (B)		**1**		**1**
(b) Investments in Mutual Funds (at fair value through profit and loss account (FVTPL))				
- JM Mutual Fund (of ₹ 10/- each)	50,000	10	50,000	8
- UTI Masters Share (of ₹ 10/- each)	10,560	4	10,560	4
- IDFC Fixed Term Plan Series 177 Direct Plan (1160 Days)	-	-	2,000,000	243
- Aditya Birla Sun Life FTP SJ (1135 days)	-	-	2,000,000	242
- Aditya Birla Sun Life-FTP-Series SO-Direct (1099 days)	-	-	1,000,000	117
Total Investments in Mutual Funds (C)		**14**		**614**
Total Investments (A+ B+C)		**3,586**		**2,498**

* Amount less than ₹ 0.50 Lakhs

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

NOTE 6 NON CURRENT INVESTMENTS (Contd.)

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Aggregate Amount of Quoted Investments	3,571	1,883
Market Value of Quoted Investments	3,571	1,883
Aggregate Amount of Unquoted Investments (At Cost)	33	633
Aggregate Amount of Impairment in the Value of Investments	18	18

* Amount less than ₹ 0.50 Lakhs

NOTE 7 NON CURRENT - OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Financial Assets (at amortised cost)		
Security Deposits		
- Unsecured, considered good	750	722
- Unsecured, considered doubtful	300	300
Less : Allowance for doubtful deposits	(300)	(300)
	750	**722**
Earmarked Balances		
- Deposit with Bank	2	2
Loans to employees		
- Unsecured, considered good	4	5
Total	**757**	**729**

NOTE 8 OTHER NON CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with Government Authorities (other than income taxes)		
- CENVAT Credit Receivable	307	332
- VAT Credit Receivable	817	797
- Service Tax Credit Receivable	6	6
- Others	26	26
	1,156	**1,161**
Less: Provision for doubtful receivables	(302)	(302)
	854	**859**
Capital Advances	41	216
Prepaid Expenses	43	51
Total	**938**	**1,126**

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

NOTE 9 INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE)

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Raw materials (@)	19,119	11,900
Work-in-progress	2,080	1,290
Finished goods (#)	10,623	2,606
Stock-in-trade	71	12
Stores and spares	1,381	758
Total	**33,274**	**16,566**
Included above, goods-in-transit:		
(i) Raw materials	3,748	1,869
(ii) Finished goods	423	550
Total	**4,171**	**2,419**

(@) Net of write down of ₹ 109 Lakhs (Previous Year: Nil)

(#) Net of write down of ₹ 430 Lakhs (Previous Year: ₹ 283 Lakhs)

NOTE 10 FINANCIAL ASSETS - CURRENT INVESTMENTS

(₹ in Lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	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
ABSL Corporate Bond Fund - Direct - Growth	-	-	698,032	605
Kotak Corporate Bond Fund - Direct - Growth	-	-	19,893	594
ABSL-FTP-Series SJ-Direct Growth	2,000,000	251	-	-
IDFC Fixed Term Plan Series 177 Direct Plan (1160 Days)	2,000,000	254	-	-
Investment in ABSL-FTP-Series SO-Direct	1,000,000	122	-	-
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	263	10,171	252
Axis Overnight Fund-Growth	14,101	158	23,157	252
IDFC Low Duration Fund	822,926	262	822,926	252
HDFC Arbitrage Fund - WP- DP - Growth	314,173	51	-	-
Total (A)		**1,361**		**2,973**
(b) Other Investments (at amortised cost)				
Intercorporate deposits with HDFC Limited	-	-	-	1,172
Intercorporate deposits with Bajaj Finance Limited	-	400	-	200
Total (B)		**400**		**1,372**
Total Investments (A+B)		**1,761**		**4,345**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Aggregate Amount of Quoted Investments	-	-
Market Value of Quoted Investments	-	-
Aggregate Amount of Impairment in the Value of Investments	-	-
Aggregate Amount of Unquoted Investments (At Cost)	1,761	4,345

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

NOTE 11 CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables		
(a) Considered good - Secured	-	-
(b) Considered good - Unsecured	44,984	30,856
(c) Which have significant increase in Credit Risk	-	-
(d) Credit Impaired	14	14
Less: Allowance for doubtful debts	(14)	(14)
Total	**44,984**	**30,856**

Trade Receivables Ageing Schedule as at March 31, 2022

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	42,624	2,359	1	-	-	-	44,984
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Total	**42,624**	**2,359**	**1**	**-**	**-**	**-**	**44,984**

