NOCIL LIMITED

Reg. Office: Mafatlal House, 3rd Floor, H.T. Parekh Marg, Backbay Reclamation, Churchgate, Mumbai-400 020, India.
Tel.: 91 22 6657 6100, 6636 4062 Fax: 91 22 6636 4060 Website: www.nocil.com
CIN: L99999MH1961PLC012003 Email: investorcare@nocil.com

SEC/122B

25th July 2018

The Secretary
The Bombay Stock Exchange Limited
"P.J. Towers"
Dalal Street
Mumbai-400 001
Scrip Code: 500730

The National Stock Exchange of India Ltd.
Exchange Plaza
Bandra Kurla Complex,
Bandra (East)
Mumbai-400 051
Symbol: NOCIL

Dear Sir,

Sub: Annual Report for the Financial Year 2017-18

We wish to inform you that the Company's 56th Annual General Meeting was held on 25th July 2018 at 2.30 P.M. at the Rama & Sundri Watumull Auditorium, K.C. College, Vidyasagar, Principal K.M. Kundnani Chowk, 124, Dinshaw Wacha Road, Churchgate, Mumbai – 400 020.

At the said Meeting, amongst others, the shareholders have approved and adopted the Audited Financial Statements (both Standalone and Consolidated) of the Company for the Financial Year ended on 31st March 2018 and the Reports of the Directors and the Auditors thereon.

Accordingly, pursuant to Regulation 34 (1) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, we are pleased to annex herewith PDF version of the Annual Report for the Financial Year 2017-18.

We request you to take the above on your records and acknowledge receipt.

Thanking you,

Yours faithfully,
For NOCIL Limited

GUPTE
VIKAS

Digitally signed by GUPTE VIKAS
DN: c=IN, o=Personal,
2.5.4.20=a82eb80e7b1e067a287ce6747500
89f458bc6a99af0e166cf2078337b262f230,
postalCode=400101, st=MAHARASHTRA,
serialNumber=781f7a2e291fa674eb6adeb7
c19db4c341d405f62a89af3633b7130a7043
0038, cn=GUPTE VIKAS
Date: 2018.07.25 16:38:49 +05'30'

V. K. Gupte
Company Secretary

Encl: as above

NOCIL LIMITED

56th ANNUAL REPORT 2017 - 18

ARVIND MAFATLAL GROUP
The ethics of excellence

CONTENTS

REGISTRAR AND SHARE TRANSFER AGENTS:

M/s. Karvy Computershare Pvt. Ltd.,
Unit: **NOCIL Limited**
Karvy Selenium Tower B,
Plot 31 -32, Gachibowli Financial District,
Nanakramguda,
Hyderabad - 500 032.

Tel No. 040- 67162222
Fax No. 040- 23420814

E-mail: einward.ris@karvy.com
Website : www.karvycomputershare.com

INVESTORS' RELATION CENTRE:

24 B, Rajabahadur Mansion,
Ground floor Ambalal Doshi Marg,
Fort, Mumbai - 400 023.
Tel: 022 – 66235454

FOR MEMBERS' ATTENTION

1. The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, 19th July 2018 to Wednesday, 25th July 2018.
2. Those shareholders who have yet not dematted their shareholding from physical to demat mode are requested to do so at the earliest.
3. The members are requested to quote their Folio Number /Client Id in all correspondence and also to notify immediately, change of address, if any, to the Registrar and Share Transfer Agents viz. Karvy Computershare Pvt. Ltd at the address given on this page.
4. The members are requested to inform the Company their bank account particulars/ ECS mandates for the purpose of payment of dividend, if declared, at the ensuing Annual General Meeting.

6. The members are requested to bring their copy of the Annual Report along with them and their Attendance Slip which may be submitted at the entrance duly signed.
7. The members desirous of getting any information about accounts and operations of the Company are requested to address their queries to the Company Secretary at least 10 days in advance of the meeting so that information required can be made readily available at the meeting.
8. Keeping in view the objective of "Green Initiative", the Annual Reports are being sent through electronic mode to those members who have registered their e-mail addresses with their Depository participants / or with the Company or with the Company's Registrar and Share Transfer Agents. Members who have not yet registered their e-mail addresses for receiving Annual Report, Notices and other documents in electronic mode are requested to register their e-mail address for the purpose.
9. Annual Report for Financial Year 2017-18 is being uploaded on the website of the Company viz.www.nocil.com for reference of the Members of the Company.
10. The provisions of Section 125 of the Companies Act, 2013 read together with IEPF (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017 requires the companies to also transfer the Equity shares corresponding to the Dividend which has remained unclaimed and consequently unpaid for a period of seven consecutive years or more. Members are requested to refer para on 'Transfer of Unpaid Dividend and corresponding Equity Shares to the Investor Education and Protection Fund (IEPF)' in the Directors' Report for the FY 2017-18.
11. **SEBI has vide its Circular dated 20th April 2018, amongst others, mandated the listed companies through their RTAs to collect copy of PAN card and bank details of all security holders holding shares in physical form. Accordingly, those Members holding shares in physical / Electronic form who have not yet submitted the aforementioned details, are requested to submit the same to the RTA / Depository Participants.**
12. **Pursuant to SEBI Notification dated 8th June 2018, amending Listing Regulations, the Company will not process the requests for transfer of shares unless the shares are held in dematerialized form, except in case of transmission or transposition of shares. This Amendment will come into force on 180th day from the date of publication of Notification i.e. from 4th December 2018.**

56th Annual General Meeting

Date : 25 July 2018

Day : Wednesday

Time : 2.30 P.M.

**Place : Rama & Sundri Watumull Auditorium,
K.C. College, Vidyasagar,
Principal K.M. Kundnani Chowk,
Dinshaw Wacha Road, Churchgate,
Mumbai - 400 020.**

CORPORATE INFORMATION

Board of Directors

Hrishikesh A. Mafatlal	Executive Chairman
Rohit Arora	
Vilas R. Gupte	
N. Sankar	
C. L. Jain	
D.N. Mungale	
P.V. Bhide	
(Ms.) D.N. Raval	
Priyavrata H. Mafatlal	
S.R. Deo	Managing Director

Company Secretary

V.K. Gupte

Auditors

Kalyaniwalla & Mistry LLP
Chartered Accountants

Solicitors & Advocates

Vigil Juris

PDS Legal

Veritas Legal

Bankers

HDFC Bank

State Bank of India

AXIS Bank

IDFC Bank

Registered Office

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

Plants

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 - 392130
Gujarat.

Contact Details

Telephone	:	022-66364062 /66576100
Fax	:	022-66364060
CIN	:	L99999MH1961PLC012003
E-mail	:	investorcare@nocil.com
Website	:	www.nocil.com

NOCIL LIMITED

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

NOTICE

NOTICE is hereby given that the FIFTY SIXTH Annual General Meeting of the Members of NOCIL Limited will be held on Wednesday, the 25 July 2018 at 2.30 p.m. at Rama & Sundri Watumull Auditorium, K.C. College, Vidyasagar, Principal K.M. Kundnani Chowk, 124, Dinshaw Wacha Road, Churchgate, Mumbai – 400 020 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Statement of Profit and Loss, Cash Flow Statement of the Company for the year ended 31 March 2018 and the Balance Sheet as at 31 March 2018 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. To consider and if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** pursuant to Section 139(1) and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force), appointment of M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants, Mumbai (Registration No. 104607W/W100166) who were appointed as Statutory Auditors of the Company to hold office for the period of 5 (five) years from the conclusion of Annual General Meeting held in 2017 until the conclusion of the Annual General Meeting to be held during the year 2022 to examine and audit the accounts of the Company for the financial years 2017-18 to 2021-22 be and is hereby ratified for financial year 2018-19 and the Board of Directors of the Company be authorized to fix remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors plus reimbursement of out of pocket expenses and applicable taxes."

SPECIAL BUSINESS:

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

   "**RESOLVED THAT** in accordance with Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any statutory modifications or re-enactment thereof, for the time being in force and other applicable provisions, if any, and subject to requisite approvals from the concerned Stock Exchange/s and other appropriate statutory authorities, as may be necessary, the consent of the Members of the Company be and is hereby accorded to reclassify the following persons/entities from the existing "Promoter" and "Promoter Group" category to "Non-Promoter" or "Public" category":-

Sr. No.	Name of the Promoter/Promoter Group	No. of Shares held at present
Promoters - Individuals		
1	Vishad Padmanabh Mafatlal	0
2	Vishad Padmanabh Mafatlal (as trustee of Vishad P. Mafatlal family trust no. 1)	0
3	Rupal Vishad Mafatlal	0
Promoters - Bodies Corporates		
1	Navin Fluorine International Limited	13,79,550
2	Anshi Ventures Pvt. Ltd (formerly known as Milap Texchem Pvt. Ltd.)	0
3	Pamil Investments Private Limited	0
4	Arisaig Trading Pvt. Ltd (formerly known as Sarvamangala Holdings Pvt. Ltd.)	0
5	Mafatlal Exim Private Limited	0
6	Mafatlal Impex Private Limited	0

   "**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to submit necessary application for re-classification of shareholding of above mentioned individuals / entities to the concerned Stock Exchange/s wherein the securities of the Company are listed or to any other Regulatory Authority, as may be required, and to take such steps as may be necessary, desirable and expedient to give effect to this Resolution".

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

   "**RESOLVED THAT** pursuant to Section 148(3) of the Companies Act, 2013, read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions if any, payment of Remuneration of ₹ 6,50,000/- (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 4 May, 2018 for carrying out Cost Audit of the Company for financial year 2018-19, be and is hereby approved and ratified."

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

Date : 4 May, 2018

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

V.K. Gupte
Company Secretary

NOTES:

1. **A member entitled to attend and to vote is entitled to appoint a proxy to attend and to vote instead of himself and a proxy need not be a member.**

   Proxies in order to be effective, must be received by the Company, at its Registered Office not less than 48 hours before the Meeting.

   A person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to Special Business is annexed hereto.

3. The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, 19 July 2018 to Wednesday, 25 July 2018 (both days inclusive).

4. The dividend for the year ended 31 March 2018 as recommended by the Board, will be paid to those members whose names appear on the Company's Register of Members on 18 July 2018. 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 17 July 2018. The dividend, if approved, at the Annual General Meeting, will be paid at par on or after 31 July 2018.

5. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under section 170 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting of the Company.

6. The Register of Contracts and Arrangements in which the Directors are interested, maintained under section 189 of the Companies Act, 2013 will be available for inspection by the Members at the Annual General Meeting of the Company.

7. 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
31 March 2011	27 July 2011	2 September 2018
31 March 2012	31 July 2012	6 September 2019
31 March 2013	29 July 2013	4 September 2020
31 March 2014	30 June 2014	6 August 2021
31 March 2015	23 July 2015	29 August 2022
31 March 2016	27 July 2016	2 September 2023
31 March 2017	27 July 2017	2 September 2024

   Attention of the Members is also invited towards the provisions of Section 125 of the Companies Act, 2013 read together with IEPF (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017 which requires the companies to also transfer the Equity shares corresponding to the Dividend which has remained unclaimed and consequently unpaid for a period of seven consecutive years or more. Members are requested to refer para on 'Transfer of Unpaid Dividend and corresponding Equity Shares to the Investor Education and Protection Fund (IEPF)' in the Directors' Report for the FY 2017-18.

8. 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 Annual General Meeting, forms integral part of the notice.

9. Electronic copy of the 56th Annual Report for 2017-18 and Notice of the 56th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose e-mail IDs are registered with the Company/ Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the 56th Annual Report and Notice of the 56th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.

10. The shareholder needs to furnish the printed Attendance Slip along with a valid identity proof such as the PAN card, passport, Aadhaar Card or driving license to enter the AGM Hall.

II. Voting through electronic means

I. In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company provides to its members, the facility to exercise their right to vote on resolutions proposed to be considered at the Fifty Sixth Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Karvy Computershare Private Limited (KARVY).

II. The facility for voting through ballot paper shall also be made available at the AGM and the members attending the meeting shall be able to exercise their right to vote at the meeting through ballot paper in case they have not casted their vote by remote e-voting.

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

IV. The remote e-voting period commences on 20 July 2018 (9:00 am) and ends on 24 July 2018 (5:00 pm). During this period, the members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date of 18 July 2018, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by KARVY for voting thereafter.

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

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

VII. The process and manner for remote e-voting is as under:

A. Member/s whose e-mail IDs are registered with the Company/DPs will receive an e-mail from KARVY informing them of their User-ID and Password. Once the Members receives the email, he or she will need to go through the following steps to complete the e-voting process:

(i) Launch internet browser by typing the URL: https://evoting.karvy.com

(ii) Enter the login credentials (i.e. User ID and password) which will be sent separately. However, if you are already registered with KARVY for e-voting, you can use your existing User ID and password for casting your vote. If required, please visit https://evoting.karvy.com or contact toll free number 1-800-3454-001 for your existing password.

(iii) After entering these details appropriately, click on "LOGIN".

(iv) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@,#,$,etc.). The system will prompt you to change your password and update your contact details like mobile number, email address, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

(v) You need to login again with the new credentials.

(vi) On successful login, the system will prompt you to select the E-Voting Event Number for NOCIL Limited.

(vii) On the voting page enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.

(viii) Members holding shares under multiple folios/demat accounts shall choose the voting process separately for each of the folios/demat accounts.

(ix) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.

(x) You may then cast your vote by selecting an appropriate option and click on "Submit".

(xi) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, members can login any number of times till they have voted on the Resolution(s).

(xii) Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Power of Attorney / Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutiniser at e-mail ID: Scrutinisers@mmjc.in or evoting@karvy.com. They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "NOCIL_EVENT NO."

B. In case a member receives physical copy of the Notice of AGM [for members whose email IDs are not registered or have requested the physical copy]:

a) Initial password is provided in format as below at the bottom of the Attendance Slip for the AGM :

EVENT NO.	USER ID	PASS WORD

b) Please follow all steps from Sr. No. (ii) to (xii) above to cast vote.

VIII. In case of any query pertaining to e-voting, please visit Help & FAQ's section available at KARVY'S website https://evoting.karvy.com.

IX. If the member is already registered with KARVY e-voting platform then he can use his existing User ID and password for casting the vote through remote e-voting.

X. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication.

XI. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 18 July 2018.

XII. Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. 18 July 2018, may obtain the User ID and password in the manner as mentioned below:

a) If e-mail address or mobile number of the member is registered against Folio No. / DP ID - Client ID, then on the home page of https://evoting.karvy.com, the member may click "Forgot Password" and enter Folio No. or DP ID - Client ID and PAN to generate a password.

b) Member may send an e-mail request to evoting@karvy.com. If the member is already registered with KARVY e-voting platform then he can use his existing User ID and password for casting the vote through remote e-voting.

c) Member may call KARVY's toll free number 1-800-3454-001.

d) If the mobile number of the member is registered against Folio No. / DP ID Client ID, the member may send SMS : **MYEPWD** <space> E-Voting Event Number + Folio No. or DP ID - Client ID to **9212993399**

Example for NSDL: MYEPWD <SPACE> IN12345612345678

Example for CDSL : MYEPWD <SPACE> 1402345612345678

Example for Physical : MYEPWD <SPACE> XXXX1234567890

XIII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, viz., 18 July 2018 only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

XIV. Mr. Makarand M. Joshi, Partner of M/s Makarand M. Joshi & Co., Company Secretaries (C.P. No. 3662), Mumbai or failing him Ms. Kumudini Paranjape, Partner of M/s Makarand M. Joshi & Co (C.P. No. 6690), Mumbai has been appointed as the Scrutiniser by the Board of Directors of the Company to scrutinize the e-voting process in a fair and transparent manner.

XV. Voting shall be allowed at the end of discussion on the resolutions on which voting is to be held with the assistance of Scrutiniser, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

XVI. The Scrutiniser shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated Scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman or to a person authorised by the Chairman in writing, who shall countersign the same and declare the result of the voting forthwith.

XVII. The Results declared along with the report of the Scrutiniser shall be placed on the website of the Company www.nocil.com and on the website of KARVY immediately after the declaration of result by the Chairman or by a person duly authorised. The results shall also be immediately forwarded to the National Stock Exchange of India Limited and BSE Limited, where the equity shares of the Company are listed.

XVIII. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to have been passed on the date of the AGM i.e. 25 July 2018.

Annexure to the Notice

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

Item No. 4

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 Statutory Auditors of the Company at the Annual General Meeting held on 27 July 2017 to examine and audit the accounts of the Company for the Financial Years 2017-18 to 2021-22. Further, the Members of the Company are required to ratify their re-appointment as Statutory Auditors of the Company, at every Annual General Meeting; hence the resolution is placed before the members for ratification.

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 resolution.

Item No. 5

In the year 2016, Mr. H. A. Mafatlal, Mr. V. P. Mafatlal, their family members and the entities owned /controlled by them including the three listed entities viz. the Company, Mafatlal Industries Limited (MIL) and Navin Fluorine International Limited (NFIL) entered into an Agreement to amicably restructure the shareholding of the three listed companies and other group companies such that the management of NFIL resided with Mr. V. P. Mafatlal (Padmanabh Mafatlal Group) and the management of MIL and the Company resided with Mr. H. A. Mafatlal (Arvind Mafatlal Group). The restructuring was part of a family settlement and succession plan between Mr. H. A. Mafatlal and Mr. V. P. Mafatlal. In accordance with this arrangement, Mr. V. P. Mafatlal who was then a Non-Executive Promoter Director of the Company stepped aside as such on 19th August, 2016. Thereupon, Mr. H. A. Mafatlal who was then a Non-Executive Chairman of the Company was appointed as the Executive Chairman with effect from 19th August 2016.

Subsequently, the Company received applications from the following entities of Padmanabh Mafatlal Group for reclassification of their status from “Promoter” and “Promoter Group” to “Non-Promoter” or “Public category”. The said applications were approved by the Board of Directors of the Company at the meetings held on 8th May 2017 and 4th May 2018.

Sr. No.	Name of the Promoter/Promoter Group	No. of Shares held at present
Promoters- Individuals		
1	Vishad Padmanabh Mafatlal	0
2	Vishad Padmanabh Mafatlal (as trustee of Vishad P. Mafatlal family trust no. 1)	0
3	Rupal Vishad Mafatlal	0
Promoters- Bodies Corporates		
1	Navin Fluorine International Limited	13,79,550
2	Anshi Ventures Pvt. Ltd (formerly known as Milap Texchem Pvt. Ltd.)	0
3	Pamil Investments Private Limited	0
4	Arisaig Trading Pvt. Ltd (formerly known as Sarvamangala Holdings Pvt. Ltd.)	0
5	Mafatlal Exim Private Limited	0
6	Mafatlal Impex Private Limited	0

Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 provides a regulatory mechanism for reclassification of “Promoter” as “Non-Promoter” or “Public Shareholders” subject to fulfillment of conditions as provided therein. The proposed reclassification is not pursuant to Regulations 31A (5) or (6) of the aforesaid Regulations. However, as a matter of abundant precaution, it is proposed to take the approval of the Members.

The application for reclassification has been made on the following grounds:

1. The applicants do not have any special rights and there is no voting arrangement (formal or informal) with any other party.
2. Neither the applicants nor their promoters directly or indirectly exercise control over the affairs of the Company.
3. The applicants along with persons acting in concerts with them do not hold more than 10% of the paid-up equity capital in the Company.
4. No regulatory action is pending against the applicants who wish to be reclassified as public.
5. The applicants and their promoters and relatives shall not act as Key Managerial Personnel of the Company.

In view of the aforesaid facts and circumstances, the Board of Directors recommend the Resolution at Item No.5 for the approval of the Members.

None of the Directors, Key Managerial Personnel and/or their Relatives except Mr. H. A. Mafatlal, and Mr. Priyavrata H. Mafatlal are concerned or interested in the Resolution.

Item No. 6

Pursuant to Sections 142 and 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the Members of the Company are required to approve and ratify the payment of remuneration of ₹ 6,50,000/- 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 4th May 2018 for the Financial Year 2018-19.

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 resolution.

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

Name	Mr. Priyavrata H. Mafatlal
Age	31 years.
Qualification	M.Com. and B.M.S. (with specialization in Marketing) and has attended 3 Tier Management Program at IIM, Ahmedabad.
Date of Appointment / Re-appointment	8th May, 2017
Expertise in Specific Functional Areas	Mr. Priyavrata has worked as Management Trainee in NOCIL, Navin Fluorine International Limited and Mafatlal Industries Limited during 2008 - 2010 and had gained varied experience and exposure in working with different businesses and divisions.
Directorship held in other listed entities	Executive Director - Mafatlal Industries Ltd.
Membership / Chairmanship of Committees	NIL
Number of shares held in the Company	5,17,000
Disclosure of relationship	Mr. Priyavrata H. Mafatlal is related to Mr. Hrishikesh A. Mafatlal.

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

Date : 4 May, 2018

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

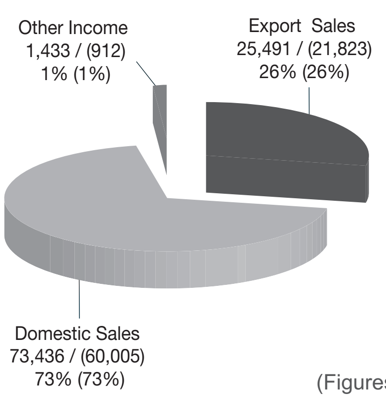
V.K. Gupte
Company Secretary

(₹ in Lakhs)

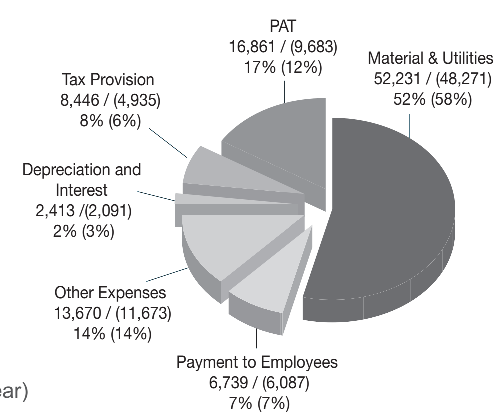
SUMMARISED FINANCIAL DATA								
Sr. No.	**Particulars**	**2011-12**	**2012-13**	**2013-14**	**2014-15**	**2015-16**	**2016-17**	**2017-18**
	STATEMENT OF PROFIT AND LOSS							
1	Total Income	50,474	50,205	60,690	72,289	71,825	82,740	100,360
2	EBITDA	5,611	3,349	7,168	11,576	14,119	16,709	27,720
3	Interest	43	375	1,739	1,651	934	222	122
4	Depreciation	899	785	1,756	1,360	1,372	1,869	2,291
5	Profit before Exceptional Items	4,669	2,188	3,674	8,565	11,813	14,618	25,307
6	Exceptional Items	22	2,225	(203)	-	-	-	-
7	Profit before Tax	4,691	4,413	3,470	8,565	11,813	14,618	25,307
8	Profit after Tax	3,399	4,249	2,362	5,675	7,774	9,683	16,861
9	Other Comprehensive Income						6,277	(741)
10	Total Comprehensive Income	3,399	4,249	2,362	5,675	7,774	15,960	16,120
11	Earning per share (EPS)- Basic (₹)	2.11	2.64	1.47	3.53	4.83	5.98	10.27
12	Dividend (₹ per Share)	0.60	0.60	0.60	1.00	1.20	1.80	2.50
	BALANCE SHEET							
13	Property Plant and Equipments (incl. Investment Property, Capital Work In progress and Intangible Assets)	20,187	30,449	30,490	29,661	53,096	52,154	54,178
14	Investments	2,506	4,731	4,731	4,731	13,669	20,090	30,153
15	Long-term loans and advances (Net)/ Non Current Assets (Net of non-current liabilities)	3,508	4,007	3,426	2,286	1,275	175	1,759
16	Current Assets (Net)	17,319	14,590	18,110	23,533	19,734	28,839	27,679
17	Borrowings (including short term borrowings)	8,046	14,684	15,223	14,731	1,587	500	-
18	Equity Share Capital	16,079	16,079	16,079	16,079	16,079	16,358	16,448
19	Free Reserves/ Other Equity	17,205	20,325	21,558	25,263	60,066	74,146	87,295
20	Total Net Worth	33,284	36,404	37,637	41,342	76,145	90,504	103,743
21	Deferred Tax Liabilities (Net)	2,190	2,689	3,897	4,137	10,042	10,254	10,026
22	Book Value per Equity Share (₹) (20/no. of shares)	20.70	22.64	23.41	25.71	47.36	55.33	63.07
	(Face value-₹ 10 per share)							
23	Debt / Equity Ratio (17/20)	0.24	0.40	0.40	0.36	0.02	0.01	-
24	EBITDA (%) (2/1)	11%	7%	12%	16%	20%	20%	28%
25	Profit after Tax (%) (8/1)	7%	8%	4%	8%	11%	12%	17%
26	Return on Net Worth (%) (8/20)	10%	12%	6%	14%	10%	11%	16%
27	Return on Capital Employed (%) {2/(13+14+15+16)}	13%	6%	13%	19%	16%	17%	24%

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

Rupees Earned



Rupees Spent



(Figures in brackets indicate previous year)

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present their Report together with the Audited Accounts of the Company for the year ended 31 March 2018.

FINANCIAL RESULTS		(₹ In Crores)
Particulars	**For the year 31 March 2018**	**For the year 31 March 2017**
Gross Revenues	989.27	818.28
Profit before Tax	253.07	146.18
Profit after Tax	168.61	96.83
Earnings per share of Face Value of ₹ 10/- each - Basic	10.27	5.98
- Diluted	10.15	5.89

Performance of the Company

Your Directors are pleased to inform you that the performance of your Company showed a substantial improvement for the year under review as compared to the previous year 2016-17. The performance is significant considering relatively low growth in global rubber consumption for most part of the year. Demand for rubber chemicals is a derived demand and is directly a function of Rubber consumption which saw a growth of about 3%. Against this backdrop, your company has posted Gross Revenues of ₹ 989 Crore as compared to ₹ 818 Crore for the previous year. It may be noted that for the second consecutive year, we achieved growth in sales volume of 12.5%.

Compliance audits and strict implementation of Pollution Control norms by China, resulted into closure of defaulting industries there and created a serious disruption in supply chain. Since over 70% of world's rubber chemical requirement is met by China, this disturbance resulted into temporary shortage and price escalation. However, your company continued its ethical business strategy and all regular customers were served in a timely manner without abnormal price escalations. Chinese manufacturers have started corrective actions and market is expected to stabilize in near future. However, price bands of rubber chemicals could shift upward due to enhanced compliance costs.

Domestic Market

Your company has recorded a Net Domestic turnover of ₹700 Crore as against ₹ 513 Crore for the previous year. The Company's domestic sales volumes grew by 14% as compared to the previous Financial Year 2016-17 despite rubber consumption increasing by 3.5%. During the year, to meet sudden surge in requirement of rubber chemicals, the Company had to raise the production levels of all the products.

The Domestic tyre industry recorded a healthy growth occasioned by the growth in automobile sector and imposition of anti-dumping duty on radial Tyres. Higher capacity utilization by tyre industry resulted into higher demand of rubber chemicals for domestic sector. Some of the domestic non- tyre companies faced subdued industrial activity due to paucity of some article inputs. As a result, in certain segments of non-tyre industries, we could not achieve double digit growth.

Though China accounts for 70% of world's rubber chemical production, it only consumes about 33-35% of the rubber consumption, resulting in its exports surplus, thereby occasioning the likelihood of dumping into the neighborhood markets including India.

Exports

For the year under review, Export showed a growth of 8% in volume and 17% in revenue. Your company on the back of positive indicators in global rubber consumption coupled with the Company's strength in specific application areas, recorded one of its best export performances over the years. The issues faced by the Chinese competitors because of the stricter Government measures, have created tightness in supply aspects at the market place. Owing to this, your Company could participate more aggressively in certain key customers accounts on a relatively level playing field. As a result, we have recorded an Export Turnover of ₹ 255 Crore as compared to ₹ 218 Crore in the previous year.