Trade Receivables Ageing Schedule as at March 31, 2021

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good*	28,192	2,659	5	0	-	0	30,856
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Total	**28,192**	**2,659**	**5**	**0**	**-**	**0**	**30,856**

* Amount less than ₹ 0.50 Lakhs

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

NOTE 12 CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Cash on hand	11	11
Balances with banks	1,206	4,474
Total	**1,217**	**4,485**
Cash and cash equivalents as per statement of cash flows	**1,217**	**4,485**

NOTE 13 CURRENT FINANCIAL ASSETS - OTHER BANK BALANCES

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Earmarked balances with bank		
- Unpaid dividend account	382	372
Investments in term deposits (with original maturity of more than three months but less than twelve months)	-	**3,184**
Total	**382**	**3,556**

NOTE 14 CURRENT - OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Financial Assets (at amortised cost)		
Loans to employees		
- Unsecured, considered good	1	1
Interest accrued on deposits	31	88
Financial Assets at FVTPL		
Forward Cover / Options Contract Receivable	110	62
Total	**142**	**151**

NOTE 15 OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Advances to Suppliers and Others	286	851
Balances with Government Authorities (other than Income Taxes)		
- GST Credit Receivable	1,448	430
Prepaid expenses	760	597
Export incentive receivable	140	428
Other Advances*	0	0
Total	**2,635**	**2,306**

* Amount less than ₹ 0.50 Lakhs

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

NOTE 16 EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	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, Subscribed and Fully Paid:				
Equity shares of ₹ 10/- each	166,573,855	16,657	166,219,130	16,622

(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, 2022		As at March 31, 2021	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares Outstanding at the beginning of the year	166,219,130	16,622	165,605,955	16,561
Add: Allotment pursuant to exercise of stock options granted under Group's employee stock option plan (Refer Note 38)	354,725	35	613,175	61
Equity Shares Outstanding at the end of the year	**166,573,855**	**16,657**	**166,219,130**	**16,622**

(iii) Details of shareholders holding more than 5% of the aggregate equity shares of the Group (*)

Name of shareholders	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	% Shareholding	No. of Shares	% Shareholding
Mr Hrishikesh Arvind Mafatlal (as a Trustee of Gurukripa Trust)	30,326,782	18.21%	30,326,782	18.25%
Mafatlal Industries Limited	25,259,059	15.16%	25,259,059	15.20%

*Refer Note No. 45

(iv) Details of shareholding of promoters in the equity shares of the Company

Name of Promoter	As at March 31, 2022		% Change during the year
	No. of Shares	% Shareholding	
Mr Hrishikesh Arvind Mafatlal (as a Trustee of Gurukripa Trust)	30,326,782	18.21%	-
Mafatlal Industries Limited	25,259,059	15.16%	-
Mr Hrishikesh Arvind Mafatlal	791,468	0.48%	-
Mr Priyavrata Hrishikesh Mafatlal	12,495	0.01%	-
Mrs Rekha Hrishikesh Mafatlal	760	0.00%	-
Sumil Trading Private Limited	220	0.00%	-
Mr Hrishikesh Arvind Mafatlal (as a Trustee of Karuna Trust)	100	0.00%	-
Mr Hrishikesh Arvind Mafatlal (as a Trustee of Narsingha Trust)	100	0.00%	-
Mr Hrishikesh Arvind Mafatlal (as a Trustee of Shreeja Trust)	100	0.00%	-
Mrs Rekha Hrishikesh Mafatlal (as a Trustee of Radharaman Trust)	100	0.00%	-

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

NOTE 16 EQUITY SHARE CAPITAL (Contd.)

(v) 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, 2022, 11,28,625 equity shares (as at March 31, 2021, 14,83,350 equity shares) of ₹ 10 each were reserved for outstanding employee share option granted.

(vi) 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.

(vii) There are no calls unpaid.

(viii) There are no forfeited shares.

NOTE 17 OTHER EQUITY

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Capital reserve	15	15
Securities premium	2,756	2,396
General reserve	4,865	4,865
Share options outstanding account	479	546
Retained earnings	121,668	107,385
Equity Instrument Through Other Comprehensive Income	(1,220)	(2,722)
Other Items of Other Comprehensive Income		
- Remeasurements of Defined Benefit Obligation	(699)	(634)
Total	**127,864**	**111,851**

(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.

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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

NOTE 17 OTHER EQUITY (Contd.)

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, 2022	As at March 31, 2021
Financial Lease Liabilities	286	386
Total	**286**	**386**

NOTE 19 NON CURRENT PROVISIONS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits (Refer Note 40)		
- Gratuity	753	646
- Leave Encashment	883	964
Total	**1,636**	**1,610**

NOTE 20 CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Trade Payables:		
(a) Payable to Micro and Small enterprises (Refer Note below)	856	496
(b) Payable to Others		
i) Acceptances	6,478	4,863
ii) Other than Acceptances	14,178	11,652
	20,656	**16,515**
Total	**21,512**	**17,011**

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

NOTE 20 CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES (Contd.)

Trade Payables Ageing Schedule as at March 31, 2022

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	853	3	-	-	-	856
(ii) Others	19,154	1,495	2	3	2	20,656
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**20,007**	**1,498**	**2**	**3**	**2**	**21,512**

Trade Payables Ageing Schedule as at March 31, 2021

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME*	488	8	0	-	-	496
(ii) Others*	15,451	1,059	3	2	0	16,515
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**15,939**	**1,067**	**3**	**2**	**0**	**17,011**

(*) Amount less than ₹ 0.50 Lakhs

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, 2022	As at March 31, 2021
a) The principal amount remaining unpaid to any supplier at the end of the year	856	496
b) Interest due remaining unpaid to any supplier at the end of the year	-	-
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	-	-

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

NOTE 21 CURRENT FINANCIAL LIABILITIES - LEASE LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Financial Lease Liabilities	266	175
Total	**266**	**175**

NOTE 22 CURRENT FINANCIAL LIABILITIES - OTHERS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Financial liabilities (at amortised cost except otherwise stated):		
Security Deposits	530	513
Unclaimed dividends (Refer Note (a) below)	382	372
Payables for capital supplies	386	802
Salary,wages and bonus payable	871	671
Contribution payable towards employee benefits	198	-
MTM on forward contracts (at FVTPL)	3	-
Other payables	162	112
Total	**2,532**	**2,470**

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, 2022	As at March 31, 2021
Advances received from customers	215	109
Statutory remittances	876	549
Other liabilities	22	34
Total	**1,113**	**692**

NOTE 24 CURRENT PROVISIONS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits (Refer Note 40)		
- Gratuity	36	202
- Leave Encashment	469	356
Total	**505**	**558**

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

NOTE 25 REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of goods (at contracted price)	156,125	91,306
Other operating revenues		
Sale of scrap	121	78
Profit on Sale of Raw Material	56	391
Duty drawback and other export incentives	451	470
Cash Discounts Received	17	14
Excess provision for earlier years written back	275	146
Miscellaneous income	86	61
Total	**157,131**	**92,466**

NOTE 26 OTHER INCOME

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a) Interest Income on		
- Bank deposits	79	120
- Income Tax/VAT Refund	2	964
- Intercorporate Deposits	10	55
- Other Deposits	20	37
	111	**1,176**
b) Dividend income from		
- Dividend reinvestment of Mutual Fund	-	2
- Equity investments	1	-
	1	**2**
c) Other gains and losses		
- Net gain arising on short term financial investments mandatorily measured at FVTPL	54	177
- Net foreign exchange gain	74	9
	128	**186**
d) Other non-operating income		
- Rent from investment property	39	39
- Miscellaneous income (Refer Note 45)	-	7
- Excess provision for earlier years written back	1	1
- Income from Redemption of Mutual Fund	107	61
	147	**108**
Total	**388**	**1,472**

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

NOTE 27 COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening stock	11,900	6,425
Add: Purchases (Net)	101,743	53,351
	113,643	**59,776**
Less: Closing stock	19,119	11,900
Total	**94,524**	**47,876**

NOTE 28 CHANGES IN STOCK OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Closing stock		
- Finished goods	10,623	2,606
- Work in progress	2,080	1,290
- Stock-in-trade	71	13
	12,774	**3,909**
Opening stock		
- Finished goods	2,606	5,007
- Work in progress	1,290	1,318
- Stock-in-trade	13	29
	3,909	**6,354**
Net (Increase) / Decrease in Inventories	**(8,865)**	**2,445**

NOTE 29 EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, wages and bonus	6,807	5,973
Contribution to provident and other funds (Refer Note 40)	551	419
Employee Share based payment (Refer Note 38)	37	96
Staff welfare expenses	686	517
Total	**8,081**	**7,005**