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

Operations

The production of all products was undertaken with higher operating rate keeping in mind the market needs. On the input price front, crude Oil witnessed a volatile range of US $ 55 per barrel - US $ 70 per barrel for most part of the year. Benzene prices too witnessed sharp movement between US $ 750- US $ 1050 per M.T. This coupled with supply issues from China, resulted in increased prices of all inputs. Most critical input costs increased by 20% to 50% as compared to the prevailing levels at the beginning of the year. We have been procuring raw materials in a judicious manner and maintaining the inventories at appropriate levels. In few items, we have maintained adequate levels of inventory so as to mitigate the rising cost of production. This fortunately benefitted the Company in terms of higher EBIDTA margins for the 2nd half of the year.

Project

It may be recalled that the Board of Directors of your company had approved a capital expenditure (capex) of ₹ 170 Crore in March 2017. In terms of the said plan, capex which was to be incurred at Navi Mumbai, shall be commissioned by the end of June 2018. Dahej expansion plans are progressing as scheduled and expected to commission during the 3rd quarter of the Financial Year 2018-19.

In view of the overall market conditions, significant expansion plans of the tyre customers and the environmental measures affecting the production capabilities of Chinese competitors, the Board of Directors, after careful evaluation in December 2017/ January 2018, has approved further expansion of ₹ 255 Crore at the Company's plants at Navi Mumbai & Dahej. The said expansion is expected to be commissioned during the first half of FY 2019-20. This will enhance the capacities of accelerators and anti-oxidants. In view of the company's current liquidity position and the likely business scenario in the upcoming financial year, the board is confident that the said Capital Expenditure can be largely financed through internal accruals.

Finance and Rating

During the year under review, in view of optimum utilization of resources, the company generated cash profits and did not utilize any working capital facilities for the whole year. The Company as a result, incurred lower Finance cost for the year under review.

The Credit Ratings Agency CARE has reaffirmed ratings as CARE AA (Double A) (Stable) for long term Bank Facilities (Terms loan as well as Fund Based facilities) and CARE A1+ (A One plus) rating for short term Non-Fund Bank facilities. Further, CARE has also reaffirmed CARE A1+ rating for issue of Commercial Paper which has been carved out of the working capital facilities.

In addition to the above, the Company had also approached CRISIL Limited for credit ratings for the banking facilities. The said Agency has also assigned CRISIL AA for its Fund-based Bank Facilities and CRISIL A1+ (stable) for its Non - Fund-based Bank Facilities

Dividend

Your Directors are pleased to recommend payment of dividend of ₹ 2.50 per share of ₹10/- each (25%), on the equity share capital of the Company [previous year ₹1.80/- per share of ₹10/- (18%)]. The dividend, together with the tax on Dividend, will absorb a sum of ₹ 49.15 crore (previous year ₹ 35.16 crore).

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

In terms of the provisions of Section 125 of the Companies Act, 2013 read with the Companies (Declaration and Payment of Dividend) Rules, 2014, all unclaimed / unpaid dividend up to FY 2009-10 has been transferred to the Investor Education and Protection Fund and unclaimed / un-encashed dividend for the FY 2010-11 paid on 27 July 2011 is due for transfer to IEPF on 2 September 2018.

The Ministry of Corporate Affairs (MCA) had vide its Notification dated 5th September 2016 notified the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (the Rules). In terms of the Rules, the Equity Shares in respect of which the Dividend has not been claimed for seven consecutive years or more, are also required to be transferred to the IEPF in the prescribed manner.

The said Rules were amended from time to time. As per the latest Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Second Amendment Rules, 2017, notified by MCA vide its Notification dated 13th October 2017, the due date for transfer of Equity Shares in respect of Dividend pertaining to the Financial Year 2009-10 was 31st October 2017. The Company had intimated individually to concerned shareholders and published necessary notice in the newspapers intimating the shareholders about the impending transfer and the modus operandi for the same.

In compliance with the Amended Rules, the Company has transferred 12,02,824 Equity shares to the designated demat account opened by IEPF Authority with NSDL through Punjab National Bank i.e. account no. IN300708 10656671, belonging to those shareholders holding shares both in dematerialized 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 2009-10. The shares held in demat mode were transferred in November 2017 and those held in physical mode were transferred in December 2017.

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.

Fixed Deposits

All the unclaimed fixed deposits/ unclaimed fixed deposit warrants have been transferred to Investor Education & Protection Fund, as required under Section 125 of the Companies Act, 2013. Since, the Company no longer accepts deposits from public, there are no outstanding/unclaimed deposits as at 31 March 2018.

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.

Health, Safety and Environment

Highest HSE standard is a competency parameter for your company and all policies and activities are directed towards setting up benchmarks in safety and environment standards. Safety standards of the company at all locations ensures safety of the employees, visitors, contractors and community around the locations. A dedicated cell in our research Centre directs its efforts to develop new environmental strategies to achieve highest sustainability in the business.

Your Company operates its facilities in a manner consistent with all the applicable HSE laws and regulations, adheres to well laid down policies, systems and procedures, safety awareness and training to maintain the workplace free of any significant incidents and risk to safety and health of all stakeholders.

The Company has in place a very effective Emergency Handling Procedure to provide very prompt and effective response to any emergency situations arising within its premises as well as in the neighborhood.

The Company is very pleased to inform you that we are now certified for **'RESPONSIBLE CARE'** with effect from 1st December 2017. Responsible Care evaluates safety and environmental impact of products from inception, through manufacture and distribution, to ultimate reuse, recycle and disposal, and involves all the stakeholders in the decision-making process. Various programs and studies have been undertaken related to Safety, Health and Environment and are being implemented as a part of this journey.

Your Company actively participates in the Mutual Aid Group, CETP and solid waste disposal management in the Thane Belapur Industrial Area and has earned the reputation amongst the industry members and statutory authorities for prompt technical support and help during any emergency situations.

Health of employees is of utmost importance. Regular check-up of all employees is done to monitor their health. Work area monitoring to check concentration of chemicals, noise level, Illumination levels and quality of ambient air is regularly done to ensure safe and healthy work environment.

HSE performance of the Company is reviewed by your Board every quarter and guidance and valuable suggestions made by the Board are incorporated to further strengthen HSE practice of the Company.

Total Quality Management

Total quality management in your company is an integrated effort by all functions, from supply chain to application support at customer end, to improve quality performance at each level with a focus on continuous improvement. TQM is a focused objective for your company and management commitment is demonstrated through continuous participation in TQM initiatives.

TQM implementation has strengthened your company's competitive position. It has improved your company's adaptability to emerging market conditions particularly in the areas of environmental impact and national and international regulations.

Your company is certified for ISO 9001:2015, IS0 14001:2015, OHSAS 18001:2007 and IATF 16949: 2016 which has a positive impact in terms of customer satisfaction and long-term customer retention. Quality Assurance laboratory of your company is accredited in accordance with ISO 17025:2005 standard.

Dahej location has adopted 5S culture to create an international operating standard.

TQM will continue to contribute in organizational development resulting into enhanced shareholder and stakeholder value.

Research & Development

The research team of your company continues to focus innovative initiatives which will yield long term benefits to the Rubber Chemical business and society at large.

Research & Development is at the core of our continuous improvement Strategy. It is the major enabling factor to fulfil our vision to be a World Class, Customer focused, Innovative organization in the field of rubber chemicals. In view of strengthening R&D, your Board has regularly encouraged investments in R&D and substantial efforts are consistently on to increase talented Manpower pool & to provide necessary Resources & infrastructure for modernization.

The Company's R & D team have made significant contribution in development of several indigenous Process technologies and new products & one of the major being successful commercialization of novel & greener intermediate technology & further improvement at Dahej. These efforts culminated in growth of the company and improving the bottom line.

The Company's Research center focuses on the following key areas:

- Enhancement of plant capacities by employing different strategies and continuous improvement in process efficiency and Product quality to satisfy the needs of the National & International customers.
- Development of Niche products using innovative technologies & Green chemistry concepts.
- Adopting various innovative environmental technologies for sustainability.
- Development of new generation environmentally sustainable processes for growth.

These initiatives resulted in de-bottlenecking of plant capacities to cater to the growing market requirements and environmental needs. Research initiatives of your company are recognised by national and international customers and the company enjoys a privileged status as a technology-oriented organization. Novel green initiatives of the company in the field of environmental strategies are appreciated by authorities, setting a benchmark as an environmentally friendly chemical business.

Your board is pleased to inform that your company has also received approval of extension of the Company's in –house R & D facility from the Ministry of Science and Technology, New Delhi.

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 departments and officials responsible for mitigation plans and review of these risks from time to time. The risks are identified at various departmental levels and suitable mitigation measures are thereafter adopted. These are further subjected to a quarterly review by the Risk Co-ordination Committee as well as 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.

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 Control and Financial Reporting process prevalent in the Company. On a periodical basis, the Board also engages the services of professional experts in the said field to ensure that adequate financial controls and systems are in place. At the end of a period, the CEO/CFO gives 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.

Vigil Mechanism / Whistle Blower Policy

The company has a Vigil Mechanism Policy to deal with an instance of fraud or mismanagement, if any. The details of the Policy are explained in the Corporate Governance Report and are also posted on the website of the Company.

Policy on Sexual Harassment of Women at Workplace

As per the requirement under the provisions made under section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal), Act, 2013, an appropriate Committee has been formed to attend to the complaints of the sexual harassment at workplace, if any, made by female employees. The committee of 4 members consists of two female employees, Vice President-Human Resource and a practicing Advocate in the field of labour laws and regulations. During the year under review, no complaints were received. Wide publicity continues to be given with respect to the policy to all employees and the policy is also displayed on the company's website.

DIRECTORS

- **Number of Board Meetings**

  During the year the Board of Directors met eight times as per details stated in the report on Corporate Governance.

- **Board Evaluation**

  Pursuant to the provisions of the Companies Act, 2013 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.

- **Declaration of Independent Directors**

  As required under Section 149(7) of the Companies Act, 2013, the Independent Directors have placed the necessary declaration in terms of the conditions laid down under Section 149(6) of the Companies Act, 2013 in the Board Meeting held on 4th May 2018.

- **Familiarization Programme to Independent Directors**

  The company provides suitable familiarization programme to Independent Directors to familiarize themselves with the nature of the industry in which the company operates and 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, Directors are periodically advised about the changes effected in the Corporate Law, Listing Regulations about their roles, rights and responsibilities as Directors of the company. The details of the familiarization programme have been disclosed and updated from time to time on the company's website and its web link is: http://www.nocil.com/images/fckeditor/file/Familiarization-Programme-for-IDS.pdf.

Directors' Responsibility Statement

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

(a) That in the preparation of the annual financial statements for the year ended 31st March 2018, 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 the of the Company as at 31 March 2018.

(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 system to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

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

Remuneration policy

During the Financial Year 2014-15, based on the recommendations of the Nomination & Remuneration committee, the Board of Directors approved a Policy for selection and appointment of Directors, Senior Management and their remuneration. There has been no change in the said Policy for the year under review. The Salient features of Remuneration Policy are given in the Corporate Governance Report and criteria for remuneration to independent directors / non-executive directors is also available on the Company's website.

Investments in Navin Fluorine International Limited and Mafatlal Industries Limited

Your Company in terms of the Board approval, undertook sale and purchase transactions of Equity Shares in Navin Fluorine International Limited (NFIL) and Mafatlal Industries Limited (MIL) respectively in the previous year. These transactions were from time to time disclosed to the Stock Exchanges as per the SEBI Regulations.

The Company has disposed of its entire balance shareholding in NFIL. The cash surplus generated by the Company on sale of shares of NFIL (net of acquisition costs of MIL's shares) aggregating ₹ 115 Crore has been re-invested by the Company in suitable short-term investments. This income has been routed through the Other Comprehensive Income (OCI), as per the Indian Accounting Standards (Ind AS).

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, subsidiary company or other designated persons which may have a potential conflict with the interest of the company at large except as stated in the Financial Statements / Directors' Report.

As per the Related Party Transactions Policy, approved by the Board of Directors of the Company, during the year under review, the Company has entered into related party transactions based upon the omnibus approval granted by the Audit Committee. On quarterly basis, the Audit Committee reviewed such transactions 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 in the prescribed form for FY 2017-18 are given in **Annexure "G".**

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website and its weblink is http://www.nocil.com/images/fckeditor/file/Policy-on-Related-Party-Transaction.pdf

Loans, Guarantees or Investments

Particulars of loans, guarantees or investments under Section 186 of the Companies Act, 2013, are given in the Notes forming part of Financial Statements for the year ended 31st March 2018.

Extract of Annual Return

Extract of Annual Return for the Financial Year ended on 31 March 2018 as required by Section 92 (3) of the Companies Act 2013, is annexed as **Annexure "E".**

Subsidiary Company

PIL Chemicals Limited, (PIL) has recorded a Turnover of ₹ 14.63 Crores and Profit before Tax of ₹ 1.96 Crores, for the year under review. The Board of Directors of PIL recommended a Dividend of Re.0.60/-per share.

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

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

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

The audited accounts of the subsidiary company are placed on the Company's website and the members interested in obtaining copy of annual report of the subsidiary company are requested to get in touch with the Office of the Company Secretary.

Consolidated Financial Statements

Consolidated Financial Statements are prepared by your 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.

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.

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 SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999, are 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 "F".**

Appointment/Reappointment of Directors and Key Managerial Personnel

During the year under review, Mr. C. R. Gupte superannuated as Managing Director w.e.f. 31st July 2017. He was associated with the Company for 41 years and has been instrumental in achieving substantial growth for the company both domestic as well overseas. The Board takes the opportunity to sincerely thank Mr. C. R. Gupte for the excellent contribution made as Managing Director and wish him very healthy and peaceful retired life.

Mr. S.R. Deo, who was Deputy Managing Director took over as Managing Director of the Company effective from 1st August 2017. Mr. Deo earlier served as the Deputy Managing Director and Executive Director & President (Operations). Mr. Deo is M. Tech in Chemical Engineering from the Indian Institute of Technology, Kanpur. He has contributed significantly 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. The Board takes the opportunity to wish him success in all his future endeavors.

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

Auditors

Pursuant to the requirement of Section 139(1) of the Companies Act, 2013, at the Annual General Meeting held on 27th July 2017, the Members had accorded their approval for the appointment of M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants, Mumbai as the Statutory Auditors of the Company to examine and audit the accounts of the Company for the Financial Years 2017-18 to 2021-22. They have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed there under for re-appointment as Auditors of the Company. As required under Regulation 33(1) (d) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India. As required by Section 139(1) of the Companies Act, 2013, the appointment of Statutory Auditors is placed before the Members for ratification.

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. Your Directors had, 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 2018-19 on a remuneration of ₹ 6.50 lakhs.

The Cost Auditors have given a Certificate to the effect that the appointment, if made, will be within the prescribed limits specified under section 141 of the Companies Act, 2013.

The Audit Committee has obtained a certificate from the Cost Auditor certifying their independence and arm's length relationship with the Company. The Cost Audit Report in respect of F.Y. 2016-17 was filed on 17th August 2017 and the Report for the Financial Year 2017-18 will be filed on or before the due date i.e. 27th September 2018.

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

Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors has 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 FY 2017-18. The Report of the Secretarial Audit is annexed herewith as **Annexure "B".**

Report on Corporate Governance

As per Regulation 34 read with Schedule V (C) of SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015, a separate section on Report on Corporate Governance practices followed by the Company, together with a certificate from the Company's Auditors confirming compliance is attached.

Report on Management Discussion and Analysis

As required under Regulation 34 read with Schedule V (B) of SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015, report on "Management Discussion and Analysis" is attached and forms a part of this Report.

Corporate Social Responsibility

In line with the provisions of the Companies Act, 2013 and the rules framed there under with respect to the Corporate Social Responsibility (CSR), your company has formulated a Policy on CSR and has also constituted a CSR Committee to recommend and monitor expenditure on CSR. 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 also service of notice/ documents (including annual report) through electronic mode to its members. To support this green initiative of the Central Government in full measure, we hereby once again appeal to all those members who have not registered their e-mail addresses so far are requested to register their e-mail address in respect of electronic holdings with their concerned depositary participants and / or with the Company.

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 : 4 May 2018

Hrishikesh A. Mafatlal
Chairman

ANNEXURE "A"

Report on Corporate Social Responsibility (CSR) Activities

1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.

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

2. Composition of the CSR Committee

   - Mr. H.A. Mafatlal – Chairman
   - Mr. C.L. Jain – Independent Director
   - Mr. Vilas R. Gupte – Non – Executive Director
   - Mr. C.R. Gupte – Managing Director (up to 31st July 2017)
   - Mr. S. R. Deo – Managing Director (w.e.f. 1st August 2017)

3. Average Net Profit of the Company for last three financial years

   - ₹ 12,493.61 lakhs

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3(above)

   - The Company is required to spend Rs. 250 lakhs towards CSR.

5. Details of Amount incurred towards CSR during the financial year

   a. Total amount to be spent for the financial year. – ₹ 250 lakhs

   b. Amount unspent, if any. - Nil

   c. Manner in which the amount spent during the financial year is detailed below:

₹ in Lakhs

Sr. No.	CSR project or activity identified	Sector in which the project is covered	Location District (State)	Amount outlay (budget) project or programme wise	Amount spent on the projects or programmes Sub-heads: - Direct expenditure on projects or programmes - overheads.	Cumulative expenditure up to the reporting period.	Amount spent: Direct or through implementing agency
1	Maharashtra Pollution Control Board	Environment Protection	Kalyan, Maharashtra	3.07	3.07	3.07	Direct
2	Vayam, a registered Charitable Trust	empowerment of tribal communities	Doyapada, Vikramgad Taluka	5.00	5.00	5.00	Direct
3	Vidya Sagar (Formerly known as The Spastics Society of India, Chennai)	livelihood enhancement project	Karapakkam, Chennai	10.00	10.00	10.00	Direct
4	Sri Chaitanya Seva Trust	Charitable & Philanthropic viz., health care	Mira Road, Thane Dist.	100.00	100.00	100.00	Direct
5	Adruta Children's Home	rehabilitation of deserted, parentless and abandoned children	Bhubaneswar	10.00	10.00	10.00	Direct

Sr. No.	CSR project or activity identified	Sector in which the project is covered	Location District (State)	Amount outlay (budget) project or programme wise	Amount spent on the projects or programmes Sub-heads: - Direct expenditure on projects or programmes - overheads.	Cumulative expenditure up to the reporting period.	Amount spent: Direct or through implementing agency
6	Sri Ramakrishna Vivekananda Sevashrama	medical, educational, and rural development	Guptakashi, Rudraprayag, Uttarakhand	10.00	10.00	10.00	Direct
7	Audio & Speech Therapy Department of T. N. Medical College, B. Y. L. Nair Charitable Hospital	Promoting health care	Mumbai, Maharashtra	25.47	25.47	25.47	Direct
8	N.M. Sadguru Water and Development Foundation	rural/ tribal poverty reduction programmes	Dahod, Gujarat	30.00	30.00	30.00	Direct
9	Olympic Gold Quest – NGO	Promotion of Olympic sports	Mumbai	25.00	25.00	25.00	Implementing Agency
10	Seva Sahyog Foundation	Education	Mumbai	15.00	15.00	15.00	Direct
11	Shabri Seva Samiti	health services, educational and social initiatives	Thane, Raigad and Nandurbar, Maharashtra	15.00	15.00	15.00	Direct
12	Rotary Welfare Trust	Promoting health care	Bharuch, Gujarat	0.50	0.50	0.50	Direct
13	National Association of Disabled's Enterprises	Promoting health care	Mumbai	1.00	1.00	1.00	Direct
			Total	**250.04**	**250.04**	**250.04**	

CSR Committee hereby confirms that the implementation and monitoring of CSR is in compliance with the CSR objectives and Policy of the company.

S. R. Deo
Managing Director

H.A. Mafatlal
Chairman CSR Committee

P. Srinivasan
President - Finance & Chief Financial Officer

Annexure "B"

FORM NO. MR.3

SECRETARIAL AUDIT REPORT

For The Financial Year Ended 31st March, 2018

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

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **NOCIL Limited** (hereinafter called the 'Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018 (hereinafter called the 'Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 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 and Overseas Direct Investment **(External Commercial Borrowings are not Applicable to the Company during the Audit Period);**

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not Applicable to the Company during the Audit Period);**

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28 October 2014

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

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not Applicable to the Company during the Audit Period);** and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not Applicable to the Company during the Audit Period)**;

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 **(Herein after Listing Regulations)**

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) Listing Agreement entered with Stock Exchanges.

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

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

- The Petroleum Act, 1934;
- The Inflammable Substances Act, 1952;
- Manufacturing, Storage and Import of Hazardous Chemicals Rules, 1989;
- Chemical 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;

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.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has allotted 894,500 Equity Shares pursuant to Exercise of the Option granted under Employees Stock Option schemes of the Company.

We further report that as per the list of the Disqualified Directors published by Ministry of Corporate Affairs on 7th September 2017 Mr. Priyavrata Mafatlal bearing DIN 02433237 was disqualified. However as per the explanation and documents provided by the Company we are of the view that Mr. Priyavrata Mafatlal is not supposed to be disqualified. The Matter is being perused by the Company with the office of the Registrar of the Companies, Mumbai for removing the name of Mr. Priyavrata Mafatlal from the list of disqualified Directors

For Makarand M. Joshi & Co.

Kumudini Bhalerao
Partner
FCS No. 6667
CP No. 6690

Place: Mumbai
Date: 26/04/2018

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.

‘Annexure A’

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

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For Makarand M. Joshi & Co.

Kumudini Bhalerao
Partner
FCS No. 6667
CP No. 6690

Place: Mumbai
Date: 26/04/2018

ANNEXURE "C"

Disclosure in the Directors' Report as per SEBI Guidelines:

	Particulars	Till the year ended March 31, 2018	
	Options outstanding as at the beginning of the year	3,450,400	
a	Options granted during the year	339,100	
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**	1,205,850	
d	Options Exercised**	894,500	
e	Total no. of shares arising as result of exercise of Options	894,500	
f	Options lapsed *	-	
g	Variation in terms of Options	None	
h	Money realised by exerise of Options (in lakhs)	413	
i	Total number of options in force**	2,895,000	
	** The number of options have been reported as on 31.03.2018	-	
	* Lapsed Options includes options cancelled/lapsed.	-	
j	Employee wise details of options granted to:	**For the Grant made in 2017-18**	
		Name of the employee	**No: of options granted**
	- Senior Management	Given herein below*	
	- any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	Nil	
	- 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	Nil	
k	Diluted earnings per share pursuant to issue of shares on exercise of option calculated in accordance with Ind AS 33 'Earnings per Share'	10.15	
l	Impact of employee compensation cost calculated as difference between intrinsic value and fair market value in accordance with SEBI Guidelines on ESOP	257.06	
m (i)	Weighted average exercise price of Options granted during the year whose Exercise price equals market price	188.35	
m (ii)	Weighted average fair value of options granted during the year whose Exercise price equals market price	69.28	
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	188.35	
	Volatility	41.30%	
	Riskfree Rate	7.41%	
	Exercise Price	188.35	
	Time To Maturity	4 years	
	Dividend yield	2.50%	

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

Name		Designation	No. of Options
1	S.R. Deo	Managing Director	552,375
2	C.R. Gupte	Former Managing Director	509,225
3	R.M. Gadgil	President- Marketing	376,975
4	P. Srinivasan	President Finance & Chief Financial Officer	454,700
5	Dr. C.N. Nandi	Vice President – Research & Development	235,400
6	Dr. N.D. Gangal	Vice President – QA, Analytical and Outsourced Research	213,525
7	R.M. Desai	Vice President- Operations, Corporate HR and Personnel	185,125
8	Ashwin Bhende	Assistant Vice President-Technology	57,500
9	Rakesh Srivastava	Assistant Vice President-Exports	51,700
10	Padam Bahal	Assistant Vice President-Financial and Cost Accounts	44,200
11	Manoj Shah	Assistant Vice President-Materials	44,375
12	V.K. Gupte	Company Secretary	39,050
13	D S Desai	Assistant Vice President-MTS	45,200
14	Suresh Shetty	Assistant Vice President-Operations	39,450
15	Milind Shevte	Assistant Vice President-National Sales	10,500
16	Bhadresh Modi	Assistant Vice President-Operations Dahej	9,500
17	Nitin Shastri	General Manager Project Purchase	9,900
18	K R Subramanian	General Manager Financial and Cost Accounts	9,100
19	Amol Pradhan	General Manager Information Technology	7,200
			2,895,000

Note:
All the grants are being given at the closing price of equity shares of the Company on the National Stock Exchange of India Limited on which highest trading volume was recorded on the previous trading day of the date of grant.

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 2018.