NOTE 30 FINANCE COST

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest cost - on financial liability (at amortised cost)		
a) Borrowings from banks	26	-
b) Security deposits and others	83	97
Total	**109**	**97**

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

NOTE 31 DEPRECIATION AND AMORTISATION EXPENSES

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation of Property, Plant and Equipment (Refer Note 3)	4,788	3,697
Depreciation of Investment Properties (Refer Note 4)	1	2
Amortisation of Intangible Assets (Refer Note 5)	45	44
Total	**4,834**	**3,743**

NOTE 32 OTHER EXPENSES

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Power & Fuel oil consumed	15,044	7,943
Processing charges	2,065	1,882
Selling and Distribution expenses	6,288	3,673
Consumption of packing materials	2,134	1,564
Stores and spares consumed	1,619	1,053
Rent including lease rentals	6	12
Repairs and maintenance:		
- Plant & machinery	1,697	1,019
- Buildings	259	190
- Others	33	37
Insurance charges	492	434
Rates and taxes	166	204
Loss on Property, Plant & Equipment sold/scrapped/written off	157	81
Expenses on corporate social responsibility	373	480
Provision for Doubtful Debt	8	-
Bad Advances written off	3	-
Other General Expenses	4,158	3,345
	34,502	**21,917**

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, 2022	For the year ended March 31, 2021
Current Tax:		
Current Income Tax Charge	5,706	2,519
Adjustments in respect of prior years	208	(1,274)
Total	**5,914**	**1,245**
Deferred Tax		
In respect of current year	537	627
Total	**537**	**627**
Total tax expense recognised in Statement of Profit and Loss	**6,451**	**1,872**

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

NOTE 33 CURRENT TAX AND DEFERRED TAX (Contd.)

(b) Income Tax recognised in other Comprehensive Income

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Deferred Tax (Liabilities)/Assets:		
Remeasurement of Defined Benefit Obligations	(2)	(1)
Net fair value (gain) / loss on investments in equity shares at FVTOCI	(186)	(59)
Total	**(188)**	**(60)**

(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, 2022	For the year ended March 31, 2021
Profit before tax	24,062	10,713
Less: Income taxed at different tax rate	108	61
Profit before tax	**23,954**	**10,652**
Income Tax using the Company's domestic Tax rate #	6,082	2,689
Effect of expenses that are not deductible in determining taxable profit	279	334
Effect of income that is not taxable in determining taxable profit	(6)	(45)
Effect of expenditure eligible for weighted deduction / expenditure not debited to Profit and Loss but allowed as deduction	(82)	(54)
Effect of reversal of deferred tax liability (Net)	(73)	155
Effect on deferred tax balances due to the change in income tax rate (effective 01.04.2020)	-	12
Effect of income taxed at different rate	42	54
Interest on Income Tax	-	1
Adjustments in respect of prior years	208	(1,274)
Income tax expense recognised in Statement of Profit and Loss	**6,451**	**1,872**

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, 2022

(₹ 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	10,722	530	-	11,252
Financial asset measured at FVTOCI*	(382)	0	186	(196)
Financial asset measured at FVTPL	1	8	-	9
Defined benefit obligation	(518)	-	2	(516)
Provision for doubtful debts / advances	(79)	(2)	-	(81)
Payment for voluntary retirement scheme	(1)	-	-	(1)
Other non financial assets	212	-	-	212
Provision for Bonus*	(1)	1	-	(0)
Net Tax (Assets)/Liabilities	**9,954**	**537**	**188**	**10,679**

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

NOTE 33 CURRENT TAX AND DEFERRED TAX (Contd.)

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**

* Amounts less than ₹ 0.50 Lakhs

NOTE 34 EARNINGS PER SHARE

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
1. Calculation of weighted average number of equity shares - Basic		
(a) Number of equity shares at the beginning of the year (in units)	166,219,130	165,605,955
(b) Number of equity shares issued during the year (in units)	354,725	613,175
(c) Number of equity shares outstanding at the end of the year (in units)	166,573,855	166,219,130
(d) Weighted number of equity shares outstanding during the year (in units)	166,436,713	165,866,738
2. Calculation of weighted average number of equity shares - Diluted		
(a) Number of potential equity shares at the beginning of the year (in units)	167,702,480	167,709,680
(b) Number of potential equity shares outstanding at the end of the year (in units)	167,702,480	167,702,480
(c) Weighted number of potential equity shares outstanding during the year (in units)	166,987,514	166,242,441
3. Profit for the year (₹ in Lakhs)	**17,611**	**8,841**
(a) Basic Earnings per share of ₹ 10/- each (3/1(d))	10.58	5.33
(b) Diluted Earnings per share of ₹ 10/- each (3/2(c))	10.55	5.32

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, 2022	For the year ended March 31, 2021
Charged to Statement of Profit and Loss	6	12
Future Minimun Lease rentals Payable under non-cancellable operating leases are as follows:		
Within one year	18	15
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 (2020-21 : ₹ 39 Lakhs) on such lease is included in Other Income.