A. CONSERVATION OF ENERGY

a) **The steps taken or impact on conservation of energy**

- Condensate recycle system at selected systems.
- Replacement of old reciprocating chiller with energy efficient screw type chiller.
- Installation of LED lights in plants & internal roads.
- Replacement of old agitators with advanced energy efficient agitators.
- Replacement of steam jet ejectors by vacuum pump.
- Replacement of energy efficient blowers & pumps.
- Installation of solar panels.

b) The steps taken by the Company for utilising alternate sources of energy

- Installation of solar panel at Dahej

c) The capital investment on energy conservation equipment

- Installation of solar panels: ₹ 100 Lakhs
- Condensate recycle system at selected systems: ₹ 2.30 Lakhs
- Replacement of old reciprocating chiller with energy efficient screw type chiller: ₹ 40 Lakhs
- Replacement of old agitators with advanced energy efficient agitators: ₹ 14 Lakhs
- Installation of LED lights in plants & internal roads: ₹ 10 lakhs
- Replacement of steam jet ejectors by vacuum pump: ₹ 11 Lakhs

B. TECHNOLOGY ABSORPTION:

Efforts in brief made towards technology absorption:

1. Process de-bottlenecking done to enhance plant capacities of Stabilizer & Antioxidant Plants
2. Implementation of novel distillation technology in Intermediate plant
3. Implementation of novel separation technology for making high purity Product
4. Implementation of Adsorbate regeneration technology for effluent treatment

Benefits derived as a result of above efforts:

a) Increase in Plant capacity to meet Market demand without major capex

b) Recovery of Product and reduction in solid waste disposal

c) Supply of high purity niche product in Pharma sector

d) Pollution abatement with Recovery and Recycle of valuable raw material & product

Expenditure on R & D

(₹ In Lakhs)

	FY 2017-18	FY 2016-17
Capital	**20**	22
Recurring	**554**	460
Total	**574**	482
Total R & D Expenditure as% to total turnover	**0.58**	0.59

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign exchange used		₹ In Crores
i)	Raw materials, stores and spare parts, Capital goods and other products	193.98
ii)	Expenditure in foreign currency	2.33
Foreign exchange earned		
iii)	Export of goods on FOB basis, Commission and Service Charges.	253.96

For and on behalf of Board of Directors

Place: Mumbai
Date: 4 May 2018

Hrishikesh A. Mafatlal
Chairman

ANNEXURE “E”

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31 March 2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Amendment Rules, 2016]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	:	L99999MH1961PLC012003
ii)	Registration Date	:	11 May 1961
iii)	Name of the Company	:	NOCIL LIMITED
iv)	Category / Sub-Category of the Company	:	Public Limited Company having Share Capital
v)	Address of the Registered office and contact details	:	Mafatlal House, 3rd Floor, H.T. Parekh Marg, Backbay Reclamation, Churchgate, Mumbai-400020 Tel.: 9122-66576100, 66364062 Fax: 9122-66364060 Email: investorcare@nocil.com Website: www.nocil.com
vi)	Whether listed company	:	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any:	:	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District Nanakramguda, Hyderabad – 500 032 Tel No. 91 40- 67162222 Fax No. 91 40- 23420814 Email Id: einward.ris@karvy.com Website: www.karvycomputershare.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Basic Organic Chemicals	24119	99%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the company	CIN/GLN	Holding/subsidiary / associate	% of shares held	Applicable section
1.	**PIL Chemicals Ltd** Mafatlal House, H.T. Parekh Marg, Backbay Reclamation, Churchgate, Mumbai-400 020	**U25209MH2002PLC135201**	**Subsidiary**	**100%**	**2(87)**

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change in shareholding during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
Individual/ HUF	8,59,660		8,59,660	0.53	8,59,660	-	8,59,660	0.52	(0.01)
Central Govt	-	-	-	-	-	-	-	-	-
State Govt	-	-	-	-	-	-	-	-	-
Bodies Corporate	5,96,19,739	-	5,96,19,739	36.44	5,80,20,739	-	5,80,20,739	35.28	(1.16)
Banks/ FI	-	-	-	-	-	-	-	-	-
Any other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):	**6,04,79,399**	**-**	**6,04,79,399**	**36.97**	**5,88,80,399**	**-**	**5,88,80,399**	**35.80**	**(1.17)**
(2): Foreign									
NRIs- Individuals	--	--	--	--	--	--	--	--	--
Other Individuals	--	--	--	--	--	--	--	--	--
Bodies Corporate	--	--	--	--	--	--	--	--	--
Banks/FI	--	--	--	--	--	--	--	--	--
Any other	--	--	--	--	--	--	--	--	--
Sub-total (A) (2):	--	--	--	--	--	--	--	--	--
Total shareholding of Promoter									
(A)=(A)(1)+(A) (2)	**6,04,79,399**		**6,04,79,399**	**36.97**	**5,88,80,399**	**-**	**5,88,80,399**	**35.80**	**(1.17)**
B. Public Shareholding									
1. Institutions									
Mutual Funds	15,53,387	9,130	15,62,517	0.96	68,03,674	2,850	68,06,524	4.14	3.18
Banks/FI	3,76,337	88,900	4,65,237	0.28	4,34,150	37,280	4,71,430	0.28	0.00
Central Govt	--	--	--	-	-	-	-	-	-
State Govt	500	380	880	-	400	380	780	0.00	-
Venture Capital Funds	-	-	-	-					
Insurance Companies Funds	16,96,550	1,160	16,97,710	1.04	9,79,138	1,160	9,80,298	0.60	(0.44)
Others (specify) FIIs, FPIs	80,66,266	1,000	80,67,266	4.93	90,45,595	-	90,45,595	5.50	0.57
Sub-total (B) (1):	**1,16,93,040**	**1,00,570**	**1,17,93,610**	**7.21**	**1,72,62,957**	**41,670**	**1,73,04,627**	**10.52**	**3.31**
2. Non- Institutions									
Bodies Corporate									
i) Indian incl. Trusts	1,40,26,337	1,06,181	1,41,32,518	8.64	1,13,90,230	39,111	1,14,29,341	6.95	(1.69)
ii) Overseas	5,000	--	5,000	--	-	-	-	-	-
Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	4,36,43,150	41,43,322	4,77,86,472	29.21	4,15,56,614	30,23,469	4,45,80,083	27.11	(2.10)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	2,75,95,613	1,54,560	2,77,50,173	16.96	2,81,99,119	2,11,665	2,84,10,784	17.27	0.31
IEPF	-	-	-	-	12,02,824	-	12,02,824	0.73	0.73
Others (specify) NRI & Clearing Members	15,36,168	99,840	16,36,008	1.00	25,80,062	89,560	26,69,622	1.62	0.62
Sub-total (B)(2):	**8,68,06,268**	**45,03,903**	**9,13,10,171**	**55.82**	**8,49,28,849**	**33,63,805**	**8,82,92,654**	**53.68**	**(2.14)**
Total Public shareholding (B)= (B)(1)+(B) (2)	**9,84,99,308**	**46,04,473**	**10,31,03,781**	**63.03**	**10,21,91,806**	**34,05,475**	**10,55,97,281**	**64.20**	**1.17**
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**15,89,78,707**	**46,04,473**	**16,35,83,180**	**100.00**	**16,10,72,205**	**34,05,475**	**16,44,77,680**	**100.00**	**--**

ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1.	Hrishikesh A Mafatlal	1,77,900	0.11	0.00	1,77,900	0.11	0.00	(0.00)
2.	Hrishikesh A Mafatlal as Trustee of Hrishikesh A. Mafatlal Family Trust No. 1	10,260	0.01	0.00	10,260	0.01	0.00	0.00
3.	Rekha Hrishikesh Mafatlal	1,54,500	0.10	0.00	1,54,500	0.09	0.00	(0.00)
4.	Priyavrata Hrishikesh Mafatlal	5,17,000	0.32	0.00	5,17,000	0.31	0.31	(0.01)
5.	Mafatlal Industries Ltd	2,60,07,919	15.90	14.11	2,60,07,919	15.82	29.33	(0.08)
6.	Arvi Associates Pvt Ltd	26	0.00	0.00	26	0.00	0.00	0.00
7.	Suremi Trading Pvt. Ltd.	2,03,69,204	12.45	11.08	2,03,69,204	12.38	0.00	(0.07)
8.	Navin Fluorine International Ltd.	38,78,550	2.37	0.00	22,79,550	1.39	0.00	(0.98)
9.	Krishnadeep Engineers Pvt Ltd	4,02,720	0.25	0.00	4,02,720	0.24	0.00	(0.01)
10.	Shamir Texchem Pvt. Ltd.	220	0.00	0.00	220	0.00	0.00	0.00
11.	Sumil Holdings Pvt. Ltd.	220	0.00	0.00	220	0.00	0.00	0.00
12.	Sushripada Investments Pvt. Ltd.	89,60,880	5.47	0.00	89,60,880	5.45	0.00	(0.02)
	Total	**6,04,79,399**	**36.97**	**25.19**	**5,88,80,399**	**35.80**	**29.64**	**(1.17)**

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

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the company
1	At the beginning of the year	6,04,79,399	36.97*	**6,04,79,379**	36.97**
2	Additions during the year	-	-	-	-
3	Deletions during the year	-	-	(15,99,000)	(0.97)**
4	At the End of the year	**6,04,79,399**	36.97*	**5,88,80,399**	35.80**

* - Total Equity Share Capital at the beginning of the year comprised of 16,35,83,180 Equity Shares of the face value of ₹ 10/- each.

** - Total Equity Share Capital at the end of the year comprised of 16,44,77,680 Equity Shares of the face value of ₹ 10/- each.

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

Sr. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Ashish Kacholia	46,12,929	2.82	66,40,008	4.04
2	L&T MUTUAL FUND TRUSTEE LIMITED-L&T EMERGING BUSINESSES FUND	9,60,797	0.59	60,51,084	3.68
3	Dolly B Khanna	33,54,046	2.05	32,10,573	1.95
4	Acadian emerging markets small cap equity fund llc	18,49,418	1.13	22,96,826	1.40
5	Aahvan Agencies Limited	14,50,059	0.89	14,50,059	0.88
6	Investor Education and Protection Fund	0	0	12,02,824	0.73
7	EMERGING MARKETS CORE EQUITY PORTFOLIO (THE PORTFOLIO) OF DFA INVESTMENT DIMENSIONS GROUP INC. (DFAIDG)	4,82,325	0.29	9,46,503	0.58

Sr. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
8	KOTAK MAHINDRA (INTERNATIONAL) LIMITED	0	0	9,17,339	0.56
9	The New India Assurance Company Ltd.	1,611,640	0.99	8,93,318	0.54
10	C. R. Gupte	8,46,000	0.52	8,61,275	0.52
11	Llyod George Indian Ocean Master Fund	9,66,500	0.60	5,30,000	0.32
12	Abhinandan Leasing & Finance Private Limited	9,20,732	0.56	4,70,732	0.29
13	Edelweiss Custodial Services Limited	9,13,990	0.56	3,67,554	0.22
14	EAM EMERGING MARKETS SMALL CAP FUND, LP	7,56,090	0.46	3,49,829	0.21

v) **Shareholding of Directors and Key Managerial Personnel**

Sr. No.	For Each of the Directors and KMP	Beginning of the year		End of the year	
		No. of Shares	% of total shares of the company	No. of shares	% of total Shares of the company
A. Directors					
1	Hrishikesh A. Mafatlal, Executive Chairman*	1,88,160	0.12	1,88,160	0.11
2	Rohit Arora, Independent Director	0	0.00	0	0.00
3	Vilas R. Gupte, Non-Executive Director @	600	-	600	0.00
4	N. Sankar , Independent Director	0	0.00	0	0.00
5	C.L.Jain , Independent Director	0	0.00	0	0.00
6	D. N. Mungale , Independent Director	0	0.00	0	0.00
7	P.V.Bhide , Independent Director	0	0.00	0	0.00
8	Ms. Dharmishta N. Raval, Independent Director	0	0.00	0	0.00
9	Priyavrata H. Mafatlal, Non-Executive Director	5,17,000	0.32	5,17,000	0.31
10	S.R. Deo , Managing Director (w.e.f. 1.08.2017)	4,37,410	0.27		
	- Acquisition of Shares on exercise of ESOPs	2,10,525	0.12		
	- Sale of ESOP shares	(1,50,000)	(0.09)		
				4,97,935	0.30
11	C.R. Gupte, Managing Director (upto 31.07.2017)	8,46,000	0.52		
	- Acquisition of Shares on exercise of ESOPs	2,71,975	0.16		
	- Sale of ESOP shares	(2,00,000)	(0.12)		
				9,17,975	0.56
B. Key Managerial Personnel					
1	R.M. Gadgil, President Marketing	3,17,400	0.19		
	- Acquisition of Shares on exercise of ESOPs	1,33,925	0.08		
	- Sale of ESOP shares	(90,000)	(0.05)		
				3,61,325	0.22
2	P. Srinivasan, President - Finance & CFO	2,45,400	0.15		
	- Sale of ESOP shares	(1,25,000)	(0.08)		
				1,20,400	0.07
3.	V. K. Gupte, Company Secretary	0	0	0	0
	- Acquisition of Shares on exercise of ESOPs	9,250	0.01	9,250	0.01

* including 10,260 Equity shares held as Trustee of Hrishikesh A. Mafatlal Family Trust No. 1.

@ Shares held as Joint Holder.

V. INDEBTEDNESS

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

(₹ In lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,500	-	160	1,660
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	13	-	-	13
Total (i + ii + iii)	1513	-	160	1673
Change in Indebtedness during the financial year				
Addition	5	-	117	122
Reduction	(1,013)	-	-	(1,013)
Net Change	(1,008)	-	117	(891)
Indebtedness at the end of the financial year				
i) Principal Amount	500	-	277	777
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	5	-	-	5
Total (i + ii + iii)	505	-	277	782

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ *in* Lakhs)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		H. A . Mafatlal, Executive Chairman	S.R.Deo Managing Director (w.e.f. 1.08.2017	C.R. Gupte Managing Director (upto 31.07.2017)	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	135.60	109.14	59.90	304.64
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.40	0.78	6.54	7.72
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Options*	-	45.91	54.75	100.66
(a)	Granted till date	-			
(b)	Exercised till date	-			
3	Sweat Equity	-			
4	Commission	-			
	-- as% of profit				
	Others, please specify	-			
5	Others, (Includes retirement benefits and variable pay)	284.40	140.61	115.30	540.31
	Total (A)	420.40	296.44	236.49	953.33
	Ceiling as per the Act				**2,677.30**

* Indicates fair value as reflected in the financial statements

B. Remuneration to other directors: (₹ *in* Lakhs)

Particulars of Remuneration	Name of Directors						Total Amt
1. Independent Directors	**CLJ**	**NS**	**RA**	**DNM**	**PVB**	**DNR**	
• Fee for attending board committee meetings	5.95	4.90	4.90	5.95	2.80	2.10	26.60
• Commission	16.00	16.00	16.00	16.00	16.00	16.00	96.00
• Others, please specify	-	-	-	-	-	-	-
Total (1)	**21.95**	**20.90**	**20.90**	**21.95**	**18.80**	**18.10**	**122.60**
2. Other Non-Executive Directors	**VRG**	**PHM**					
• Fee for attending board committee meetings	5.95	2.10					8.05
• Commission	16.00	16.00		-	-	-	32.00
• Others, please specify	-	-		-	-	-	-
Total (2)	**21.95**	**18.10**					**40.05**
Total (B)=(1+2)							**162.65**
Total Managerial Remuneration (A+B)							1115.98
Overall Ceiling as per the Act							**2945.03**

CLJ = C.L. Jain: NS= N.Sankar : RA= Rohit Arora: DNM= D.N. Mungale: PVB= P.V. Bhide: DNR= (Ms.) Dharmishta Raval: VRG= Vilas R. Gupte: PHM: Priyavrata H. Mafatlal.

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD (₹ In Lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		R.M. Gadgil President - Marketing	P. Srinivasan President Finance & CFO	V.K.Gupte Company Secretary	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	94.25	91.49	40.51	226.25
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	5.65	4.30	1.04	10.99
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Options*	32.31	29.03	5.48	66.82
(a)	Granted till date	-	-	-	-
(b)	Exercised till date	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as% of profit	-	-	-	-
	others, specify…	-	-	-	-
5.	Others (Includes retirement benefits and variable pay)	26.27	28.32	7.06	61.65
	Total	**158.48**	**153.14**	**54.09**	**365.71**

* Indicates fair value as reflected in the financial statements

VII. Penalties / Punishment / Compounding of Offences :

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

ANNEXURE “F”

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 31 March 2018

Sr. No.	Director	Remuneration (₹ in Lakhs)	Median Remuneration (₹ in Lakhs)	Ratio
1	Mr. H. A. Mafatlal #	420.40	9.45	44
2	Mr. V. R. Gupte	21.95	9.45	2
3	Mr. N. Sankar	20.90	9.45	2
4	Mr. Rohit Arora	20.90	9.45	2
5	Mr. C. L. Jain	21.95	9.45	2
6	Mr. D. N. Mungale	21.95	9.45	2
7	Mr. P. V. Bhide	18.80	9.45	2
8	Ms. Dharmistha Raval	18.10	9.45	2
9	Mr.Priyavrata Mafatlal ##	18.10	9.45	2
10	Mr. C. R. Gupte- *Managing Director**	236.49	9.45	25
11	Mr. S. R. Deo - *Managing Director (w.e.f. 01.08.2017)*	296.44	9.45	31

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

Sr. No.	Directors and Key Managerial Personnel	Percentage increase
1	Mr. H. A. Mafatlal	#
2	Mr. V. R. Gupte	42
3	Mr. N. Sankar	27
4	Mr. Rohit Arora	22
5	Mr. C. L. Jain	28
6	Mr. D. N. Mungale	28
7	Mr. P. V. Bhide	35
8	Ms. Dharmistha Raval	27
9	Mr.Priyavrata Mafatlal	##
10	Mr. C. R. Gupte - *Managing Director upto 31.07.2017*	*
11	Mr. S. R. Deo - *Managing Director w.e.f. 01.08.2017*	30
12	Mr R M Gadgil - *President Marketing*	18
13	Mr P Srinivasan - *President - Finance & CFO*	24
14	Mr. V. K. Gupte - *Company Secretary*	20

* *Not comparable with previous year since ceased to be a Managing Director w.e.f.1.08.2017*

\# *Not comparable with previous year since appointed as Executive Chairman w.e.f. 19.08.2016 (Part of the year for FY 2016-17)*

\## *Not comparable with previous year since appointed as Director w.e.f. 08.05.2017*

3 Percentage increase in the median remuneration of employees in the financial year 15%

4 The number of permanent employees on the rolls of the company as at 31 March 2018 489

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: 4 May 2018

Hrishikesh A. Mafatlal
Chairman

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. H. A. Mafatlal (63) Executive Chairman, ₹ 420.40 lakhs, B.Com. (Hons.), (2), 19.08.2016, Navin Fluorine International Limited (14).
2. Mr. S. R. Deo (63), Managing Director, ₹ 296.44 lakhs, M.Tech -Chemical Engineering from I.I.T. Kanpur (38), 01.11.1979, None.
3. Mr. R.M. Gadgil (65), President -Marketing, ₹ 158.48 lakhs, B. Tech Chemical Engineering from I.I.T. Mumbai (36), 01.11.1982, None.
4. Mr. P. Srinivasan (51), President - Finance & CFO, ₹ 153.13 lakhs, B.Com. & A.C.A, (13), 25.01.2005, Flamingo Pharmaceuticals Limited, General Manager - Finance, (3)
5. Dr. C.N. Nandi (59), Vice President- Research & Development, ₹ 104.39 lakhs, M.Sc. & PhD. In Chemistry, (37), 08.09.1981, Bhabha Atomic Research Centre (0.5)
6. Dr. N.D. Gangal (52), Vice President- Analytical Research & Quality Assurance, ₹ 96.39lakhs, M.Sc. & PhD. In Chemistry, (11), 01.10.2007,Dow Chemcials, (0.5)
7. Mr. R.M. Desai (57), Vice President- Operations, Corporate HR & Personnel, ₹ 71.58 lakhs, B.E. Chemical Engineering (36),15.06.1982, None
8. Mr. A.B. Bhende (50), Assistant Vice President- Technology, ₹ 62.25 lakhs, B.Sc. Tech. DBM.(17) 02.04.2001, Gharda Chemicals Limited,(10)
9. Mr. Padam Bahal (54), Assistant Vice President- Financial and Cost Accounts, ₹ 59.32 lakhs, B.Com & A.I.C.W.A, (11), 01.01.2008, Hikal Limited, (2)
10. Mr. M.J. Shah (58), Assistant Vice President- Materials, ₹ 58.68 lakhs, Diploma in Material management & Mechanical Engineering, (6), 09.02.2012, Ashapura Minechem Limited (13)

(B) Name of the employees employed for the part of the year and were in receipt of remuneration of not less than ₹ 8.50 lakhs per month

1. Mr. C. R. Gupte (67) Managing Director, ₹ 236.49 lakhs, B.Sc., FCA, (41), 09.12.1976, None.

(C) The percentage of equity shares held by the employee in the Company within the meaning of Clause (iii) of sub rule (2) of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

- Not Applicable

<u>Notes:</u>

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 wherever applicable, Personal Accident Insurance, monetary value of perquisites calculated in accordance with provision of Income Tax Act, 1961 and rules made thereunder in respect of Housing, Company's furniture and equipments etc

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

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

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

(ii) *Mr. C. R. Gupte- Managing Director of the Company (upto 31st July 2017) and Mr. V. R. Gupte- Director of the Company.*

For and on behalf of the Board of Directors

Place: Mumbai
Date: 4 May 2018

Hrishikesh A. Mafatlal
Chairman

Annexure "G"

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	16	NA#	Nil
		Purchase of 6,85,000 Equity Shares	Arrangement between Promoter Group companies	1,874	14/07/2017	Nil
2	Navin Fluorine International Limited (Promoter)	Sale of balance 4,71,015 Equity Shares	Arrangement between Promoter Group companies	13,542	23/06/2017	Nil
3	PIL Chemicals Limited (Wholly-owned subsidiary)	Processing charges	Continuing arrangement	1,463	NA#	Nil
4	Chaitanya Seva Trust*	Donation under CSR	Donation is as per CSR Policy	100	NA#	Nil
5	N. M. Sadguru Water and Development Foundation*	Donation under CSR	Donation is as per CSR Policy	30	NA#	Nil

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

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

For NOCIL Limited

H. A. Mafatlal
Chairman

Place: Mumbai
Date : 04 May 2018

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 ['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.

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 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. Mr. C.R. Gupte, Managing Director (upto July 31, 2017) and Mr. Vilas R. Gupte, Director are related to each other. None of the Directors are related to each other, other than as stated above.

None of the Independent Director has any other material pecuniary relationship or transaction with the Company, its Promoters, or Directors, or Senior Management which, in their judgment, would affect their independence.

The Board of Directors comprises of professionals drawn from diverse field who bring with them a wide range of skills and experience to the Board which enhances the quality of Board's decision making process.

The broad composition of the Board of Directors and other details such as 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, 2018:

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

b. Board meetings held and Directors' attendance record

Sr. No.	Name of Director	Category of Director	No of Shares held as on 31-03-2018	No. of Board meetings attended during FY 2017-18	No. of Directorship in Public Companies as on 31-3-2018*	No. of Board Committee Membership held in Public Companies as on 31-3-2018**		Attendance at last AGM held on July 27, 2017
						Chairman	Member	
1.	Mr. Hrishikesh A. Mafatlal	Executive Chairman – Promoter Group	1,88,160@	8	3	0	2	Yes
2	Mr. Priyavrata H. Mafatlal	Non –Executive Director	5,17,000	7	2	0	0	Yes
3	Mr. C. L. Jain	Independent Director	-	8	4	3	2	Yes
4	Mr. N. Sankar	Independent Director	-	6	3	-	1	Yes
5	Mr. Rohit Arora	Independent Director	-	6	1	1	1	Yes
6	Mr. Vilas. R. Gupte	Non-Executive Director	600 $	8	2	1	2	Yes
7	Mr. D. N. Mungale	Independent Director	-	8	7	2	6	Yes
8	Mr. P. V. Bhide	Independent Director	-	7	7	1	7	Yes
9	Ms. Dharmishta N. Raval	Independent Director	-	5	6	0	0	Yes
10	Mr. S.R. Deo (w.e.f. August 01, 2017)	Managing Director	4,97,935 ##	8	1	0	1	Yes
11	Mr. C.R. Gupte (up to July 31, 2017)	Managing Director	9,18,575 #	4	-	-	-	Yes

@ including 10,260 Equity shares held as Trustee of Hrishikesh A. Mafatlal Family Trust No. 1.

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

** 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 Ltd.

$ Equity Shares held as Joint holders

Out of 9,18,575 equity shares, 600 equity shares are held as Joint holder and balance 9,17,975 equity shares are held by Mr. C. R. Gupte on exercise of the Company's ESOP Scheme-2007.

4,97,925 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.

During the year under review eight meetings of the Board were held in Mumbai on the following dates:

Sr. No.	Date of Meeting	Board Strength	No. of Directors present
1.	08.05.2017	11	9
2.	23.06.2017	11	8
3.	14.07.2017	11	8
4.	27.07.2017	11	11
5.	23.10.2017	10	10
6.	20.12.2017	10	10
7.	31.01.2018	10	8
8.	26.03.2018	10	10

The maximum gap between two Board Meetings held during the year was not more than 4 (four) months.

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. The Board members try to attend the meetings through Video Conferencing in case they are unable to attend in person. As required by Secretarial Standards, 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 Fifth Annual General Meeting was held on July 27, 2017.

Pursuant to requirements of Regulation 26 of the Listing Regulations, none of the Company's Director 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.

c. 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;
- Reviewing and approving financial plans and budgets;
- Monitoring corporate performance against strategic and business plans;
- Ensuring ethical behavior and compliance with laws and regulations;
- Reviewing and approving borrowing limits.

d. Familiarization Programme

Periodically, the Company provides familiarization programme to the Independent Directors to enable them to understand the business of the Company. At the meetings of the Board of Directors held on quarterly basis, presentations on the Manufacturing, Marketing, financial and technical operations 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 familiarization programme has been displayed on the Company's website and its weblink is http://www.nocil.com/images/fckeditor/file/Familiarization-Programme-for-IDS.pdf.

e. Independent Directors' Meeting

During the year under review, the Independent Directors met on December 19, 2017, inter alia to discuss:

- overall operations

- Business Strategy

- Medium / Long term plans

All the Independent Directors were present at the meeting.

3. Audit Committee

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

Mr. C. L. Jain 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 2017-18
Mr. C.L. Jain, Chairman	Independent Director	5
Mr. N. Sankar	Independent Director	4
Mr. Rohit Arora	Independent Director	3
Mr. D.N. Mungale	Independent Director	5
Mr. Vilas R. Gupte	Non-Executive Director	5

During the year five Audit Committee Meetings were held, the dates of which are as follows:

May 8, 2017, July 14, 2017, July 27, 2017, October 23, 2017 and January 31, 2018.

The requisite quorum was present at the meetings.

Audit Committee Meetings are also attended by the Executive Chairman, Managing Director, Chief Financial Officer and Company Secretary. The Company Secretary acts as the Secretary of the Audit Committee.

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

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

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 statement is 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, remuneration and terms of appointment of auditors of the company;

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

e) Review and monitor the auditor's independence and performance, and effectiveness of audit process;

f) Examination of the financial statement and the auditors' report thereon;

g) Approval or any subsequent modification of transactions for the company with related parties;

h) Scrutiny of inter-corporate loans and investments;

i) Valuation of undertakings or assets of the company, wherever it is necessary;

j) Evaluation of internal financial controls and risk management systems;

k) To review the Internal Control over Financial Reporting.

l) To review the functioning of the Whistle blower mechanism

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

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. H.A. Mafatlal, Executive Chairman, Mr. S. R. Deo, Managing Director and Mr. Priyavrata H. Mafatlal, Non –Executive Director. Mr. Priyavrata H. Mafatlal was appointed as a Member w.e.f. August 1, 2017 in place of Mr. C. R. Gupte consequent to his superannuation as Managing Director w. e. f. July 31, 2017.

The Committee approves cases such as the transfer of shares in physical form, issue of duplicate share certificates and requests regarding Transmission / Consolidation /Split of Share Certificates etc. The Committee normally meets once in a week 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 verifies transfer deeds and other related documents of cases of Transmission / issue of Duplicate Share Certificates and recommends the same for approval of the Committee. Further, as per Regulation 40 (2) of the Listing Regulations, a report on transfer of shares / deletion of name/ issue of duplicate share certificate/ transmission of securities is also placed at each meeting of the Board of Directors.

During the year under review, the Company has transferred 12,02,824 Equity shares belonging to those shareholders holding shares both in dematerialized 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 2009-10 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 2017-18 under the heading 'Transfer of Unpaid Dividend and corresponding Equity Shares to the Investor Education and Protection Fund (IEPF)'.

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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Mr. Rohit Arora is the Chairman and Member of the Committee and was present at the Company's Annual General Meeting held on July 27, 2017.

The Composition of the Committee is as follows and all members attended the meeting held on December 20, 2017:

Name of Members	Category
Mr. Rohit Arora, Chairman	Independent Director
Mr. Hrishikesh A. Mafatlal	Executive Chairman (Promoter Group)
Mr. C.R. Gupte (up to July 31, 2017)	Managing Director
Mr. S. R. Deo (w. e. f. August 01, 2017)	Managing Director
Mr. Vilas. R. Gupte	Non-Executive Director

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

As reported in the Corporate Governance Report of the previous Financial Year, the Company has resolved one pending complaint during the year under review. The Company received 16 complaints from shareholders in Financial Year 2017-18. Except 3 complaints, rest of the complaints were resolved to the satisfaction of the shareholders. As regards pending complaints, the steps are being taken to resolve them at the earliest.

The Company Secretary acts as the Secretary of the Committee.

Name, designation and address of the Compliance Officer:

Mr. V.K. Gupte,
Company Secretary
Mafatlal House, 3rd Floor, H. T. Parekh Marg,
Backbay Reclamation, Churchgate, Mumbai – 400 020

6. Nomination and Remuneration Committee

A. Composition and Scope

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

Name of Members	Category	No. of meetings attended during the Year
Mr. Rohit Arora, Chairman	Independent Director	3
Mr. H. A. Mafatlal	Executive Chairman (Promoter Group)	3
Mr. N. Sankar	Independent Director	3
Mr. D.N. Mungale	Independent Director	3

During the year, three NRC Meetings were held on May 8, 2017, July 27, 2017 and March 26, 2018.