NOTE 36 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Contingent liabilities :		
Claims against the Group not acknowledged as debts (including Direct and Indirect Taxes)	4,039	3,119
(b) Commitments :		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	350	783
The Group did not have any long-term contracts including derivative contracts for which any provision was required for foreseeable losses.		

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

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, 2022	As at March 31, 2021
(i) Capital Expenditure		
(a) Capital Equipments	24	41
(ii) Revenue expenditure		
(a) Salaries / wages	402	439
(b) Travelling & Conveyance Expenses	15	12
(c) Repairs & Maintainance	40	32
(d) Communication Expenses	1	-
(e) Materials / Consumables	23	16
(f) Housekeeping	2	1
(g) Others	25	14
(h) Depreciation	49	38
Total Revenue Expenditure (a) to (h)	**557**	**552**
(iii) Total R & D Expenditure (i+ii)	**581**	**593**
(iv) Amount received by R & D Facilities	**-**	**-**
(v) Net Amount of R & D Expenditure	**581**	**593**

NOTE 38 SHARE BASED PAYMENTS

38.1 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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

NOTE 38 SHARE BASED PAYMENTS (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, 2022	March 31, 2021
		₹	₹	Number of options	Number of options
Grant 5 - 2015-16	2025-26	37.65	16.27	44,750	95,675
Grant 6 - 2016-17	2026-27	52.85	19.44	56,050	169,725
Grant 7 - 2016-17	2026-27	84.05	28.74	422,925	549,050
Grant 8 - 2017-18 *	2027-28	188.35	69.28	297,000	329,600
Grant 9 - 2018-19 *	2028-29	142.45	46.27	307,900	339,300
Total				**1,128,625**	**1,483,350**
Weighted average remaining contractual life of options outstanding at the end of year				5.77	6.62

* 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, 2022	March 31, 2021
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)

Particulars	Year ended March 31, 2022		Year ended March 31, 2021	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Balance at beginning of period not exercised	1,483,350	114.02	2,103,725	98.49
Granted during the period	-	-	-	-
Forfeited during the period	-	-	(7,200)	-
Exercised during the period	(354,725)	-	(613,175)	60.40
Balance at end of period	**1,128,625**	**124.04**	**1,483,350**	**114.02**
Exercisable at the end of the year	1,043,800		1,231,300	

The weighted average share price at the dates of exercise of options exercised during the year ended March 31, 2022 was ₹ 242.28 (year ended March 31, 2021 : ₹ 152.70)

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

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 March 31 2022	For the year ended March 31 2021	As at March 31, 2022	As at March 31, 2021
India	100,376	61,439	98,655	99,194
Outside India	56,755	31,027	-	-
Total	**157,131**	**92,466**	**98,655**	**99,194**

II. Revenue from Major products:

(₹ in Lakhs)

Particulars	Revenue from operations	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Rubber Chemicals	155,519	90,708
Others	1,612	1,758
Total	**157,131**	**92,466**

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

NOTE 40 EMPLOYEE BENEFIT PLANS (Contd.)

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, 2022	For the year ended March 31, 2021
i) Employer's Contribution to Provident Fund and Pension	275	271
ii) Employer's Contribution to Superannuation Fund	53	55
Total	**328**	**326**

(b) 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.

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, 2022 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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

NOTE 40 EMPLOYEE BENEFIT PLANS (Contd.)

A. Principal actuarial assumptions used:

The principal assumptions used for the purposes of the actuarial valuations were as follows.

Particulars	Gratuity (Funded)	
	As at March 31, 2022	As at March 31, 2021
1. Discount rate	7.15%	6.86%
2. Salary escalation	6.00%	6.00%
3. Rate of Employee Turnover	6.00%	6.00%
4. Mortality rate	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2006-08)

B. Expenses recognised in the Statement of Profit and Loss

(₹ in Lakhs)

Particulars	Gratuity (Funded)	
	Year ended March 31, 2022	Year ended March 31, 2021
Service cost:		
Current service cost	107	102
Net Interest cost	56	74
Components of defined benefit costs recognised in the Statement of Profit and Loss	**163**	**176**

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)

Particulars	Gratuity (Funded)	
	Year ended March 31, 2022	Year ended March 31, 2021
Interest Cost	182	204
Interest Income	(126)	(130)
Net interest cost recognised in the Statement of Profit and Loss	**56**	**74**

C. Expenses recognised in the Other Comprehensive Income (OCI)

(₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Actuarial (Gains)/Losses on Obligation For the Period - Due to changes in demographic assumptions	(0)	-
Actuarial (Gains)/Losses on Obligation For the Period - Due to changes in financial assumptions*	(25)	(0)
Actuarial (Gains)/Losses on Obligation For the Period - Due to experience adjustment	62	(161)
Return on Plan Assets, excluding Interest Income	26	32
Net (Income)/Expense recognised in OCI	**63**	**(129)**

* Amounts less than ₹ 0.50 Lakhs

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

NOTE 40 EMPLOYEE BENEFIT PLANS (Contd.)

D. Amount recognised in the Balance Sheet

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Present Value of Defined Benefit Obligation as at the end of the year	(2,635)	(2,651)
Fair Value of plan assets	1,708	1,842
Net Asset/(Liability) recognised in the Balance Sheet	**(927)**	**(810)**

E. Movements in the present value of defined benefit obligation are as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening defined benefit obligation	2,651	2,984
Current Service Cost	107	102
Interest cost	182	204
Actuarial (gains) / losses	36	(161)
Benefits Paid (From the Fund)	(195)	(355)
Benefit Paid (Directly by the Employer)	(146)	(123)
Closing defined benefit obligation	**2,635**	**2,651**

F. Movements in the fair value of the plan assets are as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening fair value of the plan assets	1,842	1,903
Contributions by the Employer	(39)	196
Return on Plan Assets, excluding Interest Income	(26)	(32)
Interest income	126	130
Benefits paid	(195)	(355)
Closing fair value of plan assets	**1,708**	**1,842**

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, 2022	Estimated for the year ended March 31, 2021
1st Following Year	882	580
2nd Following Year	245	359
3rd Following Year	464	382
4th Following Year	221	431
5th Following Year	279	397
Sum of Years 6 To 10	806	800
Sum of Years 11 and above	570	712

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

NOTE 40 EMPLOYEE BENEFIT PLANS (Contd.)

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, 2022	As at March 31, 2021
Projected Benefit Obligation on Current Assumptions		
Impact of +0.5% Change in Rate of Discounting	(41)	(45)
Impact of -0.5% Change in Rate of Discounting	43	47
Impact of +0.5% Change in Rate of Salary Increase	43	47
Impact of -0.5% Change in Rate of Salary Increase	(42)	(42)
Impact of +0.5% Change in Rate of Employee Turnover	2	2
Impact of -0.5% Change in Rate of Employee Turnover	(2)	(2)

NOTE 41 RELATED PARTY DISCLOSURES

A. Details of related parties

Description of relationship	Name of the Related Party
Key Management Personnel	
- Chairman	Mr. H. A. Mafatlal
- Managing Director	Mr. S R. Deo
- Deputy Managing Director	Mr. V.S. Anand (w.e.f. March 2, 2022)
Enterprises over which Key Management Personnel and their relatives are able to exercise significant influence	Mafatlal Industries Limited
	Vrata Tech Private Limited
	Sri Chaitanya Seva Trust
	N. M. Sadguru Water and Development Foundation
	BAIF Institute for Sustainable Livelihood and Development
	NOCIL Employee Trust Funds

Notes to Consolidated Financial Statements

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NOTE 41 RELATED PARTY DISCLOSURES (Contd.)

B. Nature of Transactions/ Names of Related Parties

(₹ in Lakhs)

S. No.			Particulars	Year ended March 31, 2022	Year ended March 31, 2021
A			**Enterprises over which Key Management Personnel and their relatives are able to exercise significant influence***		
	I		**Mafatlal Industries Limited**		
		1	Reimbursement of Expenses	8	5
	II		**Vrata Tech Private Limited**	1	-
		1	IT Services		
	III		**Sri Chaitanya Seva Trust**		
		1	Expenditure on CSR Activities	140	150
	IV		**N. M. Sadguru Water and Development Foundation**		
		1	Expenditure on CSR Activities	55	50
	V		**BAIF Institute for Sustainable Livelihood and Development**		
		1	Expenditure on CSR Activities	15	-
	VI		**NOCIL Employee Trust Funds**		
		1	Contributions paid to funds	60	366
		2	Post Employement Benefits paid on behalf of Trust	235	611
B			**Key Management Personnel #**		
	1		Short-term employee benefits	808	541
	2		Post-employment benefits	70	68
	3		Share-based payment	8	20