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

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

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

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

d. Review of the Remuneration Policy of the company in line with market trends to attract and retain the right talent.

e. Review and approval of 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.

The performance of each Independent Director is evaluated by the entire Board of Directors (in the absence of the director being evaluated) 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; and

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.

The Non-Executive Directors (NEDs) are paid remuneration by way of Sitting Fees and Commission. In terms of the Shareholders' approval obtained at the Annual General Meeting held on 30 June 2014, the Commission is paid at a rate not exceeding 1% per annum of the profits of the Company computed in accordance with Section 197 and 198 of the Companies Act, 2013. The distribution of Commission amongst the NEDs is placed before the Board and distributed as mutually decided by the Board.

C. **Remuneration of Directors**

(₹ in Lakhs)

Name of the Director	Salary, Allowances / Perquisites & Performance Bonus, ESOPs	Contribution to Funds	Total
Mr. H. A. Mafatlal, Executive Chairman	396.00	24.40	420.40
Mr. C. R. Gupte, Managing Director (up to July 31, 2017)	221.19	15.30	236.49
Mr. S.R. Deo, Managing Director (w. e. f. August 1, 2017)	265.84	30.60	296.44

During the financial year 2017-18, Mr. S.R. Deo was granted 61,400 Stock Options. The Nomination and Remuneration Committee in its meetings held on various dates granted in aggregate 21,27,200 Stock Options to Mr. C.R. Gupte, Former Managing Director, and 13,00,300 Stock Options to Mr. S.R. Deo, Managing Director under Employees Stock Options Scheme. 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. Accordingly, Mr. C. R. Gupte, who superannuated as Managing Director on July 31, 2017, was also entitled to exercise the options after his superannuation. The details of the options exercised by Mr. C.R. Gupte and Mr. S.R. Deo are given below:

Name of the Director	No. of shares held on 01-04-2017	No. of ESOPs exercised during the FY 2017-18	No. of Equity Shares sold during the FY 2017-18	No. of Equity Shares held as on 31-03-2018
Mr. C. R. Gupte, Managing Director (Upto July 31, 2017)	8,46,000	2,71,975	2,00,000	9,17,975
Mr. S. R. Deo, Managing Director (w.e.f. August 01, 2017)	4,37,400	2,10,525	1,50,000	4,97,925
Total	**12,83,400**	**4,82,500**	**3,50,000**	**14,15,900**

Commission / Sitting Fees to Non-Executive Directors for the financial year 2017-18 for attending Board and Committee Meetings.

(₹ In Lakhs)

Name of the Director	Sitting Fees	Commission*	Total
Mr. Rohit Arora	4.90	16.00	20.90
Mr. Vilas R. Gupte	5.95	16.00	21.95
Mr. N. Sankar	4.90	16.00	20.90
Mr. C.L. Jain	5.95	16.00	21.95
Mr. D. N. Mungale	5.95	16.00	21.95
Mr. P.V. Bhide	2.80	16.00	18.80
Ms. Dharmishta N. Raval	2.10	16.00	18.10
Mr. Priyavrata H. Mafatlal	2.10	16.00	18.10
Total	**34.65**	**128.00**	**162.65**

* On accrual basis

7. **Corporate Social Responsibility (CSR) Committee**

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

Name of Members	Category	No. of meetings attended during the Year
Mr. H.A. Mafatlal, Chairman	Executive Chairman (Promoter Group)	3
Mr. C.L. Jain	Independent Director	3
Mr. C.R. Gupte (up to July 31, 2017)	Managing Director	1
Mr. Vilas R. Gupte	Non-Executive Director	3
Mr. S. R. Deo (w.e.f. August 1, 2017)	Managing Director	2

During the year 2017-18, three Committee meetings were held on May 3, 2017, October 12, 2017 and January 9, 2018.

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

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.

8. General Body Meetings

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

Financial year	Date	Location	Time
2014-15	July 23, 2015	Rama & Sundri Watumull Auditorium, Mumbai	2.30 p.m.
2015-16	July 27, 2016		
2016-17	July 27, 2017		

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

Date of Annual General Meeting	Number and particulars of Special Resolutions passed.
July 23, 2015	a. Re-appointment of Mr. C. R. Gupte as Managing Director effective August 1, 2015 b. Appointment of Mr. S. R. Deo as the Deputy Managing Director effective April 1, 2015
July 27, 2016	Keeping and maintaining registers required to be kept and maintained by a Company under Section 88 of the Companies Act, 2013 at the premises of the Company's Registrar and Transfer Agents (RTA) viz., Karvy Computershare Private Limited
July 27, 2017	Appointment of Mr. S. R. Deo as the Managing Director effective August 1, 2017

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.

9. Means of communication

With effect from the financial year 2017-18, the Companies (Indian Accounting Standards) Rules, 2015 (Ind-AS Rules) have become applicable to the Company. Accordingly, the Board takes on record the audited / unaudited yearly/ quarterly financial results in the format prescribed under Regulation 33 of the Listing Regulations read with Circular Ref No. CIR/CFD/FAC/62/2016 dated July 5, 2016 issued by SEBI within prescribed time limit from the closure of the quarter / year and announces the results to all the stock exchanges where the shares of the Company are listed. In view of the applicability of Ind- AS to the Company for the first time with effect from April 1, 2017, the Company has been publishing the full results instead of its abridged version 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.

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

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

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.

10. General Shareholder Information

i) Annual General Meeting:

Date and time : July 25, 2018 at 2.30 p.m.

Venue : Rama & Sundri Watumull Auditorium
K.C. College, Vidya Sagar,
Principal K.M. Kundnani Chowk,
124, Dinshaw Wacha Road,
Churchgate, Mumbai – 400 020.

ii) Financial Year of the Company

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

Financial reporting for FY 2018-19 (Indicative):

Quarter ending on June 2018 : July 25, 2018

Half year ending on September 2018 : October 30, 2018

Quarter ending on December 2018 : end of January 2019

Year ending on March 2019 : end of April/May 2019

Annual General Meeting (2018-19) : end of July 2019

iii) Date of Book Closure

Thursday, July 19, 2018 to Wednesday, July 25, 2018

iv) Dividend Payment Date

On or after July 31, 2018 (If declared at forthcoming Annual General Meeting)

v) 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.	Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai - 400001	500730
2.	National Stock Exchange of India Limited Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051	NOCIL

The Company has paid the Listing Fees to Bombay Stock Exchange Limited and National Stock Exchange of India Ltd for FY 2018-19.

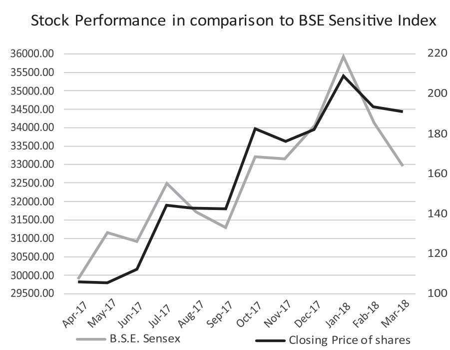
vi. Stock market data

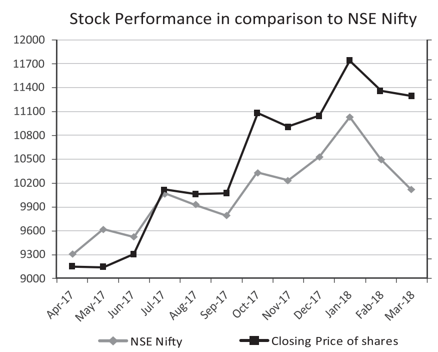
The monthly high / low quotation of shares traded on the Bombay Stock Exchange and the National Stock Exchange of India is as follows:

(Figures in ₹)

Bombay Stock Exchange Ltd. (BSE)			National Stock Exchange of India Ltd. (NSE)		
Month	High	Low	Month	High	Low
April, 2017	111.00	92.60	April, 2017	110.90	92.50
May, 2017	111.70	91.00	May, 2017	111.40	91.00
June, 2017	123.00	102.70	June, 2017	123.30	102.65
July, 2017	145.00	111.85	July, 2017	145.00	112.50
August, 2017	149.95	122.95	August, 2017	149.90	122.55
September 2017	155.35	132.80	September 2017	155.65	133.00
October, 2017	193.00	140.50	October, 2017	193.50	140.80
November, 2017	187.00	167.20	November, 2017	187.40	166.60
December, 2017	189.70	162.85	December, 2017	189.70	165.30
January, 2018	236.00	179.70	January, 2018	236.40	179.30
February, 2018	210.70	176.55	February, 2018	210.80	176.15
March, 2018	210.95	186.00	March, 2018	211.00	186.00

vii) NOCIL Stock Performance in comparison to BSE Sensitive Index and NSE Nifty





viii) Registrar and Share Transfer Agents (RTA):

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

Address for Investor correspondence

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

ix) Share Transfer system

Share transfers and related operations for the Company are processed by the Company's RTA viz., Karvy Computershare Private Limited, and approved by the Share Transfer Committee of the Company. Share transfer is normally effected within the maximum period of 15 days from the date of receipt, if all the required documentation is submitted.

x) Distribution of shareholding

a. Distribution of shareholding by Size as on March 31, 2018

Sr. no	No. of shares	No. of shareholders	% of Shareholders	No. of shares held	% of shareholding
1	Up to 1 - 5000	1,04,472	84.43	1,54,96,930	9.42
2	5001 - 10000	10,109	8.17	83,98,812	5.11
3	10001 - 20000	4,531	3.66	70,86,157	4.31
4	20001 - 30000	1,581	1.28	40,99,357	2.49
5	30001 - 40000	728	0.59	26,44,966	1.61
6	40001 - 50000	648	0.52	31,18,245	1.90
7	50001 - 100000	891	0.72	68,04,069	4.14
8	100001 & ABOVE	781	0.63	11,68,29,144	71.03
	Total:	**1,23,741**	**100.00**	**16,44,77,680**	**100.00**

b. Shareholding pattern by Ownership as on March 31, 2018

Sr No.	Ownership	No. of shares held	% of shareholding
1	Indian Promoters	5,88,80,399	35.80
2	Mutual funds	68,06,524	4.14
3	Banks, financial institutions, insurance companies, etc.	14,51,728	0.88
4	NRI's / OCBs / FIIs	1,14,01,869	6.93
5	Private corporate bodies	1,13,88,292	6.92
6	IEPF	12,02,824	0.73
7	Indian public	7,33,46,044	44.59
	Total	**16,44,77,680**	**100.00**

xi) Demat information

The shares of the Company were brought under compulsory demat mode with effect from May 29, 1999. As on March 31, 2018 about 97.93% shareholding representing 16,10,72,205 shares of the Company have been converted into demat form. 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

xii) 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.

xiii) 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.

xiv) 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

xv) Address for Correspondence

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

11. Other Disclosures

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 behaviour, 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 victimization, who notice and report any unethical or improper practices and

- To appropriately communicate the existence of such mechanism, within the organization 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., http://www.nocil.com/images/fckeditor/file/NOCIL_Vigil_Mechanism.pdf

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

D. Details of compliance with mandatory requirements:

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

E. Policy on Subsidiary Companies

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

F. Policy on Related Party Transactions

In terms of Section 188 of the Companies Act, 2013 read with the Clause 49 of the erstwhile Listing Agreement and presently the Regulation 23 of Listing Regulations, the Company had formulated a policy on materiality of Related Party Transactions and on dealing with Related Party Transactions.

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, is placed on the website of the Company viz., http://www.nocil.com/images/fckeditor/file/Policy-on-Related-Party-Transaction.pdf

G. Policy on Board Diversity

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

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

12. 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 2017-18 do not contain any audit qualification.

c. Separate posts of Chairman and CEO:

The Company presently has an Executive Chairman and a Managing Director.

d. Reporting of Internal Auditor

On quarterly basis, the Internal Auditors of the Company make presentation to the Audit Committee on their reports on different areas of operations.

13. Management Discussion and Analysis:

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

14. Declaration of compliance with the Code of Conduct / Ethics:

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

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

ANNEXURE TO CORPORATE GOVERNANCE REPORT

Declaration regarding affirmation of Code of Conduct

In terms of the requirements of Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, this is to confirm that all the members of the Board and the Senior Management personnel have affirmed compliance with the Code of Conduct for the year ended 31 March 2018.

Place : Mumbai
Date : May 04, 2018

S. R. Deo
Managing Director

AUDITORS’ CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of ***NOCIL Limited***

We have examined the compliance of conditions of Corporate Governance by ***NOCIL Limited*** (‘the Company’) for the year ended March 31, 2018, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 (‘Listing Regulations’).

Management’s Responsibility

The compliance of conditions of Corporate Governance is the responsibility of the Company’s Management, including the preparation and maintenance of all relevant supporting records and documents.

Auditor’s Responsibility

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

We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India(‘ICAI’). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations as applicable during the year ended March 31, 2018.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For KALYANIWALLA & MISTRY LLP
Chartered Accountants
Firm Regn. No.: 104607W / W100166

Daraius Z. Fraser
Partner
M. No.: 42454

Mumbai; May 04, 2018.

MANAGEMENT DISCUSSION AND ANALYSIS

Economic Review

The long-term growth prospects of the Indian economy are positive due to its young population, healthy savings / investment rates, pragmatic Government policies and integration into the global economy. India continues to be one of the top economies of the world with growth rate of about 6.7% , with future outlook of more than 7.5%. The challenge continues to be the Indian Industrial growth which continues to hover about 4%.

The economic growth has been driven largely by the expansion of services that have been growing consistently faster than other sectors. It is argued that the pattern of Indian development has been a specific one and that the country may be able to skip the intermediate industrialization-led phase in the transformation of its economic structure. Serious concerns however, have been raised about the jobless nature of the economic growth.

On the international front, tensions due to the North Korea - US and the Syrian situation continues to have some effect on the global financial sector as also the other economies of the world. As a result, the world economy is likely to face challenging times in the coming years. The trend towards protectionist nationalism and a perceptible shift away from globalisation to isolation also seems to be a cause of concern as highlighted by the trade war between US and China.

Domestically, the year under review has been marked by some major reforms. The transformational Goods and Services Tax (GST) was launched in July 2017. As expected for a policy change of such scale, scope, and complexity, the transition did encounter challenges of policy, law, and adequate information technology systems, which, in particular, affected the informal sector. Expeditious responses followed to rationalize and reduce rates, and simplify compliance burdens.

Infrastructure growth enjoys intense focus from Government for initiating policies that would ensure time bound and speedy implementation of laid down plans. Automobile and tyre sector growth is directly proportional to infrastructure growth and both sectors are optimistic due to high emphasis by Government on building roads, ports, bridges network expeditiously. Growth of Automobile and tyre sector will seamlessly create potential markets for your company.

On a brighter note, the automotive sector in the country recorded a growth of about 14% for the year under review. Medium and Heavy Commercial Vehicles (M&HCVs) recorded a growth of 12.5%, which is good news for the Company. New launches by OEMs created the necessary excitement in the market. Cost of ownership of an automobile is an important factor for demand for tyres and consequently to our industry. However, some subdued activity was witnessed in segments like footwear and cycle tyres. The restricted availability of certain raw-materials needed by these industries from China also compounded the problem. The year also saw a major correction initiated by the Chinese Government in its manufacturing sector in terms of environmental and pollution issues. The measures implemented in September 2017, resulted in many companies getting suspended / closed down / relocated. Supply disruptions and limited availability saw an unprecedented volatility in prices.

The Indian Economy, despite the challenges encountered, saw a growth of about 7% for the year under review. Of course, the Indian Industrial Production was lower, at around 2%, which was not good news for the manufacturing sector. Several industries within the manufacturing sector witnessed negative growth.

Global rubber consumption witnessed a growth of 3% - 3.50%. Rubber chemicals essentially follow the trend of global rubber consumption. The good news on the domestic and International front, is that the Automobile sector has shown reasonably good growth during the year, in most of the segments. This growth in the automobile sector will give positive impetus to the rubber industry and in turn, to the rubber chemicals industry. Even the automobile production/vehicle registration data from Western world has shown a positive trend which is good news for our industry. Expansion plans announced by the major tyre customers are favorable for the Rubber Chemical business.

The outlook for FY 2018-19 for India, continues to be challenging as availability of inputs and rise in the crude oil prices can pose challenges to the manufacturing sector. India continues to be and is expected to remain the fastest growing economy of the world.

Rubber Chemical Industry:

Rubber Chemicals are used by manufacturers who process and convert Natural Rubber and / or Synthetic Rubber into finished products, like Tyres, Hoses, Footwear, Moulded Components for vehicles, Industrial Belts, Gloves, etc. Of these, the Tyre segment is clearly the single largest consuming segment for Rubber Chemicals.

The demand for automobiles was driven by the Indian economy continuing the growth path, bounce back in rural sentiment coupled with moderate inflation.

Radial truck and bus tyres segment is directly proportional to infrastructure growth in the country which is also a growth engine for tyre industry. Growth in the segment was hampered by demonetization coupled with cheap imports from China. Imposition of Anti-dumping duty on Bus & Truck radial tyres from China during the second quarter of financial year resulted into a level playing field for the segment. However tightening of environmental monitoring and compliance in China, created some supply chain constraints in tyre industry.

The segment has shown healthy growth in terms of capacity utilization and likely to continue during next financial year.

The major domestic non-tyre segment, namely the moulded & extruded goods segment, largely depends on the automobile sector. Thus, segment grew in line with the growth in respective OEM segments.

On the global business front, most markets faced volatile conditions. The situation continues to be challenging for the Financial Year 2018-19. During the second half of FY 2017-18, prices of major Rubber Chemicals inputs rose to very high levels on account of a surge in Benzene prices from USD 750 per MT to USD 1000 per MT. This sudden price increase led to our input costs going up by 30% to 50% for certain raw materials. Thankfully, due to your company's wide range of products and through an optimum mix of inventory management and buying strategy, we could not only withstand this sudden impact on our costs but also improve finished goods pricing, resulting in sustainable profitability. Finished goods prices are expected to move in a narrow band during financial year 2018-19 and likely to stabilize in the third quarter. However, the low and non-remunerative price regime is not expected in the near future.

Industry Structure and Developments

Environmental compliance pressure on Chinese industry impacted its manufacturing capability of rubber chemicals. Domestic & Export segments of the company registered a healthy growth since customers preferred sustainable supply from NOCIL over low pricing offered by China. During the tight international supply situation, NOCIL continued to support its national and international customer base at reasonable and acceptable price levels. This has generated a good will for the company which will go a long way for planned business growth.

More than seventy percent of the global rubber chemicals manufacturing capacity is concentrated in China. Clamp down on environmentally non-compliant manufacturers by Chinese Central Government resulted in closures / lower capacity utilisation. Revival of smaller players in rubber chemicals manufacturing seems to be difficult.

It is however very likely that China with its large capacity and numerous direct and indirect export subsidies supported by currency management, will continue to be the major supplier of Rubber Chemicals to the world. The HSE related improvements and the rising wage costs may to some extent diminish the unfair price advantage that they could offer, and this would hopefully reduce the possibility of unrealistic low price regime. However, the possibility of sustained competition cannot be completely ruled out.

In view of the corrective action in the Chinese market and with no major expansion plans announced by Chinese competitors, opportunities for expansion in Rubber Chemicals exists. Your company has hence decided to significantly invest in capacity expansion programmes in three phases, as mentioned below.

Business Outlook: Opportunities & Threats

Opportunities:

Outlook for the Indian economy appears healthy with most estimates predicting a G.D.P. growth of 7.5%. Increased economic activity bodes well for transportation, leading to increased movements of commodities like coal, ores, fertilizers, cement etc. as also a host of other industrial consumer and agricultural goods. The Indian Tyre industry, being optimistic due to high GDP growth and massive investments planned in infrastructure sector, has planned substantial capacity expansions in the next 2 years. Your company expects to benefit due to these expansions.

Given the concentration of Rubber Chemicals capacity in China along with the associated uncertainties, there is some sense of discomfort amongst international tyre majors about over-dependence on a single source country. In this context, NOCIL is not only seen as a dependable and quality supplier, but also a player that offers almost a complete range of rubber chemicals. Moreover, NOCIL's strong R&D capabilities are considered a very important strength by these tyre majors.

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

Increasing automobile production, vehicle registration etc. in certain markets coupled with expansion plans announced by major customers have led to an increasing demand trend for our rubber chemicals. In line with the trend, the Board has given a go ahead to the proposal to expand in the field of rubber chemicals. Expansion will be carried out at both the manufacturing sites with a construction period of about 18 - 24 months at an estimated cost of ₹ 425 Crs.

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

Threats:

The Rupee traded in the range of ₹ 63.50 – 66.50 per USD. The Company continued to mitigate the risk of this volatility by effecting payments towards our imports out of our Export Earnings in Foreign Currency and by taking adequate cover through forward/ option contracts.

To negate the impact of Anti-Dumping Duties, our competitors have for long been dumping their products in the Indian market at low prices. The possibility of competitors pursuing an irrational pricing approach cannot be ruled out. This may create pressure on our margins.

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

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

Risks & Concerns:

Exchange-rate fluctuations, increase in prices of Crude Oil and down-stream petrochemicals, political unrest in the country, trade war between US and China etc. are all concern areas which your company may face from time to time.

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'.

The Financial Statements made up to the year ended March 31, 2017 were prepared in accordance with the Accounting Standards Rules notified under the Companies (Accounting Standard) Rues, 2006 (as amended) and other relevant provisions of the Act. These financial statements are the first financial statements of the Company under Ind AS.

The Company remains an almost zero-debt company with no long terms borrowings. For expansion purpose substantial part of the funding will be through internal accruals. During the year, CRISIL assigned CRISIL AA for the Company's Fund-based Bank Facilities and CRISIL A1+ (stable) for its Non - Fund-based Bank Facilities in addition to CARE who reaffirmed ratings as CARE AA (Double A) (Stable) for long term Bank Facilities (Term loan as well as Fund Based facilities) and CARE A1+ (A One plus) rating for short term Non-Fund Bank facilities.

The Company's performance with regard to the domestic sales volumes, improved significantly by more than 14% for the year despite a subdued growth of 3% in rubber consumption for major part of the year. Domestic turnover in value terms grew by 30% due to improved pricing. On the export business front, competition reduced, especially from China, due to environmental issues. Your company has chosen to export these products only to certain select key accounts, keeping in mind the importance of maintaining a regular presence at these key accounts and also to support capacity utilization at desirable levels. By a combination of a better product mix helped by specialty products and continual improvement in the efficiency of operations at all locations, the Company has managed to keep its operating margins healthy for all the four quarters and has achieved an improvement in the EBIDTA levels, for each of these quarters.

Summary of financial performance of the Company is presented below:

(₹ In Crores)

Particulars	F.Y. 2017-18	F.Y. 2016-17
Gross Revenues	989.27	818.28
Other Income	14.33	9.12
Total Income	1,003.60	827.40
EBIDTA	277.20	167.09

During the year under review, the Company achieved a profit before tax of ₹ 253.07 Crores as compared to ₹ 146.18 crores in 2016-17.

Internal control systems

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

- Appropriate delegation of authority limits with responsibility for incurring capital and revenue expenditures.
- Approval and monitoring of annual revenue budget for all operating and service functions.
- Procedure for approval of capital budget proposals and monitoring the expenditure on such acquisitions.
- Formulating and reviewing the annual and long-term business plans.
- A comprehensive code of conduct for ensuring the integrity of financial reporting, ethical conduct, regulatory compliances and conflict of interest, if any.
- Review of the operations and financial plans in key business areas through monthly management meetings.
- Appointment of Internal Auditors to conduct periodical internal audits on operations, systems, internal control on financial reporting etc and issue reports to the management and the Audit Committee of the Board, regarding the adequacy and compliance with the internal controls and the efficiency and effectiveness of operations.
- An ERP system (SAP) connecting Plant, Regional Sales Offices and Head Office enables the management to evaluate and take decisions based on real time information systems.
- Task force team to study the impact and challenges to make the transition to Ind AS Accounting standards based financial statements and its recommendations to the board after due consultation from its advisors.
- Task force team to study the impact and challenges to graduate to GST based tax compliance system and its recommendations to the Board after due consultations from its advisors.

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 into by the Company during each quarter.

Further, the Secretarial Auditors reviews on periodical basis through their own systems and check list the compliances part with respect to the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, 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 asset 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.

Company continues to conduct employee trainings across several functions pertaining to technical, behavioural / 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 recognized 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.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NOCIL LIMITED

Report on the Ind AS Standalone Financial Statements

We have audited the accompanying Ind AS Standalone Financial Statements of ***NOCIL LIMITED*** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow, the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Ind AS Standalone Financial Statements").

Management's Responsibility for the Ind AS Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act, read with relevant Rules issued thereunder. 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 Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS Standalone Financial Statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS Standalone Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS Standalone Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS Standalone Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS Standalone Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS Standalone Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS Standalone Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS Standalone Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matters

The financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 included in these Ind AS Financial Statements, are based on the previously issued statutory financial statements for the years ended March 31, 2017 and March 31, 2016 prepared in accordance with the Companies (Accounting Standards) Rules as applicable which were audited by the predecessor auditor, on which they had expressed an unmodified opinion dated May 05, 2016 and May 08, 2017 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016, ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **"Annexure A"**, a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.
2. As required by section 143(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 Cash Flow Statement and the Statement of changes in Equity dealt with by this Report are in agreement with the books of account.
   d) In our opinion, the aforesaid Ind AS Standalone Financial Statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
   e) On the basis of the written representations received from the Directors of the Company as on March 31, 2018 and taken on record by the Board of Directors, none of the Directors of the Company are disqualified as on March 31, 2018, from being appointed as a Director in terms of section 164(2) of the Act.
   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**.
   g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
      i) The Ind AS Standalone Financial Statements disclose the impact of pending litigations on the financial position of the Company. Refer Note 39 to the Ind AS Standalone 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(h) and Note 44.5.2 to the Ind AS Standalone Financial Statements.
      iii) There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Daraius Z. Fraser
PARTNER
M. No.: 42454

Mumbai: May 4, 2018.

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in our Independent Auditors' Report to the members of the Company on the Ind AS Standalone Financial Statements for the year ended March 31, 2018:

Statement on Matters specified in paragraphs 3 and 4 of the Companies (Auditor's Report) Order, 2016:

1. Fixed Assets:

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

b) The Company has a program for physical verification of fixed assets at periodic intervals. The Company has conducted a physical verification of fixed assets during the year. In our opinion, the period of verification is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies noticed on such verification are not material and have been properly dealt with in the books of account.

c) According to the information and explanations given to us and on the basis of the records of the Company examined by us, the title deeds of immovable properties are held in the name of the Company or in the name of the erstwhile Companies that have merged with the Company.

2. The Management has conducted physical verification of inventory at reasonable intervals and obtained inventory confirmations from third parties in respect of inventory lying with them. The discrepancies noticed on physical verification were not material in relation to the operations of the Company and the same have been properly dealt with in the books of account.

3. The Company has not granted any loan secured or unsecured, to companies, firms, limited liability partnerships or other parties which are listed in the register maintained under Section 189 of the Companies Act, 2013.

4. In our opinion and according to the information and explanations given to us, the Company has not advanced any loans to parties or granted securities 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 loans given, guarantees given and investments made have been complied with by the Company.

5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73 to 76, or any other relevant provisions of the Companies Act and the rules framed thereunder. No order has been passed by the Company Law Board, or National Company Law Tribunal, or Reserve Bank of India, or any Court, or any other Tribunal.

6. According to the information and explanations given to us, in our opinion, the Company has, prima facie, made and maintained the prescribed cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub section (1) of Section 148 of the Companies Act, 2013. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

7. Statutory Dues:

a) According to the information and explanations given to us and on the basis of the records examined by us, the Company is regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, Sales-tax, Service Tax, Duty of Customs, Duty of Excise, Value added tax, Cess and any other statutory dues with the appropriate authorities wherever applicable. We have been informed that there are no undisputed dues which have remained outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us, there are no dues of Income-tax, Goods and Service Tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value added tax or Cess outstanding on account of any dispute, other than the following:

Name of Statute	Nature of Dues	Amount (₹ Lakhs)	Period to which the amount relates	Forum where dispute is pending
The Central Excise Act, 1944	Excise Duty / Service Tax demands relating to disputed classification, assessable values, etc., which the Company has contested and is in appeals at various levels. Net of amount paid under protest ₹ 25.22 Lakhs	25.49	1992-93, 1997, 2001-02	CESTAT
		8.39	1991-1996, 1997-1999	Commissioner
		0.78	1993-1994, 1994-1995, 1995-1996	Deputy 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.	358.71	1995-1999, 2003-2004	Appellate Tribunal
		5.65	2001-2002, 2004-2005	Commissioner (Appeals)
Income-tax Act, 1961	Income-tax demands against which the company has preferred appeals.	251.81	1989-1990, 2011-2012, 2012-2013	Commissioner of income tax appeals

Name of Statute	Nature of Dues	Amount (₹ Lakhs)	Period to which the amount relates	Forum where dispute is pending
Chapter V of 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 ₹ 7.16 Lakhs	205.33	2010-2016	CESTAT
		21.15	2015-2017	Assistant Commissioner
		1.81	2015-2018	Superintendent Customs & CEX
Employees Provident Funds & Miscellaneous Provisions Act, 1952	Provident Fund Contribution Case (PPD and PCD)	9.92	2002-2004	Assistant PF Commissioner

8. According to the information and explanations given to us and based on the documents and records produced before us, there has been no default in repayment of dues to banks, financial institutions or debenture holders. There are no dues to Government.

9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year and the term loans obtained by the Company were applied for the purpose for which the loans were obtained.

10. During the course of our examination of the books of account and records of the Company, to the best of our knowledge and belief and according to the information and explanations given to us by the Management, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

11. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with Directors or persons connected with him.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Daraius Z. Fraser
PARTNER
M. No.: 42454

Mumbai: May 4, 2018.

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in Paragraph 2(f) 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report to the members of the Company on the Ind AS Standalone Financial Statements for the year ended March 31, 2018.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of section 143 of the Companies Act, 2013.

We have audited the internal financial controls over financial reporting of ***NOCIL LIMITED*** ("the Company") as of March 31, 2018, in conjunction with our audit of the Ind AS Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (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 over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, 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 over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For KALYANIWALLA & MISTRY LLP

CHARTERED ACCOUNTANTS

Firm Regn. No.: 104607W/W100166

Daraius Z. Fraser

PARTNER

M. No.: 42454

Mumbai: May 4, 2018.

BALANCE SHEET AS AT MARCH 31, 2018

(₹ in Lakhs)

Particulars	Note	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
ASSETS				
Non-Current Assets				
(a) Property, Plant and Equipment	4	49,938	51,440	52,024
(b) Capital work-in-progress		3,916	314	604
(c) Investment Property	5	48	50	51
(d) Intangible assets	6	276	350	417
(e) Financial Assets				
(i) Investments in Wholly Owned Subsidiary	7	2,504	2,504	2,504
(ii) Other Investments	8	5,197	17,586	11,165
(iii) Other financial assets	9	417	406	405
(f) Non - Current tax assets		350	562	1,825
(g) Other non-current assets	10	2,526	859	866
Total Non - Current Assets		**65,172**	**74,071**	**69,861**
Current Assets				
(a) Inventories	11	15,499	11,431	13,241
(b) Financial Assets				
(i) Investments	12	22,452	-	-
(ii) Trade receivables	13	24,336	16,654	15,076
(iii) Cash and cash equivalent	14	2,400	10,546	469
(iv) Bank balances other than (iii) above	15	359	806	240
(v) Other financial assets	16	19	115	52
(c) Other current assets	17	2,978	1,185	1,368
Total Current Assets		**68,043**	**40,737**	**30,446**
TOTAL ASSETS		**133,215**	**114,808**	**100,307**
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	18	16,448	16,358	16,079
(b) Other Equity	19	87,295	74,146	60,066
Total Equity		**1,03,743**	**90,504**	**76,145**
Liabilities				
Non-current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	20	-	500	1,500
(b) Provisions	21	1,527	1,645	1,762
(c) Deferred tax liabilities (Net)	36	10,026	10,254	10,042
(d) Other non-current liabilities	22	7	7	59
Total Non - Current Liabilities		**11,560**	**12,406**	**13,363**
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	23	-	-	87
(ii) Trade payables	24	11,387	8,101	7,039
(iii) Other financial liabilities	25	3,653	2,566	2,558
(b) Other current liabilities	26	2,119	822	953
(c) Provisions	27	406	373	161
(d) Current tax liabilities (Net)		347	36	1
Total Current Liabilities		**17,912**	**11,898**	**10,799**
TOTAL EQUITY AND LIABILITIES		**1,33,215**	**1,14,808**	**1,00,307**

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

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

For and on behalf of the Board of Directors

Hrishikesh A. Mafatlal
Chairman

C.L. Jain
Director & Chairman- Audit Committee

S.R. Deo
Managing Director

Daraius Z. Fraser
Partner
Membership No. 42454

P. Srinivasan
Chief Financial Officer

V. K. Gupte
Company Secretary

Place : Mumbai,
Date : 4 May 2018

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in Lakhs)

	Particulars	Note	For the year ended March 31, 2018	For the year ended March 31, 2017
I	Revenue from operations	28	98,927	81,828
II	Other Income	29	1,433	912
III	**Total Income (I + II)**		**1,00,360**	**82,740**
IV	**Expenses**			
	(a) Cost of materials consumed	30	44,419	33,003
	(b) Purchases of Stock-in-trade		294	338
	(c) Changes in stock of finished goods, work-in-progress and stock-in-trade	31	(651)	2,617
	(d) Excise duty on sale of goods		2,163	7,607
	(e) Employee benefit expense	32	6,739	6,087
	(f) Finance costs	33	122	222
	(g) Depreciation and amortisation expense	34	2,291	1,869
	(h) Other expenses	35	19,676	16,379
	Total Expenses (IV)		**75,053**	**68,122**
V	**Profit Before Tax (III - IV)**		**25,307**	**14,618**
VI	Tax Expense			
	(1) Current tax	36	8,563	4,724
	(2) Deferred tax	36	(97)	211
	(3) Excess Provision for tax relating to earlier years		(20)	-
	Total Tax Expense (VI)		**8,446**	**4,935**
VII	**Profit After Tax (V -VI)**		**16,861**	**9,683**
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)		(33)	(128)
	(b) Equity instruments through other comprehensive income		(839)	6,405
	(ii) Income tax relating to items that will not be reclassified to profit or loss			
	(a) On Remeasurements of the defined benefit liabilities / (asset)	36	(13)	-
	(b) On Equity instruments through other comprehensive income	36	144	-
	Total Other Comprehensive Income for the year		**(741)**	**6,277**
IX	**Total Comprehensive Income for the year (VII+VIII) (Comprising Profit and Other Comprehensive Income for the year)**		**16,120**	**15,960**
X	Earnings per equity share (Face Value ₹ 10/- each)	37		
	(1) Basic		10.27	5.98
	(2) Diluted		10.15	5.89

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

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

For and on behalf of the Board of Directors

Hrishikesh A. Mafatlal
Chairman

C.L. Jain
Director & Chairman- Audit Committee

S.R. Deo
Managing Director

Daraius Z. Fraser
Partner
Membership No. 42454

P. Srinivasan
Chief Financial Officer

V. K. Gupte
Company Secretary

Place : Mumbai,
Date : 4 May 2018

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in Lakhs)

	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
A	**CASH FLOWS FROM OPERATING ACTIVITIES**		
	Profit before tax	**25,307**	**14,618**
	Adjustments for:		
	Finance costs recognised in profit or loss	122	222
	Interest income recognised in profit or loss	(141)	(515)
	Dividend income recognised in profit or loss	(621)	(200)
	Loss on disposal of property, plant and equipment	350	66
	Excess provision for earlier years written back	(109)	(238)
	Fair Value (gain)/loss on investments	(484)	-
	Depreciation and amortisation of non-current assets	2,291	1,869
	Net foreign exchange (gain)/loss	(17)	94
	Expense recognised in respect of equity-settled share-based payments	257	152
	Rent from Investment Property	(27)	(54)
	Income from Redemption of Mutual Fund	(48)	(23)
	Remeasurement of defined benefit liabilities / (assets) through OCI	(33)	(128)
	Operating profit before working capital changes	**26,847**	**15,863**
	Adjustments for:		
	(Increase)/Decrease in Trade Receivables	(7,682)	(1,578)
	(Increase)/Decrease in Inventories	(4,068)	1,810
	(Increase)/Decrease in Other Assets - Current and Non Current	(2,174)	1,216
	(Increase)/Decrease in Other Financial Assets - Current and Non Current	85	(67)
	Increase/(Decrease) in Trade Payable	3,395	1,251
	Increase/(Decrease) in Provisions - Current and Non Current	(85)	95
	Increase/(Decrease) in Other Financial Liabilities - Current	243	103
	Increase/(Decrease) in Other Liabilities - Current and Non Current	1,297	(134)
	Changes in Working Capital	**(8,989)**	**2,696**
	Cash generated from operations	17,858	18,559
	Income taxes paid (Net of Refund)	(8,019)	(4,540)
	Net cash generated by operating activities (a)	**9,839**	**14,019**
B	**CASH FLOWS FROM INVESTING ACTIVITIES**		
	Payments to acquire financial assets	(29,374)	(4,715)
	Proceeds on sale of financial assets	19,971	4,217
	Interest received	120	517
	Dividends received	179	200
	Payments for property, plant and equipment	(4,711)	(1,067)
	Proceeds from disposal of property, plant and equipment	9	7
	Rent from Investment Property	27	54
	Payments for intangible assets	(7)	(9)
	Net cash (used in)/generated by investing activities (b)	**(13,786)**	**(796)**
C	**CASH FLOWS FROM FINANCING ACTIVITIES**		
	Proceeds from issue of equity instruments of the Company	413	569
	Repayment of borrowings	(1,000)	(1,087)
	Dividends paid to owners of the Company	(3,499)	(2,304)
	Interest paid	(130)	(230)
	Net cash used in financing activities (c)	**(4,216)**	**(3,052)**
	Net increase in cash and cash equivalents (a+b+c)	(8,163)	10,171
	Cash and cash equivalents at the beginning of the year	10,546	469
	Other Bank Balance	17	(94)
	Cash and cash equivalents at the end of the year	**2,400**	**10,546**
	Reconciliation of cash and cash equivalents with the Balance Sheet:		
	Cash and cash equivalents at end of the year (as per note 14 and 15)	2,759	11,352
	Less: Bank balances held as margin money against guarantees not considered as Cash and cash equivalents	359	806
	Cash and cash equivalents at end of the year	**2,400**	**10,546**

Note:

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 Regn. No. : 104607W/W100166

For and on behalf of the Board of Directors

Hrishikesh A. Mafatlal
Chairman

C.L. Jain
Director & Chairman- Audit Committee

S.R. Deo
Managing Director

Daraius Z. Fraser
Partner
Membership No. 42454

P. Srinivasan
Chief Financial Officer

V. K. Gupte
Company Secretary

Place : Mumbai,
Date : 4 May 2018

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

(a) Equity share capital

(₹ in Lakhs)

Particulars	Amount
Balance at April 1, 2016	**16,079**
Changes in equity share capital during the year:	
Issue of equity shares under employee stock option plan	279
Balance at March 31, 2017	**16,358**
Changes in equity share capital during the year:	
Issue of equity shares under employee stock option plan	90
Balance at March 31, 2018	**16,448**

(b) Other equity

(₹ in Lakhs)

Particulars	Other Equity					Other Comprehensive Income		Total
	Capital reserve	Securities premium reserve	General reserve	Share Option outstanding Account	Retained earnings	Equity Instrument through OCI	Other Items of OCI	
Balance at April 1, 2016	**15**	**451**	**4,865**	**116**	**46,070**	**8,939**	**(390)**	**60,066**
Profit for the year	-	-	-	-	9,683	-	-	9,683
Other Comprehensive Income for the year, net of income tax	-	-	-	-	-	6,405	-	6,405
Remeasurement of Defined Benefit Obligation, net of income tax							(128)	(128)
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**9,683**	**6,405**	**(128)**	**15,960**
Premium on shares issued	-	290	-	-	-	-	-	290
Recognition of share based payments	-	-	-	152		-	-	152
Payment of dividends (₹ 1.20 per share) and Dividend distribution tax thereon	-	-	-	-	(2,322)	-	-	(2,322)
Balance at March 31, 2017	**15**	**741**	**4,865**	**268**	**53,431**	**15,344**	**(518)**	**74,146**
Profit for the year	-	-	-	-	16,861		-	16,861
Other Comprehensive Income for the year, net of income tax	-	-	-	-	-	(695)	-	(695)
Remeasurement of Defined Benefit Obligation, net of income tax	-	-	-	-	-		(46)	(46)
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**16,861**	**(695)**	**(46)**	**16,120**
Premium on shares issued	-	485	-	-	-	-	-	485
Recognition of share based payments	-	-	-	93	-	-	-	93
Payment of dividends (₹1.80 per share) and Dividend distribution tax thereon	-	-	-	-	(3,549)	-	-	(3,549)
Transfer to retained earnings on disposal of Non current investments					14,282	(14,282)		-
Balance at March 31, 2018	**15**	**1,226**	**4,865**	**361**	**81,025**	**367**	**(564)**	**87,295**

Refer Note 19 for nature & purpose of Reserve. The accompanying notes form an integral part of the Financial Statements.

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

For and on behalf of the Board of Directors

Hrishikesh A. Mafatlal
Chairman

C.L. Jain
Director & Chairman- Audit Committee

S.R. Deo
Managing Director

Daraius Z. Fraser
Partner
Membership No. 42454
Place : Mumbai,
Date : 4 May 2018

P. Srinivasan
Chief Financial Officer

V. K. Gupte
Company Secretary

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

NOTE 1: GENERAL INFORMATION

a) **Corporate information**

NOCIL Limited (the Company) having Company Identification No: L99999MH1961PLC012003 was incorporated on 11 May 1961, and is engaged in manufacture of rubber chemicals. The Company has manufacturing facilities at Navi Mumbai (Maharashtra) and at Dahej (Gujarat). The products manufactured by the Company are used by the tyre industry and other rubber processing industries. The address of its registered office is Mafatlal House, H.T. Parekh Marg, Backbay Reclamation, Churchgate, Mumbai 400 020, Maharashtra, India.

b) **Basis of preparation and presentation**

The standalone 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 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 by the Companies (Indian Accounting Standards) Rules, 2016, the Companies (Indian Accounting Standards) Rules, 2017 and other relevant provisions of the Act.

These financial statements for the year ended March 31, 2018 are the first accounts of the Company prepared under Ind AS. For all periods upto and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with the accounting standards notified under the Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (hereinafter referred to as 'Previous GAAP') used for its statutory reporting requirement in India immediately before adopting Ind AS. The financial statements for the year ended March 31, 2017 and the opening Balance Sheet as at April 1, 2016 have been restated in accordance with Ind AS for comparative information. Reconciliations and explanations of the effect of the transition from Previous GAAP to Ind AS on the Company's Equity, Total Comprehensive Income and Cash Flow Statements are provided in Note 3.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at April 1, 2016 being the 'date of transition to Ind AS'.

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 acquistion of assets for proceeding and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle 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, 2018 have been approved for issue in accordance with the resolution of the Board of Directors on May 4, 2018.

c) **Functional and presentational currency**

The financial statements are presented in Indian Rupees (INR), which is the Company's functional and presentation currency. All amounts have been rounded to the nearest lakhs, 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. 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.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are as follows:

- Determination of the estimated useful lives of tangible assets and the assessment as to which components of the cost may be capitalized (Note 2(a)).
- Determination of the estimated useful lives of intangible assets (Note 2(c)).
- Impairment of Property, Plant and Equipment (Note 2(d) and 2(d)).
- Recognition and measurement of defined benefit obligations (Note 42).
- Fair valuation of employee share options (Note 2(l) and Note 41).
- 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(q))
- 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 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 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 occured.

f) Application of new and revised Ind AS's

All the Indian Accounting Standards ("Ind AS") issued and notified by the Ministry of Corporate Affairs are effective and considered for the significant accounting policies to the extent relevant and applicable for the Company except for:

Ind AS 115 – Revenue from Contracts with Customers: In February 2015, the Ministry of Corporate Affairs had notified Ind AS 115, Revenue from Contracts with Customers. The Ind AS is applicable with effect from April 1, 2018. The Company is in the process of making an assessment of the impact of Ind AS 115 upon initial application.

Ind AS 116 – Leases: This Standard is effective for annual period beginning on or after 1 April, 2019, with early adoption allowed only if Ind AS 115 - Revenue from Contracts with Customers is also adopted.

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 to acquisition and installation of the concerned assets, borrowing cost during the construction period 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.

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 recognized in the Statement of Profit and Loss when the asset is derecognized.

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 Statement of Profit and Loss.

Depreciation is provided, under the Straight Line Method basis so as to write off the original cost of the asset less its estimated residual value over the estimated useful life. The Management's estimate of useful lives is in accordance with Schedule II to the Companies Act, 2013.Assets costing ₹ 5,000 or less are fully depreciated in the year of purchase. Leasehold land is amortised on a straight line basis over the period of the lease.

b) Investment Property

Land or Building held to earn rentals or for capital appreciation or both rather than for use in the production or supply of goods and services or for administrative purposes; or sale in the ordinary course of business is recognised as Investment Property. Investment Property are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Though, the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in Notes. Fair values are determined based on an annual evaluation performed by an accredited 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

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. The amortisation period and the amortisation method for an intangible asset with finite useful life are reviewed at each reporting period. 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. 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. 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 recognized in the Statement of Profit and Loss when the asset is derecognized.

d) Impairment of Non-Financial Assets

At the end of each reporting period, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication of an impairment loss. If any such indication exists, the recoverable amounts are estimated in order to determine the extent of the impairment loss (if any). An impairment loss is recognised whenever the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount. The impairment loss, if any, is recognised in the Statement of Profit and Loss in the period in which impairment takes place. Recoverable amount is higher of an assets net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an assets and from its disposal at the end of its useful life. Where an impairment loss subsequently reverses, the carrying amount of the assets is increased to the revised estimate of its recoverable amount, however subject to the increased carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior accounting periods.

e) **Inventories**

Inventories are measured at lower of cost and net realisable value. Cost of inventories comprises all costs of purchase (net of input credits), costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost of stores and spares, raw materials, trading and other products is determined on weighted average basis. Cost of work-in-progress and finished stock is determined by the absorption costing method.

Net realizable value represents estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Provision is made for cost of obsolescence and other anticipated losses, whenever considered necessary by Management based on their best judgement.

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) 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.

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 Company becomes a party to the contractual provisions of the instruments. Financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of financial assets.

Subsequent measurement of financial assets:

Financial assets are subsequently classified and measured at:

- amortised cost
- fair value through Profit and Loss (FVTPL)
- fair value through Other Comprehensive Income (FVOCI).

Financial assets are not reclassified subsequent to their recognition, except if and in the period the Company changes its business model for managing financial assets.

Trade Receivables and Loans:

Trade Receivables are initially recognised at fair value. Subsequently, these assets are held at amortised cost, using the effective interest rate (EIR) method net of any expected credit losses. The EIR is the rate that discounts estimated future cash income through the expected life of financial instruments.

Debt Instruments:

Debt instruments are initially measured at amortised cost, fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVTPL') till de-recognition on the basis of

(i) the Company's business model for managing the financial assets and

(ii) the contractual cash flow characteristics of the financial asset.

a) Measured at amortised cost:

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the effective interest rate ('EIR') method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

b) **Measured at Fair value through other comprehensive income (FVTOCI):**

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized 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) **Measured at Fair Value Through Profit and Loss (FVTPL):**

A financial asset not classified as either amortised cost or FVOCI, 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 / Mutual Funds:

Investments in equity instruments at 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.

Investments in equity instruments at 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 the full disposal of the investments.

Impairment of financial assets:

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset.

For trade receivables, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

De-recognition of financial assets:

The Company de-recognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

ii) **Financial liabilities**

Initial recognition

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.

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 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 derecognized 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 recognized in the Statement of Profit and Loss.

Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Statement of Profit and Loss immediately.

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of Ind AS 109 are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

i) 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.

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 probably 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.

Dividend and interest income

Dividend income from investments is recognised in the Statement of Profit and Loss on the date on which the Company's right to receive payment is 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.

k) Employee benefits

Short-term Employee benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, performance incentives, etc., are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the employee renders the related service. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Post-Employment Benefits:

(a) Defined Contribution Plans

Payments made to a defined contribution plan such as Provident Fund and Superannuation scheme are charged as an expense in the Statement of Profit and Loss as they fall due.

(b) Defined Benefit Plans

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, after discounting the same. The calculation of defined benefit obligations is performed annually by a qualified actuary using the Projected Unit Credit method. Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses are recognized immediately in Other Comprehensive Income (OCI). Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in Statement of Profit and Loss. When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in Statement of Profit and Loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(c) Other Long-Term Employee Benefits

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Re-measurement are recognized in Statement of Profit and Loss in the period in which they arise.

l) 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.

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.

Lease payments under operating leases is generally recognised as an expense on a straight-line basis over the term of the relevant lease, unless where the lease rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

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.

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 recognized 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 realized; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized 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.

p) 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.

q) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized 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.

r) Earnings Per Share (EPS)

Basic EPS is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted EPS is computed by dividing the net profit for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

s) Dividend

The final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

t) 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.

NOTE 2A : FIRST TIME ADOPTION

Transition to Ind AS

The Company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from April 1, 2017, with a transition date of April 1, 2016. These financial statements for the year ended March 31, 2018 are the first financial statements the Company has prepared under Ind AS. For all periods upto and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with the relevant rules thereunder.

The adoption of Ind AS has been carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards. Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements be applied retrospectively and consistently for all financial years presented. Accordingly, the Company has prepared financial statements which comply with Ind AS for year ended March 31, 2018, together with the comparative information as at and for the year ended March 31, 2017 and the opening Ind AS Balance Sheet as at April 1, 2016, the date of transition to Ind AS.

In preparing these Ind AS financial statements, the Company has availed certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and Previous GAAP and have been recognised directly in equity (retained earnings or another appropriate category of equity). This note explains the adjustments made by the Company in restating its financial statements prepared under previous GAAP, including the Balance Sheet as at April 1, 2016 and the financial statements as at and for the year ended March 31, 2017.

Optional Exemptions Availed

a) Deemed cost for investments in Subsidiaries

The Company has elected to continue with the carrying value of its investments in subsidiaries as recognised in the financial statements as at the date of transition to Ind AS.

Accordingly, the Company has measured all its investments in subsidiaries at their previous GAAP carrying value.

b) Share based payments

The Company has elected not to apply Ind AS 102 Share-based payment to equity instruments that vested before the date of transition to Ind AS. Accordingly, the Company has measured only the unvested stock options on the date of transition as per Ind AS 102.

c) Cost of Property, Plant and Equipment, Intangible and Investment Property

The Company has used fair value as deemed cost for certain item of Property, Plant & Equipment in accordance with the exemptions available IND AS 101 – " First time Adoption of Indian Accounting Standards" retrospectively from 1st April 2016, with the resultant impact being accounted for in reserves.

Consequential adjustment have been made to the amount of depreciation and deferred tax reported in all subsequent periods upto 31st March 2018.

Mandatory Exceptions from retrospective application

The Company has applied the following exceptions to the retrospective application of Ind AS as mandatorily required under Ind AS 101:

a) Estimates

On assessment of the estimates made under the Previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that are required under Ind AS but not required under Previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date.

b) Classification and measurement of financial assets

The Company has classified and measured the financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

c) De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind A 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities de-recognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd..)

NOTE 3 : FIRST TIME ADOPTION OF IND-AS

(i) Reconciliation of total equity as at March 31, 2017 and April 1, 2016 *(₹ in Lakhs)*

Particulars	Note	As at March 31, 2017	As at April 1, 2016
Total Equity (shareholder's funds) under previous GAAP		**59,373**	**46,794**
Ind AS adjustments increase/(decrease):			
Dividends (Including Dividend Distribution Tax) not recognised as liability until declared under Ind AS	a	-	2,322
Increase in carrying value of PPE, net of tax	b	17,756	18,090
Change in fair value of investments in equity instruments (Including on disposal of investments) through OCI	c	13,375	8,939
Total adjustment to equity		**31,131**	**29,351**
Total Equity under Ind AS		**90,504**	**76,145**

(ii) Reconciliation of Total Comprehensive Income for the year ended March 31, 2017: *(₹ in Lakhs)*

Particulars	Note	For the year ended March 31, 2017
Profit After Tax as per previous GAAP		**12,010**
Adjustments :		
Impact of recognising the cost of the equity settled employee stock option scheme over the vesting period based on the fair value at grant date	d	(152)
Impact of remeasurement of defined benefits plans classified in OCI	e	128
Increase in Depreciation due to change in carrying value of PPE, net of deferred tax	b	(334)
Profit on sale of Investments recognized as Exceptional Gain under previous GAAP, reversed under Ind AS	c	(1,969)
Total adjustment to statement of Profit and Loss		**(2,327)**
Profit After Tax under Ind AS		**9,683**
Other Comprehensive Income		
Change in fair value of equity investments	c	6,405
Remeasurement of defined benefit plans (net of deferred tax)	e	(128)
Total Comprehensive Income under Ind AS		**15,960**

Note: Total Comprehensive Income was not reported under previous GAAP. Therefore the reconciliation starts with profit under previous GAAP.

The following explanatory notes describe:

a. Under previous GAAP, dividend payable including dividend distribution taxes was recorded as a liability in the period to which it relates. Under Ind AS, dividend to holders of equity instruments is recognised as a liability in the period in which the obligation to pay is established. Hence, proposed dividend recognised under Previous GAAP as at the transition date is reversed and credited to Retained Earning.

b. Adjustment on account of fair valuation of certain items of Property Plant and Equipment used as Deemed Cost as per Ind AS 101 , net of tax. Accordingly the depreciation for the subsequent years have increased.

c. Under previous GAAP, non-current investments were stated at cost. Where applicable, provision was made to recognise a decline, other than temporary, in valuation of such investments. Under Ind AS, equity instruments (other than investment in subsidiary) have been classified as Fair Value through Other Comprehensive Income (FVTOCI) through an irrevocable election at the date of transition.

d. Under previous GAAP, the cost of equity-settled employee share based payments was recognised based on intrinsic value of the options as at the grant date over the appropriate vesting period. Ind AS requires expense on such share based payments to be recognised based on fair value as at grant date using an appropriate pricing model over the appropriate vesting period. The change does not affect total equity, but results in a decrease profit before tax for the year ended March 31, 2017.

e Under previous GAAP, the actuarial gains and losses were recognised in statement of profit and loss. Under Ind AS, the acturial gains and losses form part of remeasurement of the net defined benefit liability / asset which is recorded in Other Comprehensive Income. Consequently, the tax effect of the same has also been recognised in other comprehensive income under Ind AS instead of tax expenses under the statement of Profit and Loss. This change does not affect total equity, but has resulted in an increase in Profit before Tax.

(iii) There are no material adjustments to the Statement of Cash Flows presented under IND AS and the previous GAAP.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd..)