* 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, 2022	As at March 31, 2021
A			**Enterprises over which Key Management Personnel and their relatives are able to exercise significant influence**		
	I		**Mafatlal Industries Limited**		
		1	Trade Receivables*	-	0
		2	Trade Payables	3	-
	II		**NOCIL Employee Trust Funds**		
		1	Contributions Payable to Funds	198	-
		2	Advance to Post Employment Retirement Funds	-	75
	III		**Key Management Personnel**	480	230

* 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 Consolidated Financial Statements

for the year ended March 31, 2022

NOTE 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, 2022	As at March 31, 2021
Financial assets		
Measured at FVTPL		
(a) Mutual Fund Investments	1,375	3,587
(b) Other Financial Assets (including Derivate Financial Instruments)	110	62
Measured at amortised cost		
(a) Cash and Cash Equivalent	1,217	4,485
(b) Bank Balance other than (a) above	382	3,556
(c) Trade Receivables	44,984	30,856
(d) Other Financial Assets (including Security Deposits)	789	818
(e) Inter Corporate Deposits	400	1,372
Measured at FVTOCI		
(a) Investments in Equity Instruments	3,572	1,884
Total Financial Assets	**52,829**	**46,620**
Financial liabilities		
Measured at FVTPL		
(a) Other Financial Liabilities	3	-
Measured at amortised cost		
(a) Trade Payables	21,512	17,011
(b) Financial Lease Liabilities	552	561
(c) Other Financial Liabilities	2,529	2,470
Total Financial Liabilities	**24,596**	**20,042**

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.

Notes to Consolidated Financial Statements
for the year ended March 31, 2022

NOTE 42 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Contd.)

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:

Particulars		As at March 31, 2022	As at March 31, 2021
A.	**USD Currency:**		
	Financial Liabilities		
	In USD Million	10.95	9.04
	Equivalent in ₹ Lakhs	8,283	6,641
	Financial Assets		
	In USD Million	18.44	11.11
	Equivalent in ₹ Lakhs	13,950	8,168
B.	**Euro Currency:**		
	Financial Liabilities		
	In Euro Million	0.002	0.11
	Equivalent in ₹ Lakhs	2	97
	Financial Assets		
	In Euro Million	0.24	0.12
	Equivalent in ₹ Lakhs	206	102

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	USD Currency Impact	
	Year Ended March 31, 2022	Year Ended March 31, 2021
Impact on Statement of Profit and Loss for the year		
5% strengthening against US Dollar	(283)	(76)
5% weakening against US Dollar	283	76

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, 2022

NOTE 42 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (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.

Financial assets/ (Financial liabilities)	Particulars	As at March 31, 2022	As at March 31, 2021
Derivative Assets / (Liabilities) measured at FVTPL:			
(i) Forward Contracts	Notional value (USD Million) - Sell position	4	2
	No. of Contracts	6	3
	Fair value (₹ in Lakhs)	50	6
	Notional value (USD Million) - Buy position	0.5	-
	No. of Contracts	2	-
	Fair value (₹ in Lakhs)	3	-
(ii) Option Contracts	Notional value (USD Million) - Sell position	3	3
	No. of Contracts	12	6
	Fair value (₹ in Lakhs)	60	56

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 / arbitrage / 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.

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, 2022 would increase / decrease by ₹ 179 Lakhs (2020-21: increase / decrease by ₹ 94 Lakhs) as a result of the changes in fair value of equity investments measured at FVTOCI.

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

NOTE 42 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Contd.)

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, 2022 would increase / decrease by ₹ 14 Lakhs (2020-21 : increase / decrease by ₹ 36 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 ranging between 60 to 90 days. The Group's trade and other receivables consists of a large number of customers, hence the Group is not exposed to concentration risk.

Refer Note 11 for Ageing analysis of Trade Receivables.