NOTE 4 : PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars	Land - Leasehold	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
I. Gross Block							
Balance as at April 1, 2017	24,413	8,424	31,523	1,126	671	377	66,534
Additions	-	98	873	39	16	39	1,065
Disposals	-	(294)	(229)	(842)	(492)	(48)	(1,905)
Balance as at March 31, 2018	**24,413**	**8,228**	**32,167**	**323**	**195**	**368**	**65,694**
II. Accumulated depreciation and impairment for the year 2017-2018							
Balance as at April 1, 2017	**447**	**1,323**	**11,715**	**932**	**561**	**116**	**15,094**
Depreciation expense for the year	447	323	1,324	55	16	43	2,208
Eliminated on disposal of assets	-	(53)	(146)	(822)	(489)	(36)	(1,546)
Balance as at March 31, 2018	**894**	**1,593**	**12,893**	**165**	**88**	**123**	**15,756**
III. Net block Balance as on March 31, 2018 (I-II)	**23,519**	**6,635**	**19,274**	**158**	**107**	**245**	**49,938**

(₹ in Lakhs)

Particulars	Land - Leasehold	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
I. Cost / Deemed cost							
Balance as at April 1, 2016	24,413	8,366	31,230	1,072	632	195	65,908
Additions	-	58	916	56	39	212	1,281
Disposals	-	-	(623)	(2)	-	(30)	(655)
Balance as at March 31, 2017	**24,413**	**8,424**	**31,523**	**1,126**	**671**	**377**	**66,534**
II. Accumulated depreciation and impairment for the year 2016-2017							
Balance as at April 1, 2016	-	1,090	11,285	872	537	100	13,884
Depreciation expense for the year	447	233	988	61	24	39	1,792
Eliminated on disposal of assets	-	-	(558)	(1)	-	(23)	(582)
Balance as at March 31, 2017	**447**	**1,323**	**11,715**	**932**	**561**	**116**	**15,094**
III. Net Block Balance as on March 31, 2017 (I-II)	**23,966**	**7,101**	**19,808**	**194**	**110**	**261**	**51,440**

Notes:

1. Refer Note 2A (c) - First Time Adoption for options availed by company on the transition to IND-AS.
2. **Assets charged against borrowing**

   Property, Plant and equipment with carrying value of ₹ 27,296 lakhs as on March 31, 2018 (as on March 31, 2017 ₹ 28,361 lakhs and as on April 1, 2016 ₹ 28,508 lakhs) are secured against term loans from banks and others. Refer Note 20 & 23 on Borrowings.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd..)

NOTE 5: INVESTMENT PROPERTY

(₹ in Lakhs)

Particulars	Buildings	Total
I. Gross Block		
Balance as at April 1, 2017	83	83
Additions	-	-
Disposals	-	-
Balance as at March 31, 2018	**83**	**83**
II. Accumulated depreciation and impairment for the year 2017-2018		
Balance as at April 1, 2017	33	33
Depreciation for the period	2	2
Eliminated on disposal of assets	-	-
Balance as at March 31, 2018	**35**	**35**
III. Net block Balance as on March 31, 2018 (I-II)	**48**	**48**

Particulars	Buildings	Total
I. Cost		
Balance as at April 1, 2016	83	83
Additions	-	-
Disposals	-	-
Balance as at March 31, 2017	**83**	**83**
II. Accumulated depreciation and impairment for the year 2016-2017		
Balance as at April 1, 2016	32	32
Depreciation for the period	1	1
Eliminated on disposal of assets	-	-
Balance as at March 31, 2017	**33**	**33**
III. Net block as on March 31, 2017 (I-II)	**50**	**50**

Note:

1. Refer Note 2A (c) - First Time Adoption for options availed by company on the transition to IND-AS.

2. Fair value disclosures

The fair value of the Company's investment properties as at March 31, 2018, March 31, 2017 and April 1, 2016 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 market comparable sales 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 April 1, 2016, March 31, 2017 and March 31, 2018 are as follows:

(₹ in Lakhs)

Particulars	Amount	Fair value hierarchy
As at March 31, 2018		
Fair value of Investment property - Residential Units located in India	1,224	Level 2
As at March 31, 2017		
Fair value of Investment property - Residential Units located in India	1,224	Level 2
As at April 1, 2016		
Fair value of Investment property - Residential Units located in India	1,132	Level 2

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd..)

3. The Company has no restriction on the releasability of is investment properties and no contractual obligations to purchase, construct or developed investment properties or for repairs, maintenance and enhancements.

4. Information regarding Income and Expenditure of Investment Property

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Rental Income derived from Investment Properties	26	53
Less: Direct Operating Expenses	5	6
Gain arising from Investment properties before depreciation	21	47
Less: Depreciation	2	1
Net Gain arising from Investment properties	**19**	**46**

NOTE 6 : INTANGIBLE ASSESTS

(₹ in Lakhs)

Particulars	Patents	Software	Total
I. Gross Block			
Balance as at April 1, 2017	453	318	771
Additions	-	7	7
Disposals	-	-	-
Balance as at March 31, 2018	453	325	778
II. Accumulated amortisation for the year 2017-2018			
Balance as at April 1, 2017	288	133	421
Amortisation expense for the year	49	32	81
Eliminated on disposal of assets	-	-	-
Balance as at March 31, 2018	337	165	502
III. Net block as on March 31 2018 (I-II)	**116**	**160**	**276**

Particulars	Patents	Software	Total
I. Cost			
Balance as at April 1, 2016	453	309	762
Additions	-	9	9
Disposals	-	-	-
Balance as at March 31, 2017	453	318	771
II. Accumulated amortisation for the year 2016-2017			
Balance as at April 1, 2016	243	102	345
Amortisation expense for the year	45	31	76
Eliminated on disposal of assets	-	-	-
Balance as at March 31, 2017	288	133	421
III Net block as on March 31, 2017 (I-II)	**165**	**185**	**350**

Note: Refer Note 2A(c) - First Time Adoption for options availed by company on the transition to IND-AS

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd..)

NOTE 7: INVESTMENT IN WHOLLY OWNED SUBSIDIARY

(₹ in Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Unquoted Investments in equity shares						
In Wholly owned Subsidiaries (at cost)						
PIL Chemicals Limited (₹ 10/- each, fully paid-up)	83,54,833	2,504	83,54,833	2,504	83,54,833	2,504
Total	**83,54,833**	**2,504**	**83,54,833**	**2,504**	**83,54,833**	**2,504**
Aggregate Amount of Unquoted Investments		2,504		2,504		2,504

NOTE 8: NON CURRENT INVESTMENTS

(₹ in Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Investment in equity instruments						
(i) Quoted Investments						
(at fair value through other comprehensive income (FVTOCI))						
- Mafatlal Industries Limited (₹ 10/- each, fully paid-up)	19,54,695	5,102	12,69,695	3,176	5,66,320	1,529
- Navin Fluorine International Limited (₹ 10/- each, fully paid-up)	-	-	4,71,015	14,337	5,66,340	9,581
-HDFC Bank Limited (₹ 2/- each, fully paid-up)	5,000	94	5,000	72	5,000	54
Sub-Total (A)		**5,196**		**17,585**		**11,164**
(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	10,000	1
- Shree Balaji Sahakari Sakhar Karkhana Limited (₹ 2000/- each, fully paid-up)	1	0	1	0	1	0
- Mafatlal Engineering Industries Limited (₹ 100/- each, fully paid-up)	17,101	18	17,101	18	17,101	18
Less: Provision for Impairment		(18)		(18)		(18)
		0		-		0
Sub-Total (B)		**1**		**1**		**1**
(iii) Other Investments *(at amortised cost)*						
National Saving Certificates*	-	-	-	-	-	0
Sub-Total (C)		**-**		**-**		**0**
Total (A+ B+C)		**5,197**		**17,586**		**11,165**

Aggregate Amount of Quoted Investments	-	5,196	-	17,585	-	11,164
Market Value of Quoted Investments	-	5,196	-	17,585	-	11,164
Aggregate Amount of Unquoted Investments (At Cost)	-	19	-	19	-	19
Aggregate Amount of Impairment in the Value of Investments	-	18	-	18	-	18

** Amounts less than ₹ 0.50 lakhs.*

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd..)

NOTE 9: NON CURRENT - OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Financial Assets at amortised cost			
Security Deposits			
- Unsecured, considered good	417	406	404
- Unsecured, considered doubtful	300	300	300
Less : Allowance for bad and doubtful deposits	(300)	(300)	(300)
	417	**406**	**404**
Loans to employees			
- Unsecured, considered good*	-	0	1
Total	**417**	**406**	**405**

** Amounts less than ₹ 0.50 lakhs*

NOTE 10: OTHER NON CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Balances with Government Authorities (other than income taxes)			
- CENVAT Credit Receivable	335	33	33
- VAT Credit Receivable	1,019	702	677
- Service Tax Credit Receivable	14	9	1
- Other	26	26	26
	1,394	**770**	**737**
Less: Provision	(302)	-	-
	1,092	**770**	**737**
Capital advances	1,382	36	64
Prepaid expenses	52	53	65
Total	**2,526**	**859**	**866**

NOTE 11 : INVENTORIES (LOWER OF COST AND NET REALISABLE VALUE)

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Raw materials	9,844	5,476	4,076
Work-in-progress	740	856	602
Finished goods	4,307	4,358	7,853
Stock-in-trade	9	21	28
Stores and spares	599	720	682
Total	**15,499**	**11,431**	**13,241**

Included above, goods-in-transit:			
(i) Raw materials	4,924	1,756	1,281
(ii) Finished goods	138	122	19
Total goods-in-transit	**5,062**	**1,878**	**1,300**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd..)

NOTE 12: FINANCIAL ASSETS - CURRENT INVESTMENTS

(₹ in Lakhs)

Particular	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of units	Amount	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	3,51,64,720	3,681	-	-	-	-
ICICI Prudential Flexible Income - Daily Dividend	1,102	1	-	-	-	-
ICICI Prudential Equity Arbitrage Fund - Dividend	1,16,18,106	1,584	-	-	-	-
ICICI Prudential Regular Income Fund - Growth	29,94,478	525	-	-	-	-
ICICI Prudential Equity Income Fund - Cumulative	40,71,661	522	-	-	-	-
ICICI Prudential Equity Arbitrage Fund - Dividend	79,98,881	1,091	-	-	-	-
Franklin India Ultra Short Bond Fund - Super Institutional Plan - Growth	21,97,387	529	-	-	-	-
Franklin India Short Term Income Plan - Retail Plan-Growth	28,802	1,057	-	-	-	-
Kotak Equity Saving Fund - Growth (Regular Plan)	79,89,773	1,054	-	-	-	-
Kotak Income Opp. Fund - Growth (Regular Plan)	27,37,581	524	-	-	-	-
SBI Equity Savings Fund - Regular Plan- Growth	84,09,792	1,043	-	-	-	-
SBI Arbitrage Opportunities Fund - Regular Plan - Dividend	75,80,092	1,010	-	-	-	-
IDFC Arbitrage Fund - Monthly Dividend-(Regular - Plan)	82,42,518	1,044	-	-	-	-
IDFC Corporate Bond Fund Regular Plan - Growth	1,09,71,360	1,304	-	-	-	-
IDFC Credit Opportunities Fund - Regular Plan - Growth	95,27,076	1,021	-	-	-	-
HDFC Regular Saving Fund - Regular Plan- Growth	74,57,497	2,568	-	-	-	-
HDFC Medium Term Opportunities Fund - Regular Plan - Growth	67,52,450	1,304	-	-	-	-
HDFC FMP 92D February 2018 (1) - Regular - Growth Series 39	50,00,000	504	-	-	-	-
HDFC Equity Savings Fund - Regular Plan - Growth	29,98,411	1,036	-	-	-	-
Aditya Birla Sun Life Corporate Bond Fund - Gr. - Regular	40,50,190	524	-	-	-	-
Total (A)		**21,926**	**-**	**-**	**-**	**-**
(b) Other Investments *(at amortised cost)*						
- Intercorporate deposits with Bajaj Finance Limited		526	-	-	-	-
Total (B)	**-**	**526**	**-**	**-**	**-**	**-**
Total investments (A+B)		**22,452**	**-**	**-**	**-**	**-**
Aggregate Amount of Quoted Investments		-				
Market Value of Quoted Investments		-				
Aggregate Amount of Unquoted Investments (At Cost)		22,452				
Aggregate Amount of Impairment in the Value of Investments		-				

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd..)

NOTE 13 : CURRENT FINANCIAL ASSETS -TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Trade receivables			
(a) Secured, considered good	-	-	-
(b) Unsecured, considered good	24,336	16,654	15,076
(c) Unsecured, considered doubtful	2	18	18
Less: Allowance for doubtful debts	(2)	(18)	(18)
Total	**24,336**	**16,654**	**15,076**

NOTE 14: CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Cash on hand	10	9	8
Balances with banks	2,390	10,537	461
Total	**2,400**	**10,546**	**469**
Cash and cash equivalents as per statement of cash flows	2,400	10,546	469

NOTE 15: CURRENT FINANCIAL ASSETS - OTHER BANK BALANCES

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Earmarked balances with bank			
Unpaid dividend account	225	175	157
Margin money deposit	134	126	83
Investments in term deposits (with original maturity of more than three months but less than twelve months)	-	505	-
Total	**359**	**806**	**240**

NOTE 16: CURRENT - OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Financial Assets at amortised cost			
Loans to employees			
- Unsecured, considered good*	0	0	2
Interest accrued on Security deposits	19	19	21
Financial Assets at FVTPL			
Forward Cover Contract Receivable	-	96	29
Total	**19**	**115**	**52**

** Amount less than ₹ 0.50 Lakhs*

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd..)

NOTE 17: OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Advances to suppliers, custom duty and Others	620	290	469
Less: Provision	-	(1)	(1)
	620	**289**	**468**
Balances with government authorities (other than income taxes)			
- CENVAT Credit Receivable	-	191	204
- VAT Credit Receivable	-	6	7
- Service Tax Credit Receivable	-	117	98
- GST Credit Receivable	1,730		
	1,730	**314**	**309**
Prepaid expenses	260	187	184
Export incentive receivable	308	393	406
Advance to a Related Party	59	-	-
Other Advances	1	2	1
Total	**2,978**	**1,185**	**1,368**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd..)

NOTE 18 : EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Authorised:						
Equity shares of ₹ 10/- each	1,20,00,00,000	1,20,000	1,20,00,00,000	1,20,000	1,20,00,00,000	1,20,000
Issued and subscribed:						
Equity shares of ₹ 10/- each	16,44,77,680	16,448	16,35,83,180	16,358	16,07,86,980	16,079
Issued, Subscribed and Fully Paid:						
Equity shares of ₹ 10/- each	16,44,77,680	16,448	16,35,83,180	16,358	16,07,86,980	16,079

(i) Rights, preferences and restrictions attached to equity shares

The Company has one class of equity share having a par value of ₹ 10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining asset of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(ii) Reconciliation of the number of shares outstanding at the beginning and at the end of the period. *(₹ in Lakhs)*

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Equity Shares Outstanding at the beginning of the year	16,35,83,180	16,358	16,07,86,980	16,079	16,07,86,980	16,079
Add: Allotment pursuant to exercise of stock options granted under Company's employee stock option plan (refer Note 41)	8,94,500	90	27,96,200	279	-	-
Equity Shares Outstanding at the end of the year	**16,44,77,680**	**16,448**	**16,35,83,180**	**16,358**	**16,07,86,980**	**16,079**

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

Name of shareholder	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of shares	Percentage	No. of shares	Percentage	No. of shares	Percentage
Mafatlal Industries Limited	2,60,07,919	15.81%	2,60,07,919	15.90%	2,30,36,469	14.33%
Arvi Associates Private Limited	-	-	-	-	1,06,43,026	6.62%
Suremi Trading Private Limited	2,03,69,204	12.38%	2,03,69,204	12.45%	-	-
Sushripada Investments Private Limited	89,60,880	5.45%	89,60,880	5.48%	-	-

(iv) Share options granted under Company's share option plan

Share options granted but not exercised under Company's share option plan carry no rights to dividend and no voting rights. Further details of the employee share option plan are provided in Note 41

As at March 31, 2018, 28,95,000 equity shares (as at March 31, 2017, 34,50,400 equity shares and as at April 1, 2016, 41,69,200 equity shares) of ₹10 each were reserved for outstanding employee share options granted.

(v) During the period of five years immediately preceeding the date as at which the Balance Sheet is prepared :

- No Class of Shares were alloted as fully paid up pursuant to contract without payment being received in cash.
- No Class of Shares were alloted as fully paid up by way of bonus shares for consideration other than cash.
- No Class of Shares were bought back by the company.

(vi) There are no calls unpaid.

(vii) There are no forfeited shares.

NOTE 19 :OTHER EQUITY

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Capital reserve	15	15	15
Securities premium reserve	1,226	741	451
General reserve	4,865	4,865	4,865
Share options outstanding account	361	268	116
Retained earnings	81,025	53,431	46,070
Equity Instrument Through Other Comprehensive Income	367	15,344	8,939
Other Items of Other Comprehensive Income			
-Remeasurements of Defined Benefit Obligation	(564)	(518)	(390)
Total	**87,295**	**74,146**	**60,066**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd..)

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 41

Retained earnings:

Retained earnings represents the surplus / (deficit) of the statement of profit or loss. The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the financial statements of the Company and also considering the requirements of the Companies Act, 2013.

Equity instrument through other comprehensive income:

This reserve represents the cumulative gains and losses arising on the fair valuation of equity instruments measured at fair value through other comprehensive income, net of amounts reclassified to retained earnings when those assets have been disposed off.

Details of dividends paid / proposed:

A dividend of ₹ 2.50 per share has been recommended on equity shares for year ended March 31, 2018. In the year ended March 31, 2017, the dividend paid was ₹1.80 per share. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The proposed equity dividend is payable to all holders of fully paid equity shares on record date.

NOTE 20 : NON CURRENT FINANCIAL LIABILITIES - BORROWINGS

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Secured from banks:			
Term loans (Refer Note below)	-	500	1,500
Total	**-**	**500**	**1,500**

Note:

Fixed rate loans with a bank with remaining maturity periods not exceeding 1 year as at March 31, 2018. These are secured by a first pari passu charge on all moveable and immoveable fixed assets of the Company at Dahej, both present and future and second pari passu charge on entire current assets of the Company, both present and future. These are repayable in 20/21 equal quarterly instalments commencing from Financial Year 2013-14.

NOTE 21: NON CURRENT PROVISIONS

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Provision for employee benefits (Refer Note 42)	1,527	1,645	1,762
Total	**1,527**	**1,645**	**1,762**

NOTE 22 : OTHER NON CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Provision for customs duty	7	7	59
Total	**7**	**7**	**59**

NOTE 23 : CURRENT FINANCIAL LIABILITIES - BORROWINGS

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Secured from banks:			
Working capital loans (Refer Note below)	-	-	87
Total	**-**	**-**	**87**

Note:

Secured by first pari passu charge on stock and book debts both present and future by way of hypothecation over company's entire current assets including stock of raw materials, semi finished and finished goods, consumable stores and spares and other movables, book debts, bills, outstanding monies, receivables, both present and future. This loan is repayable on demand.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd..)

NOTE 24 : CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Trade payables:			
(a) Payable to Micro and Small enterprises (Refer Note below)	147	154	100
(b) Payable to Others			
i) Acceptances	5,111	1,703	1,454
ii) Other than Acceptances	6,129	6,244	5,485
Total	**11,387**	**8,101**	**7,039**

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, 2018	As at March 31, 2017	As at April 1, 2016
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at period end	147	154	100
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at period end	-	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the period	-	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the period	-	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act,beyond the appointed day during the period	-	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-	-
Further interest remaining due and payable for earlier periods	-	-	-

NOTE 25 : CURRENT FINANCIAL LIABILITIES - OTHERS

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1st, 2016
Financial liabilities at amortised cost:			
Current maturities of long term loans from banks (Refer note 20)	500	1,000	1,000
Security Deposits	277	160	163
Interest accrued but not due on borrowings	5	13	21
Unclaimed dividends	225	175	157
Payables for capital supplies	1,450	148	253
Salary,wages and bonus payable	736	521	281
Contribution payable towards employee benefits	329	465	606
Other payables	131	84	77
Total	**3,653**	**2,566**	**2,558**

NOTE 26 : OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Advances received from customers	108	66	58
Statutory remittances	2,008	754	892
Other liabilities	3	2	3
Total	**2,119**	**822**	**953**

NOTE 27: CURRENT PROVISIONS

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Provision for employee benefits (Refer Note 42)	406	373	161
Total	**406**	**373**	**161**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd..)

NOTE 28: REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Sale of goods *	97,684	80,736
Other operating revenues		
Sale of scrap	271	167
Duty drawback and other export incentives	418	652
VAT Refund	368	-
Cash Discounts Received	32	13
Excess provision for earlier years written back	109	197
Refund of electricity duty	-	9
Miscellaneous income	45	54
Total	**98,927**	**81,828**

* In the financial statements prepared under previous GAAP, Revenue from operations was presented net of excise duty. However, under Ind AS, revenue from sale of products includes excise duty. Excise duty expense amounting to ₹ 2,163 lakhs (previous year ₹ 7,607 lakhs) is presented separately on the face of the Statement of Profit and Loss for the year ended March 31, 2018.

NOTE 29: OTHER INCOME

(₹ in Lakhs)

Particulars		Year ended March 31, 2018	Year ended March 31, 2017
a)	**Interest Income**		
	- From Bank deposits	29	328
	- From Staff Loan*	0	0
	- From Income Tax/VAT Refund	-	168
	- From Intercorporate Deposits	86	-
	- From Other Deposits	26	19
		141	**515**
b)	**Other gains and losses**		
	Net gain arising on short term financial investments mandatorily measured at FVTPL	484	-
	Net foreign exchange gain	112	79
		596	**79**
c)	**Other non-operating income**		
	Rent from investment property	27	54
	Excess provision for earlier years written back	-	41
	Income from Redemption of Mutual Fund	48	23
	Income from Dividend reinvestment of Mutual Fund	487	-
	Dividend from equity investments	134	200
		696	318
Total		**1,433**	**912**

** Amount less than ₹ 0.50 Lakhs*

NOTE 30: COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Opening stock	5,476	4,076
Add: Purchases (Net)	48,787	34,403
	54,263	38,479
Less: Closing stock	9,844	5,476
Total	**44,419**	**33,003**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd..)

NOTE 31 : CHANGES IN STOCK OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

(₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Closing stock		
- Finished goods	4,307	4,358
- Work in progress	740	856
-Stock-in-trade	9	21
	5,056	**5,235**
Opening stock		
- Finished goods	4,358	7,853
- Work in progress	856	602
-Stock-in-trade	21	28
	5,235	**8,483**
Decrease in excise duty on closing stock of finished products	(830)	(631)
Net (Increase)/Decrease in Inventories	**(651)**	**2,617**

NOTE 32: EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Salaries, wages and bonus	5,352	4,810
Contribution to provident and other funds	562	602
Employee Share based payment (Refer note 41)	257	152
Staff welfare expenses	568	523
Total	**6,739**	**6,087**

NOTE 33: FINANCE COST

(₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest cost - on financial liability at amortised cost		
a) Borrowings from banks	100	197
b) Security deposits and others	22	25
Total	**122**	**222**

NOTE 34: DEPRECIATION AND AMORTISATION EXPENSES

(₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Depreciation of Property, Plant and Equipment (Refer Note 4)	2,208	1,792
Depreciation of Investment Properties (Refer Note 5)	2	1
Amortisation of Intangible Assets (Refer Note 6)	81	76
Total	**2,291**	**1,869**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd..)

NOTE 35: OTHER EXPENSES

(₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Power & Fuel oil consumed	6,006	4,706
Processing charges	3,324	2,909
Selling and Distribution expenses	2,926	2,469
Consumption of packing materials	1,372	1,239
Stores and spares consumed	1,021	726
Rent including lease rentals	278	280
Repairs and maintenance:		
- Plant & machinery	876	747
- Buildings	186	125
Insurance charges	96	87
Rates and taxes	179	187
Auditors remuneration and out-of-pocket expenses (Refer Note 1)	32	42
Loss on fixed assets sold/scrapped/written off	350	66
Expenses on corporate social responsibility (Refer Note 2)	250	175
Provision for Doubtful Debt	2	-
Sitting Fees and Commission Paid to Directors	165	116
Other General Expenses	2,613	2,505
Total	**19,676**	**16,379**

Note 1

(₹ in Lakhs)

Auditors remuneration and out-of-pocket expenses (net of service tax and GST):	Year ended March 31, 2018	Year ended March 31, 2017
(i) As Auditors	29	26
(ii) For taxation matters	-	4
(iii) For other services	-	7
(iv) For Certification work	2	5
(v) Auditors out-of-pocket expenses*	1	0
Total	**32**	**42**

** Amount less than ₹ 0.50 Lakhs*

Note 2

Corporate Social Responsibility

The Company has spent ₹ 250 lakhs during the financial year (Previous Year: ₹ 175 lakhs) as per the provisions of Section 135 of The Companies Act, 2013 towards Corporate Social Responsibility (CSR) activities.

(a) Gross amount required to be spent during the year ₹ 250 lakhs (Previous Year ₹ 170 lakhs)

(b) There is no amount yet to be paid in cash for the said CSR activities.

NOTE 36 : 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, 2018	For the year ended March 31, 2017
Current Tax:		
Current Income Tax Charge	8,563	4,724
Adjustments in respect of prior years	(20)	-
Total	**8,543**	**4,724**
Deferred Tax		
In respect of current year	(97)	211
Total	**(97)**	**211**
Total tax expense recognised in Statement of Profit and Loss	**8,446**	**4,935**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd..)

(b) Income Tax recognised in other Comprehensive Income

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Deferred Tax (Liabilities)/Assets:		
Remeasurement of Defined Benefit Obligations	(13)	-
Net fair value (gain)/loss on investments in equity shares at FVTOCI	144	-
Total	**131**	**-**

(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, 2018	For the year ended March 31, 2017 "
Profit before tax from continuing operations	25,307	14,618
Less: Income taxed at different tax rate	(48)	-
Profit Before tax	**25,259**	**14,618**
Income Tax using the Company's domestic Tax rate #	8,742	5,060
Effect of expenses that are not deductible in determining taxable profit	309	250
Effect of income that is not taxable in determining taxable profit	(623)	(272)
Effect on deferred tax balances due to the change in income tax rate from 34.608% to 34.94% (effective 01.04.2018)	30	(103)
Effect of income taxed at different rate	8	-
Adjustments in respect of prior years	(20)	-
Income tax expense recognised in profit and loss	**8,446**	**4,935**

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, 2018 *(₹ in Lakhs)*

Particulars	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
Property, Plant and Equipment, Investment properties and Intangible assets	9,801	32	-	9,833
Financial asset measured at FVTOCI	-	-	(144)	(144)
Financial asset measured at FVTPL	-	8	-	8
Defined benefit obligation	(684)	18	13	(653)
Provision for doubtful debts/ advances	(111)	(101)	-	(211)
Payment for voluntary retirement scheme	(14)	14	-	-
Other non financial assets	1,261	(69)	-	1,192
Net Tax (Asset)/Liabilities	**10,254**	**(97)**	**(131)**	**10,026**

Deferred tax (assets)/liabilities in relation to the year ended March 31, 2017 *(₹ in Lakhs)*

Particulars	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
Property, Plant and Equipment, Investment properties and Intangible assets	9,543	258	-	9,801
Financial asset measured at FVTPL	-	-	-	-
Defined benefit obligation*	(613)	(71)	0	(684)
Provision for doubtful debts/ advances	(111)	-	-	(111)
Payment for voluntary retirement scheme	(28)	14	-	(14)
Other non financial assets	1,251	10	-	1,261
Net Tax (Asset)/Liabilities	**10,042**	**211**	**-**	**10,254**

** Amount less than ₹ 0.50 Lakhs*

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd..)

NOTE 37: EARNING PER SHARE

(₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
(a) Profit for the year (₹ in Lakhs)	16,861	9,683
(b) Weighted average number of Ordinary shares outstanding for the purpose of basic earnings per share	16,42,30,111	16,18,32,035
(c) Effect of potential Ordinary shares on Employee Stock Options outstanding	19,68,166	24,53,772
(d) Weighted average number of Ordinary shares in computing diluted earnings per share [(b) + (c)]	16,61,98,277	16,42,85,807
(e) Earnings per share on profit for the year (Face Value ₹ 10/- per share)		
– Basic [(a)/(b)]	10.27	5.98
– Diluted [(a)/(d)]	10.15	5.89

NOTE 38: 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 equipment. 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	As at March 31, 2018	As at March 31, 2017
Charged to Statement of Profit and Loss	**278**	**280**
Future Minimun Lease rentals Payable under non-cancellable operating leases are as follows:		
Within one year	29	-
After one year but not more than five years	32	-
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 ₹ 27 lakhs (2016-17: ₹ 53 lakhs) on such lease is included in Other Income.

NOTE 39: CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Contingent liabilities :			
(i) in respect of income tax matters	252	252	252
(ii) in respect of sales tax / VAT matters	364	524	394
(iii) in respect of excise / custom duty matters	300	325	266
(iv) claims against the Company not acknowledged as debts	52	42	42
Future cash flow in respect of the above, if any, is determinable only on receipt of judgements/decisions pending with the relevant authorities.			
(b) Commitments :			
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	7,538	215	118
The Company did not have any long-term contracts including derivative contracts for which any provision was required for foreseeable losses.			

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd..)

NOTE 40: 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, 2018	For the year ended March 31, 2017
(i) Capital expenditures		
(a) Capital equipments	20	22
(ii) Revenue expenditures		
(a) Salary/wages	428	333
(b) Travelling & Conveyance Expenses	21	13
(c) Repairs & Maintenance	30	20
(d) Communication Expenses	1	1
(e) Materials/Consumables	23	29
(f) Housekeeping	2	2
(g) Others	12	36
(h) Depreciation	37	26
Total revenue expenditure (a) to (h)	554	460
(iii) Total R & D expenditure	**574**	**482**
(iv) Amount received by R & D facilities	-	-
(v) Net amount of R & D expenditure	**574**	**482**

NOTE 41: SHARE BASED PAYMENTS

41.1 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, 2018 Number of options	March 31, 2017 Number of options	April 1, 2016 Number of options
Grant 1 - 2007-08	2017-18	23.40	15.72	-	-	4,25,100
Grant 2 - 2009-10	2019-20	25.35	16.06	-	-	4,25,100
Grant 3 - 2010-11	2020-21	20.60	10.59	-	-	9,73,000
Grant 4 - 2011-12	2021-22	16.65	9.02	-	-	9,73,000
Grant 5 - 2015-16	2025-26	37.65	16.27	7,76,000	13,73,000	13,73,000
Grant 6 - 2016-17	2026-27	52.85	19.44	7,15,925	9,17,200	-
Grant 7 - 2016-17	2026-27	84.05	28.74	10,63,975	11,60,200	-
Grant 8 - 2017-18	2027-28	188.35	69.28	3,39,100	-	-
Total				**28,95,000**	**34,50,400**	**41,69,200**
Weighted average remaining contractual life of options outstanding at end of year				8.85	9.60	6.47

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd..)

Fair value of share options granted in the year:

The weighted average fair value of the share options granted during the financial year is ₹ 69.28 (Previous year: ₹ 28.74). 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, 2018	March 31, 2017	
	Grant 8	Grant 6	Grant 7
Grant date share price (₹)	188.35	52.85	84.05
Exercise price (₹)	188.35	52.85	84.05
Expected volatility (%)	41.30	44.83	44.83
Expected life of the options	4 years	4 years	4 years
Expected dividend (%)	2.50	3.03	3.03
Risk free interest rate(%)	7.41	7.23	7.23
Expiry Year	2027-28	2026-27	2026-27

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)

Particulars	Year ended March 31, 2018		Year ended March 31, 2017	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Balance at beginning of period not exercised	34,50,400	57.29	41,69,200	26.06
Granted during the period	3,39,100	188.35	20,77,400	70.27
Exercised during the period	(8,94,500)	46.06	(27,96,200)	20.37
Balance at end of period	**28,95,000**	**76.11**	**34,50,400**	**57.29**
Exercisable at the end of the year	3,11,350		3,43,250	

The weighted average share price at the dates of exercise of options exercised during the year ended March 31, 2018 was ₹ 187.33 (year ended March 31, 2017 : ₹ 75.47)

NOTE 42: 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd..)

b) Superannuation Fund

The Company holds two in-house superannuation funds which appropriates funds to Life Insurance Corporation of India (the insurer) at the time of retirement/resignation of employee. The pension annuity is met by the Insurer as required, taking into consideration the contributions made. The Company has no further obligations under the scheme beyond its monthly contributions which are charged to the Statement of Profit and Loss in the period 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, 2018	For the year ended March 31, 2017
i)	Employer's Contribution to Provident Fund and Pension	206	203
ii)	Employer's Contribution to Superannuation Fund	61	62
	Total	267	265

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 43). The Company accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation 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, 2018 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, 2018	As at March 31, 2017	As at April 1, 2016
1. Discount rate	7.56%	7.12%	7.85%
2. Salary escalation	6.00%	6.00%	6.00%
3. Rate of Employee Turnover	6.00%	6.00%	6.00%
4. Mortality rate	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd..)

B. Expenses recognised in Statement of Profit and Loss

(₹ in Lakhs)

Particulars	Gratuity (Funded)	
	Year ended March 31, 2018	Year ended March 31, 2017
Service cost:		
Current service cost	97	89
Past service cost	1	-
Net Interest cost	76	93
Components of defined benefit costs recognised in statement of Profit and Loss	**174**	**182**

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 Statement of Profit and Loss: *(₹ in Lakhs)*

Particulars	Gratuity (Funded)	
	Year ended March 31, 2018	Year ended March 31, 2017
Interest Cost	204	208
(Interest Income)	(128)	(115)
Net interest cost recognised in Profit and Loss	**76**	**93**

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

(₹ in Lakhs)

Particulars	For year ended March 31, 2018	For year ended March 31, 2017
Actuarial (Gains)/Losses on Obligation For the Period - Due to changes in demographic assumptions	-	-
Actuarial (Gains)/Losses on Obligation For the Period - Due to changes in financial assumptions	(37)	-
Actuarial (Gains)/Losses on Obligation For the Period - Due to experience adjustment	65	141
Return on Plan Assets, Excluding Interest Income	5	(13)
Change in Asset Ceiling	-	-
Net (Income)/Expense For the Period Recognised in OCI	**33**	**128**

D. Amount recognised in the Balance Sheet

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Present Value of Defined Benefit Obligation as at the end of the year	(2,674)	(2,855)	(2,649)
Fair Value of plan assets	1,695	1,794	1,469
Net Asset / (Liability) recognised in the Balance Sheet	**(979)**	**(1,061)**	**(1,180)**

E. Movements in the Present Value Of Defined Benefit Obligation are as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Opening Defined Benefit Obligation	2,855	2,649
Current Service Cost	97	89
Past Service Cost	1	-
Interest Cost	203	208
Actuarial (gains)/losses	28	141
Benefits Paid (From the Fund)	(437)	(140)
Benefit Paid (Directly by the Employer)	(74)	(92)
Closing Defined Benefit Obligation	**2,674**	**2,855**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd..)

F. Movements in the Fair Value of the Plan Assets are as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Opening Fair Value of the Plan Assets	1,794	1,469
Contributions by the Employer	215	337
Actuarial (gains)/losses	(5)	13
Interest income	128	115
Benefits paid	(437)	(140)
Closing Fair Value of Plan Assets	**1,695**	**1,794**

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, 2018	Estimated for the year ended March 31, 2017
March 31, 2019	877	753
March 31, 2020	321	249
March 31, 2021	318	610
March 31, 2022	297	319
March 31, 2023	297	271
Thereafter	890	1,022

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, 2018	As at March 31, 2017
Projected Benefit Obligation on Current Assumptions		
Impact of +0.5% Change in Rate of Discounting	(40)	(46)
Impact of -0.5% Change in Rate of Discounting	42	48
Impact of +0.5% Change in Rate of Salary Increase	42	49
Impact of -0.5% Change in Rate of Salary Increase	(41)	(50)
Impact of +0.5% Change in Rate of Employee Turnover	3	2
Impact of -0.5% Change in Rate of Employee Turnover	(3)	(2)

NOTE 43: 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 (from August 19, 2016)
- Managing Director	Mr. C. R. Gupte (upto July 31, 2017)
- Managing Director	Mr. S. R. Deo (from August 1, 2017) (Previously Deputy Managing Director)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd..)

Enterprises over which Key Management Personnel is able to exercise significant influence	Navin Fluorine International Limited (till August 19, 2016) Mafatlal Industries Limited Shri Sadguru Seva Sangh Trust Sri Chaitanya Seva Trust N. M. Sadguru Water and Development Foundation NOCIL Employee Trust Funds

B. Nature of Transactions with Related Parties *(₹ in Lakhs)*

S. No.	Particulars	Year ended March 31, 2018	Year ended March 31, 2017
A	**Subsidiary Company**		
I	**PIL Chemicals Limited**		
1	Purchase of Materials/Services	1,463	1,184
2	Dividend Received	33	33
B	**Enterprises over which Key Management Personnel is able to exercise significant influence***		
I	**Navin Fluorine International Limited**		
1	Sale of Investments	-	2,194
2	Rent Paid	-	62
3	Dividend Received	-	62
4	Dividend Paid	-	82
5	Purchase of Materials/Services	-	1
II	**Mafatlal Industries Limited**		
1	Purchase of Investments	1,874	2,210
2	Reimbursement of Expenses	16	14
3	Dividend Received	39	17
4	Dividend Paid	468	276
III	**Shri Sadguru Seva Sangh Trust**		
1	Expenditure on CSR Activities	-	40
IV	**Sri Chaitanya Seva Trust**		
1	Expenditure on CSR Activities	100	40
V	**N. M. Sadguru Water and Development Foundation**		
1	Expenditure on CSR Activities	30	25
VI	**NOCIL Employee Trust Funds**		
1	Contributions Paid to funds	521	654
2	Post Employement Benefits Paid on Behalf of Trust	35	-
C	**Key Management Personnel #**		
1	Short-term employee benefits	782	675
2	Post-employment benefits	70	83
3	Share-based payment	101	71

* The transactions with related parties are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions. All the Related Party Transactions are reviewed and approved by the Audit Committee.

\# Based on the recommendation of the Nomination, Remuneration and Compensation Committee, all decisions relating to the remuneration of the Directors are taken by the Board of Directors of the Company, in accordance with shareholders' approval, wherever necessary.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd..)

C. Amounts outstanding with related parties

(₹ in Lakhs)

S. No.	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
A	**Subsidiary Company**			
I	**PIL Chemicals Limited**			
1	Trade Payable	-	43	169
2	Advance to Related Party	59	-	-
B	**Enterprises over which Key Management Personnel is able to exercise significant influence***			
I	**Mafatlal Industries Limited**			
1	Trade Payable	2	3	3
II	**NOCIL Employee Trust Funds**			
1	Contributions Payable to Funds	329	465	606

Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. No guarantees have been given or received.

44. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

44.1 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.

44.2 Categories of financial instruments

The following table provides categorisation of all financial instruments at carrying value except non-current investments in un-quoted equity instrument of subsidiary which are carried at cost.

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Financial assets			
Measured at FVTPL			
Mandatorily measured:			
(a) Mutual Fund Investments	21,926	-	-
Measured at amortised cost			
(a) Cash and cash equivalent	2,400	10,546	469
(b) Bank balance other than (a) above	359	806	240
(c) Trade receivables	24,336	16,654	15,076
(d) Other financial assets (including Derivate Financial Instruments)	436	521	457
(e) Inter Corporate Deposits	526	-	-
Measured at FVTOCI			
(a) Investments in equity instruments	5,197	17,586	11,165
Total Financial Assets	**55,180**	**46,113**	**27,407**
Financial liabilities			
Measured at amortised cost			
(a) Borrowings	-	500	1,587
(b) Trade payables	11,387	8,101	7,039
(c) Other financial liabilities (including current maturities of borrowings)	3,653	2,566	2,558
Total Financial Liabilities	**15,040**	**11,167**	**11,184**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd..)

44.3 Financial risk management objectives

The Company's Corporate Treasury function provides services to the business, co-ordinates access to domestic financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk assessment and analyses forex exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company seeks to minimise the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's - Risk Management Policy approved by the board of directors, which provide written principles on foreign exchange risk, interest rate risk, the use of financial derivatives and non-derivative financial instruments. Compliance with policies and exposure limits is reviewed on a continuous basis. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

44.4 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.

44.5 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, 2018	As at March 31, 2017	As at April 1, 2016
A.	**USD Currency:**			
	Financial Liabilities			
	In USD million	7.65	3.74	2.95
	Equivalent In ₹ lakhs	4,960	2,427	1,949
	Financial Assets			
	In USD million	7.43	1.58	3.55
	Equivalent In ₹ lakhs	4,815	1,026	2,344
B.	**Euro Currency:**			
	Financial Liabilities			
	In Euro million*	0.11	0.00	0.29
	Equivalent In ₹ lakhs	92	3	217
	Financial Assets			
	In Euro million*	0.03	0.15	0.26
	Equivalent In ₹ lakhs	24	105	196

* *Amount less than EURO 0.00 million.*

44.5.1 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/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 strengthens 5% against the relevant currency. For a 5% weakening of the Rupee against the relevant currency , there would be a comparable impact on the profit or equity, and the balances below would be negative.

(₹ in Lakhs)

Particulars	USD Currency Impact	
	Year Ended March 31, 2018	Year Ended March 31, 2017
Impact on Statement of Profit or Equity for the year		
5% strengthening of US Dollar	7	70
5% weakening of US Dollar	(7)	(70)

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 THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd..)

44.5.2 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.

The following table details the significant derivative financial instruments outstanding at the end of the reporting period:

Financial assets/ (Financial liabilities)	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1st, 2016
Derivative Assets / (Liabilities) measured at FVTPL:				
(i) Forward contracts	Notional value (USD million) - Sell position	-	4	1
	No. of Contracts	-	4	3
	Fair value (₹ lakhs)	-	2,708	874

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.

44.6 Interest rate risk management

The Company does not have interest rate risk exposure on its outstanding loans as at the year end since those bear fixed rate of interest.

44.7 Other price risks

The Company is exposed to price risks arising from mutual funds and equity investments other than subsidiary. Equity price risk is related to change in market reference price of investments in equity securities held by the Company. The fair value of quoted investments held by the Company exposes the Company to equity price risks. In general, these investments are not held for trading purposes. The Company manages the surplus funds majorly through combination of investments in debt based/artibrage/equity oriented mutual fund schemes and fixed deposits. The price of investment in these mutual funds is based on 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.

44.7.1 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, 2018 would increase/decrease by ₹ 260 Lakhs (increase/decrease by ₹ 879 Lakhs for the year ended March 31, 2017) as a result of the changes in fair value of equity investments measured at FVTOCI.

44.7.2 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, 2018 would increase/decrease by ₹ 219 Lakhs (increase/decrease by ₹ Nil lakhs for the year ended March 31, 2017) as a result of the changes in fair value of mutual funds.

44.8 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd..)

Trade receivables consist of a large number of customers, spread across the country comprising primarily dealers and manufacturers. The average credit period on sales of goods is 60 days. The Company's trade and other receivables consists of a large number of customers, hence the Company is not exposed to concentration risk.

The ageing analysis of trade receivables as of the reporting date is as follows:

(₹ in Lakhs)

Ageing of trade receivables	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Within the credit period	22,215	16,511	14,671
0 - 180 days past due	2,053	143	400
More than 180 days past due	68	-	5
Total Trade receivables	**24,336**	**16,654**	**15,076**

Reconciliation of loss allowance provision for Trade Receivables

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Balance as at beginning of the year	18	18
Impairment losses recognised in the year based on lifetime expected credit losses	2	-
Amounts written off during the year as uncollectible	-	-
Amounts written back during the year	(18)	-
Amounts recovered during the year	-	-
Balance at end of the year	2	18

44.9 Liquidity risk management

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as and when required. The Treasury Risk Management Policy includes an appropriate liquidity risk management framework for the management of the short-term, medium-term and long term funding and cash management requirements. The Company manages the liquidity risk by maintaining adequate cash reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The Company invests its surplus funds mainly in fixed deposit and mutual funds which carry no / negligible mark to market risks.

44.9.1 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	Total
March 31, 2018				
Borrowings	-	-	-	-
Trade Payables	11,387	-	-	11,387
Other Financial Liabilities	3,653	-	-	3,653
Total	**15,040**	**-**	**-**	**15,040**
March 31, 2017				
Borrowings	-	500	-	500
Trade Payables	8,101	-	-	8,101
Other Financial Liabilities	2,566	-	-	2,566
Total	**10,667**	**500**	**-**	**11,167**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd..)

(₹ in Lakhs)

Particulars	Upto 1 year	1-5 years	5+years	Total
April 1, 2016				
Borrowings	87	1,500	-	1,587
Trade Payables	7,039	-	-	7,039
Other Financial Liabilities	2,558	-	-	2,558
Total	**9,684**	**1,500**	**-**	**11,184**

NOTE 45: FAIR VALUE MEASUREMENTS

This note provides information about how the Company determines fair values of various financial assets and financial liabilities.

45.1 Fair value of the Company's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Company's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

(₹ in Lakhs)

Financial assets/ (Financial liabilities)	March 31, 2018	March 31, 2017	April 1, 2016	Fair value hierarchy	Valuation technique(s) and key input(s)
a) At FVTPL:					
1) Foreign currency Forward Contract Receivable	-	2,708	874	Level 2	Discounted cash flow. 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 counterparties.
2) Investments in Mutual funds	21,926	-	-	Level 2	Fair value of investments in Mutual Funds is based on Net asset value (NAV) declared by mutual fund houses at the reporting date.
b) At FVTOCI:					
3) Investments in equity instruments (quoted) (See Note 1)	5,196	17,585	11,164	Level 1	Quoted bid prices in an active market

Note 1: These investments in equity instruments are not held for trading. Instead, they are held for medium or long-term strategic purpose. Upon the application of Ind AS 109, the Company has chosen to designate these investments in equity instruments as at FVTOCI as the Management believe that this provides a more meaningful presentation for medium or long-term strategic investments, than reflecting changes in fair value immediately in the statement of profit and loss.

There were no transfers between Level 1 and 2 in the period.

45.2 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, 2018		As at March 31, 2017		As at April 1 2016	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets held at amortised cost:						
Cash and cash equivalent	2,400	2,400	10,546	10,546	469	469
Other Bank balance	359	359	806	806	240	240
Trade receivables	24,336	24,336	16,654	16,654	15,076	15,076
Other financial assets	436	436	425	425	428	428
Inter Corporate Deposits	526	526	-	-	-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd..)

(₹ in Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1 2016	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities held at amortised cost:						
Borrowings	-	-	500	500	1,587	1,587
Trade Payables	11,387	11,387	8,101	8,101	7,039	7,039
Other financial liabilities	3,653	3,653	2,566	2,566	2,558	2,558

NOTE 46 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 7, 8 & 12 in the financial statement.

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

NOTE 47 SUBSEQUENT EVENTS: There are no subsequent events identified as on the reporting date March 31, 2018.

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:

(i) The figures for the comparative periods have been regrouped wherever necessary, to conform to the current year's classification.

(ii) The figures for the comparative periods have been audited by a firm of Chartered Accountant other than Kalyaniwalla & Mistry LLP, Chartered Accountants.

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

Daraius Z. Fraser
Partner
Membership No. 42454

Place : Mumbai,
Date : 4 May 2018

For and on behalf of the Board of Directors

Hrishikesh A. Mafatlal
Chairman

C.L. Jain
Director & Chairman- Audit Committee

S.R. Deo
Managing Director

P. Srinivasan
Chief Financial Officer

V. K. Gupte
Company Secretary

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NOCIL LIMITED

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying Consolidated Ind AS Financial Statements of **NOCIL LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), comprising of the Consolidated Ind AS Balance Sheet as at March 31, 2018, the Consolidated Ind AS Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated Ind AS Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards prescribed under section 133 of the Act, read with relevant rules issued thereunder.

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; the 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 Consolidated Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Ind AS Financial Statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Ind AS Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Ind AS Financial Statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Ind AS Financial Statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor referred to in sub-paragraph (b) and (c) of the other matters below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS Financial Statements.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS, of the consolidated financial position of the Group as at March 31, 2018, their consolidated financial performance (including other comprehensive income),its Consolidated Cash Flows and the Changes In Equity and the consolidated statement of changes in equity for the year ended on that date.

Other matters

a) The consolidated financial information of the Group for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 included in these Consolidated Ind AS Financial Statements, are based on the previously issued statutory consolidated financial statements for the years ended March 31, 2017 and March 31, 2016 prepared in accordance with the Companies (Accounting Standards) Rules as applicable which were audited by the predecessor auditor, on which they had expressed an unmodified opinion dated May 05, 2016 and May 08, 2017 respectively. The adjustments to those consolidated financial statements for the differences in accounting principles adopted by the Holding Company on transition to the Ind AS have been audited by us.

b) We did not audit the financial statements of one subsidiary included in the Consolidated Ind AS Financial Statements, whose financial statements reflect the Group's share of total assets of Rs. 1,554 Lakhs as at March 31, 2018, as well as Group's share of total revenue of Rs. 22 Lakhs and net cash outflows amounting to Rs. 11 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.

c) 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 and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditor on separate financial statements and the other financial information

of subsidiaries, referred in the Other Matters paragraph (b) and (c) above, 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 purposes 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 (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity 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 Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act, read with relevant rules issued thereunder.

e) On the basis of the written representations received from the Directors of the Holding Company as on March 31, 2018 and taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor of its subsidiary company, none of the Directors of the Group companies, is disqualified as on March 31, 2018, from being appointed as a Director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in **"Annexure A"**.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on the separate financial statements of certain subsidiaries and a jointly controlled entity, as noted in sub-paragraph (a) of the Other Matters paragraph above:

   i) The Group has disclosed the impact of pending litigations on its consolidated financial position in its Consolidated Ind AS Financial Statements. Refer Note 38 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(g) and Note 44.5.2 to the Consolidated Ind AS Financial Statements.

   iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company.

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

Daraius Z. Fraser
PARTNER
M. No.: 42454

Mumbai: May 4, 2018.

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 Company on the Consolidated Ind AS Financial Statements for the year ended March 31, 2018.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of NOCIL Limited (hereinafter referred to as "the Holding Company"), and its subsidiary company, as of March 31, 2018, in conjunction with our audit of the Consolidated Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary company, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company and its subsidiary company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ("the Act" or "the Companies Act").

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company and its subsidiary company based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls system over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 internal financial controls system over financial reporting of the Holding Company and its subsidiary.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:

1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and

3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Consolidated Ind AS Financial Statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its Subsidiary Company, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting 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 Institute of Chartered Accountants of India.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to one 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 Regn. No.: 104607W/W100166

Daraius Z. Fraser
PARTNER
M. No.: 42454
Mumbai: May 4, 2018.

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2018

(₹ in Lakhs)

Particulars	Note	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
ASSETS				
Non-Current Assets				
(a) Property, Plant and Equipment	4	52,447	53,854	54,421
(b) Capital work-in-progress		4,247	447	608
(c) Investment Property	5	48	50	51
(d) Intangible assets	6	279	353	421
(e) Financial Assets				
(i) Other Investments	7	5,238	17,635	11,202
(ii) Other financial assets	8	459	450	453
(f) Non-current tax assets		523	724	1,973
(g) Other non-current assets	9	2,553	875	889
Total Non - Current Assets		**65,794**	**74,388**	**70,018**
Current Assets				
(a) Inventories	10	15,527	11,458	13,263
(b) Financial Assets				
(i) Investments	11	22,882	-	-
(ii) Trade receivables	12	24,336	16,654	15,076
(iii) Cash and cash equivalent	13	2,439	10,596	486
(iv) Bank balances other than (iii) above	14	765	1,626	1,085
(v) Other financial assets	15	23	122	59
(c) Other current assets	16	3,003	1,250	1,388
Total Current Assets		**68,975**	**41,706**	**31,357**
Total Assets		**1,34,769**	**1,16,094**	**1,01,375**
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	17	16,448	16,358	16,079
(b) Other Equity	18	88,219	74,955	60,844
Total equity		**1,04,667**	**91,313**	**76,923**
Liabilities				
Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	19	-	500	1,500
(b) Provisions	20	1,585	1,691	1,802
(c) Deferred tax liabilities (Net)	35	10,410	10,634	10,390
(d) Other non-current liabilities	21	7	7	59
Total Non - Current Liabilities		**12,002**	**12,832**	**13,751**
Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	22	-	-	87
(ii) Trade payables	23	11,565	8,118	6,934
(iii) Other financial liabilities	24	3,653	2,593	2,558
(b) Other current liabilities	25	2,122	824	956
(c) Provisions	26	413	378	165
(d) Current Tax Liabilities (Net)		347	36	1
Total Current Liabilities		**18,100**	**11,949**	**10,701**
Total Equity and Liabilities		**1,34,769**	**1,16,094**	**1,01,375**

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

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

For and on behalf of the Board of Directors

Hrishikesh A. Mafatlal
Chairman

C.L. Jain
Director & Chairman- Audit Committee

S.R. Deo
Managing Director

Daraius Z. Fraser
Partner
Membership No. 42454

P. Srinivasan
Chief Financial Officer

V. K. Gupte
Company Secretary

Place : Mumbai,
Date : 4 May 2018

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in Lakhs)

	Particulars		Note	For the year ended March 31, 2018	For the year ended March 31, 2017
I	Revenue from Operations		27	98,927	81,828
II	Other Income		28	1,455	952
III	**Total Income (I + II)**			**100,382**	**82,780**
IV	**EXPENSES**				
	(a)	Cost of Materials Consumed	29	44,419	33,003
	(b)	Purchases of Stock-in-Trade		294	338
	(c)	Changes in Stock of Finished Goods, Work-In-Progress and Stock-in-Trade	30	(651)	2,617
	(d)	Excise Duty		2,163	7,607
	(e)	Employee Benefit Expense	31	7,119	6,419
	(f)	Finance Costs	32	122	222
	(g)	Depreciation and Amortisation Expense	33	2,403	1,973
	(i)	Other Expenses	34	19,043	15,923
	Total Expenses (IV)			**74,912**	**68,102**
V	**Profit Before Tax (III - IV)**			**25,470**	**14,678**
VI	**Tax Expense**				
	(1)	Current Tax	35	8,603	4,743
		Mat Credit Entitlement		(12)	(20)
	(2)	Deferred Tax	35	(92)	244
	(3)	Excess Provision for tax relating to earlier years		(22)	-
	Total Tax Expense (VI)			**8,477**	**4,967**
VII	**Profit After Tax (V -VI)**			**16,993**	**9,711**
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)		(34)	(128)
	(b)	Equity instruments through other comprehensive income		(849)	6,415
	(ii)	Income tax relating to items that will not be reclassified to profit or loss			
	(a)	On Remeasurements of the defined benefit liabilities / (asset)	35	(13)	-
	(b)	On Equity instruments through other comprehensive income	35	145	-
	Total Other Comprehensive Income for the Year			**(751)**	**6,287**
IX	**Total Comprehensive Income for the Year (VII+VIII) (Comprising Profit and Other Comprehensive Income for the Year)**			**16,242**	**15,998**
X	**Earnings per equity share (Face Value ₹ 10/- each)**		36		
	(1)	Basic		**10.35**	**6.00**
	(2)	Diluted		**10.22**	**5.91**

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

In terms of our report attached.