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 table includes 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, 2022			
Trade Payables	21,505	7	-
Other Financial Liabilities	2,529	-	-
Total	**24,034**	**7**	**-**
March 31, 2021			
Trade Payables	17,006	5	-
Other Financial Liabilities	2,470	-	-
Total	**19,476**	**5**	**-**

Notes to Consolidated Financial Statements

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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)	As at March 31, 2022	As at March 31, 2021	Fair value hierarchy	Valuation technique(s) and key input(s)
a) At FVTPL:				
(i) Investments in Mutual funds	1,375	3,587	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)	110	62	Level 2	MTM of derivative instrument is provided by the bankers as at the reporting date
(iii) Other Financial Liabilities	3	-	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)	3,571	1,883	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, 2022		As at March 31, 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial Assets held at amortised cost:				
Cash and Cash Equivalent	1,217	1,217	4,485	4,485
Other Bank Balance	382	382	3,556	3,556
Trade Receivables	44,984	44,984	30,856	30,856
Other Financial Assets	789	789	818	818
Inter Corporate Deposits	400	400	1,372	1,372
Financial Liabilities held at amortised cost:				
Trade Payables	21,512	21,512	17,011	17,011
Financial Lease Liabilities	552	552	561	561
Other Financial Liabilities	2,529	2,529	2,470	2,470

Notes to Consolidated Financial Statements

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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 loans, securities and guarantees given / provided during the year.

NOTE 45 MERGER OF PROMOTER GROUP ENTITIES WITH THE COMPANY

A. Pursuant to the Scheme of Amalgamation of Suremi Trading Private Limited. and Sushripada Investments Private Limited (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, 21,599,859 equity shares and 9,517,830 equity shares in NOCIL held by Suremi Trading Private Limited and Sushripada Investments Private Limited respectively were cancelled and instead, NOCIL issued 31,117,689 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 Mafatlal	439
3	Mr Hrishikesh Arvind Mafatlal (as a trustee of Gurukripa Trust)	30,326,682
	Total	**31,117,689**

B. In accordance with the terms of the Scheme:

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).

C. 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 in the previous year ended March 31, 2021 are as under:

Particulars	Suremi	Sushripada
Revenue (Sale of Uniforms)	865	0
Other Income	3	2
Total Income	**868**	**2**
Purchase of Uniforms	857	0
Employee Benefit Expense	4	0
Other Expenses	1	1
Total Expenses	**862**	**1**
Profit Before Tax (reflected as Miscellaneous Income under Other Non-Operating Income) (Refer Note 26)	**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, 2022

NOTE 47 The Group has complied with number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of layers) Rules, 2017.

NOTE 48 The Group has not advanced any funds or loaned or invested by the Group to or in any other person(s) or entities, including foreign entities ("Intermediaries"), with the understanding that the intermediary shall whether directly or indirectly lend or invest in other persons or entities identified in any manner by or on behalf of the Group (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of ultimate beneficiaries. The Group has not received any funds from any person(s) or entities including foreign entities ("Funding Parties") with the understanding that such Group shall whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or provide guarantee, security or the like on behalf of the Ultimate beneficiaries.

NOTE 49 The Group has not granted Loans or Advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person during the year.

NOTE 50 The Group has borrowings from banks on the basis of security of current assets during the current year to whom quarterly statements of current assets were filed by the Company, which are in agreement with the books of accounts. The Group had no borrowings during the previous year from banks or financial institutions and from financial institution in the current year.

NOTE 51 The Group has earned profits in the current financial year, the current assets are more than the current liabilities and there are accumulated profits as on the balance sheet date. Hence, the financial statements have been prepared on going concern basis.

NOTE 52 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%	143,387	100%	17,595
Subsidiary - Indian				
PIL Chemicals Limited	3%	3,669	1%	197
Inter Company Elimination	-2%	(2,535)	-1%	(181)
Total	**100%**	**144,521**	**100%**	**17,611**

NOTE 53 No transactions to report against the following disclosure requirements as notified by MCA pursuant to amended Schedule III :

(a) As on March 31, 2022, The Group has not been declared wilful defaulter by any bank/ financial institution or other lender.

(b) The Group is not engaged in the business of trading or investing in crypto currency or virtual currency.

(c) The Group does not have any charges or satisfaction yet to be registered with the Registrar of Companies (ROC) beyond the statutory period as at March 31, 2022.

(d) No proceedings have been initiated or are pending against the Group as on March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(e) The Group does not have any transaction with companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.

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NOCIL LIMITED

Mafatlal House, H.T. Parekh Marg
Backbay Reclamation
Churchgate, Mumbai-400 020, INDIA
Tel : +91 22 6636 4062
Fax : +91 22 6636 4060
E-mail: investorcare@nocil.com
Website: www.nocil.com