For Kalyaniwalla & Mistry LLP
Chartered Accountants
Firm Regn. No. : 104607W/W100166

Daraius Z. Fraser
Partner
Membership No. 42454

Place : Mumbai,
Date : 4 May 2018

For and on behalf of the Board of Directors

Hrishikesh A. Mafatlal
Chairman

C.L. Jain
Director & Chairman- Audit Committee

S.R. Deo
Managing Director

P. Srinivasan
Chief Financial Officer

V. K. Gupte
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

(₹ in Lakhs)

	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
A	**CASH FLOWS FROM OPERATING ACTIVITIES**		
	Profit before tax	**25,470**	**14,678**
	Adjustments for:		
	Finance costs recognised in profit or loss	122	222
	Interest income recognised in profit or loss	(190)	(585)
	Dividend income recognised in profit or loss	(588)	(167)
	Loss on disposal of property, plant and equipment	350	66
	Excess provision for earlier years written back	(109)	(239)
	Net (gain)/loss arising on financial assets mandatorily measured at fair value through profit or loss	(490)	(2)
	Depreciation and amortisation of non-current assets	2,403	1,973
	Net foreign exchange (gain)/loss	(17)	94
	Expense recognised in respect of equity-settled share-based payments	257	152
	Rent from Investment Property	(27)	(54)
	Income from Redemption of Mutual Fund	(48)	(23)
	Remeasurement of defined benefit liabilities / (assets) through OCI	(34)	(128)
	Operating profit before working capital changes	**27,099**	**15,987**
	Movements in working capital:		
	Trade Receivables	(7,682)	(1,578)
	Inventories	(4,069)	1,805
	Other Assets - Current and Non Current	(2,124)	1,117
	Other Financial Assets - Current and Non Current	89	(64)
	Trade Payable	3,556	1,374
	Provisions - Current and Non Current	(71)	102
	Other Financial Liabilities - Current	243	103
	Other Liabilities - Current and Non Current	1,299	(135)
	Changes in Working Capital	**(8,760)**	**2,784**
	Cash generated from operations	**18,339**	**18,771**
	Income taxes paid (Net of Refund)	(8,057)	(4,552)
	Net cash generated by operating activities (a)	**10,282**	**14,219**
B	**CASH FLOWS FROM INVESTING ACTIVITIES**		
	Payments to acquire financial assets	(29,799)	(4,710)
	Proceeds on sale of financial assets	20,372	4,236
	Interest received	181	588
	Dividends received	146	167
	Payments for property, plant and equipment	(5,161)	(1,291)
	Proceeds from disposal of property, plant and equipment	9	8
	Rent from Investment Property	27	54
	Payments for intangible assets	(7)	(9)
	Net cash (used in)/generated by investing activities (b)	**(14,233)**	**(957)**
C	**CASH FLOWS FROM FINANCING ACTIVITIES**		
	Proceeds from issue of equity instruments of the Company	413	569
	Repayment of borrowings	(1,000)	(1,087)
	Dividends paid to owners of the Company	(3,507)	(2,310)
	Interest paid	(130)	(230)
	Net cash used in financing activities (c)	**(4,223)**	**(3,058)**
	Net increase in cash and cash equivalents (a+b+c)	**(8,174)**	**10,204**
	Cash and cash equivalents at the beginning of the year	10,596	486
	Other Bank Balance	17	(94)
	Cash and cash equivalents at the end of the year	**2,439**	**10,596**
	Reconciliation of cash and cash equivalents with the Balance Sheet:		
	Cash and cash equivalents at end of the year (as per note 12A)	3,204	12,222
	Less: Bank balances held as margin money against guarantees not considered as Cash and cash equivalents	765	1,626
	Cash and cash equivalents at end of the year	**2,439**	**10,596**

See accompanying notes forming part of the financial statements

(a) 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".

(b) Components of cash and cash equivalents include cash and bank balances in current accounts as disclosed in note 12 of the financial statements.

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

For and on behalf of the Board of Directors

Hrishikesh A. Mafatlal
Chairman

C.L. Jain
Director & Chairman- Audit Committee

S.R. Deo
Managing Director

Daraius Z. Fraser
Partner
Membership No. 42454
Place : Mumbai,
Date : 4 May 2018

P. Srinivasan
Chief Financial Officer

V. K. Gupte
Company Secretary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

(a) Equity share capital

(₹ in Lakhs)

Particulars	Amount
Balance at April 1, 2016	**16,079**
Changes in equity share capital during the year:	
Issue of equity shares under employee stock option plan	279
Balance at March 31, 2017	**16,358**
Changes in equity share capital during the year:	
Issue of equity shares under employee stock option plan	90
Balance at March 31, 2018	**16,448**

(b) Other equity

(₹ in Lakhs)

Particulars	Other Equity					Other Comprehensive Income		Total
	Capital reserve	Securities premium reserve	General reserve	Share Option outstanding Account	Retained earnings	Equity Instrument through OCI	Other Items of OCI	
Balance at April 1, 2016	**15**	**451**	**4,865**	**116**	**46,843**	**8,952**	**(398)**	**60,844**
Profit for the year	-	-	-	-	9,712	-	-	9,712
Other Comprehensive Income for the Year, net of income tax	-	-	-	-	-	6,415	-	6,415
Remeasurement of Defined Benefit Obligation						-	(128)	(128)
Total Comprehensive Income for the Year	**-**	**-**	**-**	**-**	**9,712**	**6,415**	**(128)**	**15,999**
Premium on shares issued	-	289	-	-	-	-	-	289
Recognition of share based payments	-	-	-	151		-	-	151
Payment of dividends and Dividend distribution tax thereon	-	-	-	-	(2,328)	-	-	(2,328)
Balance at March 31, 2017	**15**	**740**	**4,865**	**267**	**54,227**	**15,367**	**(526)**	**74,955**
Profit for the year	-	-	-	-	16,993	-	-	16,993
Other Comprehensive Income for the Year, net of income tax	-	-	-	-	-	(704)		(704)
Remeasurement of Defined Benefit Obligation	-	-	-	-	-		(47)	(47)
Total Comprehensive Income for the Year	**-**	**-**	**-**	**-**	**16,993**	**(704)**	**(47)**	**16,242**
Premium on shares issued	-	486	-	-	-	-	-	486
Recognition of share based payments	-	-	-	93	-	-	-	93
Payment of dividends and Dividend distribution tax thereon	-	-	-	-	(3,557)	-	-	(3,557)
Transfer to retained earnings on disposal of Non current investments					14,282	(14,282)	-	-
Balance at March 31, 2018	**15**	**1,226**	**4,865**	**360**	**81,945**	**381**	**(573)**	**88,219**

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

Daraius Z. Fraser
Partner
Membership No. 42454

Place : Mumbai,
Dated : 4 May 2018

For and on behalf of the Board of Directors

Hrishikesh A. Mafatlal
Chairman

C.L. Jain
Director & Chairman- Audit Committee

S.R. Deo
Managing Director

P. Srinivasan
Chief Financial Officer

V. K. Gupte
Company Secretary

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

NOTE 1: GENERAL INFORMATION

a) Corporate information

NOCIL Limited (the Company) having Company Identification No: L99999MH1961PLC012003 was incorporated on 11 May 1961 and is engaged in manufacture of rubber chemicals. The Company has manufacturing facilities at Navi Mumbai (Maharashtra) and at Dahej (Gujarat). The products manufactured by the Company are used by the tyre industry and other rubber processing industries. The address of its registered office is Mafatlal House, H.T. Parekh Marg, Backbay Reclamation, Churchgate, Mumbai 400 020, Maharashtra, India.

The following wholly owned subsidiary company is included in the consolidation

Name	Country of Incorporation	Nature of business
PIL Chemicals Limited	India	Processing of rubber chemical products

b) Basis of preparation and presentation

The Consolidated financial statements of the Group have been prepared in accordance with generally accepted accounting principles in India under the historical cost convention on accrual basis at the end of each reporting period except for:

- Certain financial Assets and Liabilities that are measured at fair value
- Defined Benefit Plans that are measured at fair value
- Share based payments – calculated using the Black and Scholes option pricing model

The Generally Accepted Accounting principles in India comply in all material aspects with the Indian Accounting Standards ('Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 (the Act) read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016, the Companies (Indian Accounting Standards) Rules, 2017 and other relevant provisions of the Act.

These Consolidated financial statements for the year ended March 31, 2018 are the first accounts of the Groups prepared under Ind AS. For all periods upto and including the year ended March 31, 2017, the Group prepared its Consolidated financial statements in accordance with the accounting standards notified under the Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (hereinafter referred to as 'Previous GAAP') used for its statutory reporting requirement in India immediately before adopting Ind AS. The Consolidated financial statements for the year ended March 31, 2017 and the opening Balance Sheet as at April 1, 2016 have been restated in accordance with Ind AS for comparative information. Reconciliations and explanations of the effect of the transition from Previous GAAP to Ind AS on the Group's Equity, Total Comprehensive Income and Cash Flow Statements are provided in Note 3.

The Consolidated financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at April 1, 2016 being the 'date of transition to Ind AS'. All assets and liabilities have been classified as current or non-current as per the Groups'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 acquistion 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, 2018 have been approved for issue in accordance with the resolution of the Board of Directors on May 4, 2018.

c) Functional and presentational currency

The Consolidated financial statements are presented in Indian Rupees (INR), which is the Groups's functional and presentation currency. All amounts have been rounded to the nearest lakhs, 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 derecognises the related assets (including goodwill), liability, non-controlling interest and other components of equity while any resultant gain or loss is recognized in statement of profit and loss. Any investment retained is recognized 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 unrealized 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, 2018.

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. 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.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are as follows:

- Determination of the estimated useful lives of tangible assets and the assessment as to which components of the cost may be capitalized (Note 2(a)).
- Determination of the estimated useful lives of intangible assets (Note 2(c)).
- Impairment of Property, Plant and Equipment (Note 2(d)).
- Recognition and measurement of defined benefit obligations (Note 2(j) and Note 42).
- Fair valuation of employee share options (Note 2(k) and Note 40).
- Discounting of long-term financial liabilities
- Fair value of financial instruments (Note 1(f)).
- Recognition and measurement of provisions and contingencies, key assumptions about the likelihood and magnitude of an outflow of resources; (Note 2(p)).
- Accruals of Sales incentives, Commission, etc.

f) Measurement of Fair value

The Group's Consolidated accounting policies and disclosures require the measurement of fair values for financial instruments.

The Group has an established control framework with respect to the measurement of fair values. The Management regularly reviews significant inputs and valuation adjustments. If third party information, such as Government approved valuer, broker quotes or pricing services, is used to measure fair values, then the Management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

While measuring the fair value of a financial asset or a financial liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 inputs for the assets or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occured.

g) Application of new and revised Ind AS's

All the Indian Accounting Standards ("Ind AS") issued and notified by the Ministry of Corporate Affairs are effective and considered for the significant accounting policies to the extent relevant and applicable for the Group except for:

Ind AS 115 – Revenue from Contracts with Customers: In February 2015, the Ministry of Corporate Affairs had notified Ind AS 115, Revenue from Contracts with Customers. The Ind AS is applicable with effect from April 1, 2018. The Group is in the process of making an assessment of the impact of Ind AS 115 upon initial application.

Ind AS 116 – Leases: This Standard is effective for annual period beginning on or after 1 April, 2019, with early adoption allowed only if Ind AS 115 - Revenue from Contracts with Customers is also adopted.

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 to acquisition and installation of the concerned assets, borrowing cost during the construction period 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.

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 recognized in the Statement of Profit and Loss when the asset is derecognized.

The estimated residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the items will flow to the Group and the cost of the item can be measured reliably.

All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred.

When significant identifiable parts of PPE are required to be replaced, the Group de-recognises the replaced parts and recognises the new part with its own associated useful life and it is depreciated accordingly. In other cases, expenses are charged off to the Statement of Profit and Loss.

Depreciation is provided, under the Straight Line Method basis so as to write off the original cost of the asset less its estimated residual value over the estimated useful life. The Management's estimate of useful lives is in accordance with Schedule II to the Companies Act, 2013. Assets costing ₹ 5,000 or less are fully depreciated in the year of purchase. Leasehold land is amortised on a straight line basis over the period of the lease.

b) Investment Property

Land or Building held to earn rentals or for capital appreciation or both rather than for use in the production or supply of goods and services or for administrative purposes; or sale in the ordinary course of business is recognised as Investment Property. Investment Property are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Though, the Group measures investment property using cost based measurement, the fair value of investment property is disclosed in Notes. Fair values are determined based on an annual evaluation performed by a Government approved valuer.

Investment properties are de-recognised either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the Statement of Profit and Loss in the period of de-recognition.

c) Intangible Assets

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. The amortisation period and the amortisation method for an intangible asset with finite useful life are reviewed at each reporting period. 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. 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. 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 recognized in the Statement of Profit and Loss when the asset is derecognized.

d) Impairment of Non-Financial Assets

At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication of an impairment loss. If any such indication exists, the recoverable amounts are estimated in order to determine the extent of the impairment loss (if any). An impairment loss is recognised whenever the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount. The impairment loss, if any, is recognised in the Statement of Profit and Loss in the period in which impairment takes place. Recoverable amount is higher of an assets net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an assets and from its disposal at the end of its useful life. Where an impairment loss subsequently reverses, the carrying amount of the assets is increased to the revised estimate of its recoverable amount, however subject to the increased carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior accounting periods.

e) Inventories

Inventories are measured at lower of cost and net realisable value. Cost of inventories comprises all costs of purchase (net of input credits), costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost of stores and spares, raw materials, trading and other products is determined on weighted average basis. Cost of work-in-progress and finished stock is determined by the absorption costing method.

Net realizable 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 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 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) 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 (FVOCI).

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.

Debt Instruments:

Debt instruments are initially measured at amortised cost, fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVTPL') till de-recognition on the basis of

(i) the Groups's business model for managing the financial assets and

(ii) the contractual cash flow characteristics of the financial asset.

a) Measured at amortised cost:

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the effective interest rate ('EIR') method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

b) Measured at Fair value through other comprehensive income (FVTOCI):

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized 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) Measured at Fair Value Through Profit and Loss (FVTPL):

A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'Other Income' in the Statement of Profit and Loss.

Equity Instruments:

Investments in equity instruments at FVTPL:

Investments in equity instruments other than investments in subsidiaries are classified as at FVTPL, unless the Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for equity instruments which are not held for trading.

Investments in equity instruments at FVTOCI:

On initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserve for 'equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to Statement of Profit and Loss on disposal of the investments.

Impairment of financial assets:

The Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset.

For trade receivables, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

De-recognition of financial assets:

The Group de-recognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised if the

Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

ii) Financial liabilities

Initial recognition

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss. In case of trade payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised cost, using the effective interest method.

Subsequent Measurement of financial liabilities

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 of financial liabilities

A financial liability is derecognized 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 recognized 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.

h) Foreign Exchange Transactions

In preparing the Consolidated financial statements of the Group, transactions in currencies other than the Group's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are restated at the rates prevailing at the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated. Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise.

i) 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.

Dividend and interest income

Dividend income from investments is recognised when the Group's right to receive payment has been established.

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that discounts the estimated future cash payments or receipts through the expected life of the financial instruments or a shorter period, where appropriate, to the net carrying amount of the financial assets. Interest income is included in other income in the Consolidated Statement of Profit and Loss.

j) Employee benefits

Short-term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, performance incentives, etc., are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the employee renders the related service. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Post-Employment Benefits:

(a) Defined Contribution Plans

Payments made to a defined contribution plan such as Provident Fund, Family Pension and Superannuation scheme are charged as an expense in the Statement of Profit and Loss as they fall due.

(b) Defined Benefit Plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, after discounting the same. The calculation of defined benefit obligations is performed annually by a qualified actuary using the Projected Unit Credit method. Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses are recognized immediately in Other Comprehensive Income (OCI). Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in Statement of Profit and Loss. When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in Statement of Profit and Loss. The Group recognizes 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 recognized in Statement of Profit and Loss in the period in which they arise.

k) 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.

l) 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. Lease payments under operating leases is generally recognised as an expense on a straight-line basis over the term of the relevant lease, unless where the lease rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

m) 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.

n) 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.

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 recognized 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 realized; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized 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.

o) 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.

p) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized 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.

q) Earnings Per Share (EPS)

Basic EPS is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted EPS is computed by dividing the net profit for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

r) 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.

s) 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.

NOTE 2A: FIRST TIME ADOPTION

Transition to Ind AS

The Group has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from April 01, 2017, with a transition date of April 01, 2016. These financial statements for the year ended March 31, 2018 are the first financial statements the Group has prepared under Ind AS. For all periods upto and including the year ended March 31, 2017, the Group prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with the relevant rules thereunder.

The adoption of Ind AS has been carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards. Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements be applied retrospectively and consistently for all financial years presented. Accordingly, the Group has prepared financial statements which comply with Ind AS for year ended March 31, 2018, together with the comparative information as at and for the year ended March 31, 2017 and the opening Ind AS Balance Sheet as at April 01, 2016, the date of transition to Ind AS.

In preparing these Ind AS financial statements, the Group has availed certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and Previous GAAP and have been recognised directly in equity (retained earnings or another appropriate category of equity). This note explains the adjustments made by the Group in restating its financial statements prepared under previous GAAP, including the Balance Sheet as at April 01, 2016 and the financial statements as at and for the year ended March 31, 2017.

Optional Exemptions Availed

a) Share based payments

The Group has elected not to apply Ind AS 102 Share-based payment to equity instruments that vested before the date of transition to Ind AS. Accordingly, the Group has measured only the unvested stock options on the date of transition as per Ind AS 102.

b) Cost of Property, Plant and Equipment, Intangible and Investment Property

The Company has used fair value as deemed cost for certain item of Property, Plant & Equipment in accordance with the exemptions available IND AS 101 – " First time Adoption of Indian Accounting Standards" retrospectively from 1st April 2016, with the resultant impact being accounted for in reserves.

Consequential adjustment have been made to the amount of depreciation and deferred tax reported in all subsequent periods upto 31st March 2018.

Mandatory Exceptions from retrospective application

The Group has applied the following exceptions to the retrospective application of Ind AS as mandatorily required under Ind AS 101:

a) Estimates

On assessment of the estimates made under the Previous GAAP financial statements, the Group has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that are required under Ind AS but not required under Previous GAAP are made by the Group for the relevant reporting dates reflecting conditions existing as at that date.

b) Classification and measurement of financial assets

The Group has classified and measured the financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

c) De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind A 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

NOTE 3: FIRST-TIME ADOPTION OF IND-AS

(i) Reconciliation of total equity as at March 31, 2017 and April 1, 2016

(₹ in Lakhs)

Particulars	Note	As at March 31, 2017	As at April 1, 2016
Total Equity (shareholder's funds) under previous GAAP		**59,605**	**46,993**
Ind AS adjustments increase (decrease):			
Dividends (Including Dividend Distribution Tax) not recognised as liability until declared under Ind AS	a	-	2,329
Increase in carrying value of PPE, net of tax	b	18,301	18,642
Fair Valuation of Mutual Fund at FVTPL	f	9	7
Change in fair value of investments in equity instruments (Including on disposal of investments) through OCI	c	13,398	8,952
Total Adjustment to Equity		**31,708**	**29,930**
Total Equity under Ind AS		**91,313**	**76,923**

(ii) Reconciliation of Total Comprehensive Income for the year ended March 31, 2017:

(₹ in Lakhs)

Particulars	Note	For the year ended March 31, 2017
Profit After Tax as per previous GAAP		**12,043**
Adjustments :		
Impact of recognising the cost of the equity settled employee stock option scheme over the vesting period based on the fair value at grant date	d	(151)
Impact of Remeasurement of defined benefit plans classified in Other Comprehensive income (OCI), (net of deferred tax)	e	128
Increase in Depreciation due to Fair Valution of Leasehold Land	b	(341)
Impact of Fair Valuation of Mutual Fund through PL	f	2
Profit on sale of investments recognised as exceptional gain under previous GAAP reversed under Ind AS	c	(1,970)
Total Adjustment to Profit or Loss		**(2,332)**
Profit after Tax under Ind AS		**9,711**
Other Comprehensive Income		
Change in fair value of equity investments designated as fair value through OCI	c	6,415
Remeasurement of defined benefit plans classified in OCI (net of deferred tax)	e	(128)
Total Comprehensive Income under Ind AS		**15,998**

Note: Total Comprehensive Income was not reported under previous GAAP. Therefore the reconciliation starts with profit under previous GAAP.

a. Under previous GAAP, dividend payable including dividend distribution taxes was recorded as a liability in the period to which it relates. Under Ind AS, dividend to holders of equity instruments is recognised as a liability in the period in which the obligation to pay is established. Hence, proposed dividend recognised under Previous GAAP as at the transition date is reversed and credited to Retained Earnings.

b. Adjustment on account of fair valuation of certain items of Property Plant and Equipment used as Deemed Cost as per Ind AS 101 , net of tax . Accordingly the depreciation for the subsequent years have increased.

c. Under previous GAAP, non-current investments in equity were stated at cost. Where applicable, provision was made to recognise a decline, other than temporary, in valuation of such investments. Under Ind AS, equity instruments (other than investment in subsidiary) have been classified as Fair Value through Other Comprehensive Income (FVTOCI) through an irrevocable election at the date of transition.

d. Under previous GAAP, the cost of equity-settled employee share based payments was recognised based on intrinsic value of the options as at the grant date over the appropriate vesting period. Ind AS requires expense on such share based payments to be recognised based on fair value as at grant date using an appropriate pricing model over the appropriate vesting period. The change does not affect total equity, but results in a decrease profit before tax for the year ended March 31, 2017.

e. Under previous GAAP, the actuarial gains and losses were recognised in Statement of Profit and Loss. Under Ind AS, the acturial gains and losses form part of remeasurement of the net defined benefit liability/asset which is recorded in Other Comprehensive Income. Consequently, the tax effect of the same has also been recognised in Other Comprehensive Income under Ind AS instead of tax expenses under statement of profit and loss. This change does not affect total equity, but has resulted in an increase in profit before tax.

f. Under previous GAAP, non-current investments in mutual fund were stated at cost. Where applicable, provision was made to recognise a decline, other than temporary, in valuation of such investments. Under Ind AS, mutual fund units have been classified as Fair Value through profit and loss account through an irrevocable election at the date of transition.

(iii) There are no material adjustments to the Statement of Cash Flows presented under IND AS and the previous GAAP.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd...)

NOTE 4 : PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars	Land - Leasehold	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
I. Gross Block							
Balance as at April 1, 2017	**25,413**	**8,764**	**33,628**	**1,127**	**673**	**377**	**69,982**
Additions	-	134	1,044	39	16	39	1,272
Disposals	-	(294)	(229)	(842)	(492)	(48)	(1,905)
Balance as at March 31, 2018	**25,413**	**8,604**	**34,443**	**324**	**197**	**368**	**69,349**
II. Accumulated depreciation and impairment for the year 2017-2018							
Balance as at April 1, 2017	**463**	**1,421**	**12,634**	**932**	**562**	**116**	**16,128**
Depreciation expense for the year	463	334	1,409	55	16	43	2,320
Eliminated on disposal of assets	-	(53)	(146)	(822)	(489)	(36)	(1,546)
Balance as at March 31, 2018	**926**	**1,702**	**13,897**	**165**	**89**	**123**	**16,902**
III. Net block Balance as on March 31 2018 (I-II)	**24,487**	**6,902**	**20,546**	**159**	**108**	**245**	**52,447**

(₹ in Lakhs)

Particulars	Land - Leasehold	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
I. Cost / Deemed Cost							
Balance as at April 1, 2016	**25,413**	**8,706**	**33,214**	**1,073**	**634**	**195**	**69,235**
Additions	-	58	1,037	56	39	212	1,402
Disposals	-	-	(623)	(2)	-	(30)	(655)
Balance as at March 31, 2017	**25,413**	**8,764**	**33,628**	**1,127**	**673**	**377**	**69,982**
II. Accumulated depreciation and impairment for the year 2016-2017							
Balance as at April 1, 2016	**-**	**1,178**	**12,126**	**872**	**538**	**100**	**14,814**
Depreciation expense for the year	463	243	1,065	61	24	39	1,895
Eliminated on disposal of assets	-	-	(557)	(1)	-	(23)	(581)
Balance as at March 31, 2017	**463**	**1,421**	**12,634**	**932**	**562**	**116**	**16,128**
III. Net block Balance as on March 31, 2017 (I-II)	**24,950**	**7,343**	**20,994**	**195**	**111**	**261**	**53,854**

Notes:

1. Refer Note 2A (c) - First Time Adoption for options availed by company on the transition to IND-AS.
2. **Assets charged against borrowings**

   Property, Plant and equipment with carrying value of ₹ 27,296 lakhs as on March 31, 2018 (as on March 31, 2017 ₹ 28,361 lakhs and as on April 1, 2016 ₹ 28,508 lakhs) are secured against term loans from banks and others. Refer Note 19 & 22 on Borrowings.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd...)

NOTE 5: INVESTMENT PROPERTY

(₹ in Lakhs)

Particulars	Buildings	Total
I. Gross Block		
Balance as at April 1, 2017	**83**	**83**
Additions	-	-
Disposals	-	-
Balance as at March 31, 2018	**83**	**83**
II. Accumulated depreciation and impairment for the year 2017-2018		-
Balance as at April 1, 2017	**33**	**33**
Depreciation expense for the year	2	2
Eliminated on disposal of assets		
Balance as at March 31, 2018	**35**	**35**
III. Net block Balance as on March 31 2018 (I-II)	**48**	**48**

Particulars	Buildings	Total
I. Cost		
Balance as at April 1, 2016	**83**	**83**
Additions	-	-
Disposals	-	-
Balance as at March 31, 2017	**83**	**83**
II. Accumulated depreciation and impairment for the year 2016-2017		
Balance as at April 1, 2016	**32**	**32**
Depreciation for the period	1	1
Eliminated on disposal of assets	-	-
Balance as at March 31, 2017	**33**	**33**
III. Net block as on March 31 2017 (I-II)	**50**	**50**

Note:

1. Refer note 2A(c) - First Time Adoption for options availed by the Group on the transaction to IND AS.
2. Fair value disclosures

   The fair value of the Group's investment properties as at March 31, 2018 and March 31, 2017 and April 1, 2016 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 market comparable 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 April 1, 2016, March 31, 2017 and March 31, 2018 are as follows:

(₹ in Lakhs)

Particulars	Amount	Fair value hierarchy
As at March 31, 2018		
Fair value of Investment property - Residential Units located in India	1,224	Level 2
As at March 31, 2017		
Fair value of Investment property - Residential Units located in India	1,224	Level 2
As at April 1, 2016		
Fair value of Investment property - Residential Units located in India	1,132	Level 2

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd...)

3. The Company has no restriction on the releasability of is investment properties and no contractual obligations to purchase, construct or developed investment properties or for repairs, maintenance and enhancements.

4. Information regarding Income and Expenditure of Investment Property

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Rental Income derived from Investment Properties	26	53
Less: Direct Operating Expenses	5	6
Gain arising from Investment properties before depreciation	21	47
Less: Depreciation	2	1
Net Gain arising from Investment properties	**19**	**46**

NOTE 6 : INTANGIBLE ASSETS

(₹ in Lakhs)

Particulars	Patents	Software	Total
I. Gross Block			
Balance as at April 1, 2017	453	323	776
Additions	-	7	7
Disposals	-	-	-
Balance as at March 31, 2018	453	330	783
II. Accumulated amortisation for the year 2017-2018			
Balance as at April 1, 2017	288	135	423
Amortisation expense for the year	49	32	81
Eliminated on disposal of assets	-	-	-
Balance as at March 31, 2018	337	167	504
III. Net block as on March 31 2018 (I-II)	**116**	**163**	**279**

Particulars	Patents	Software	Total
I. Cost			
Balance as at April 1, 2016	453	314	767
Additions	-	9	9
Disposals	-	-	-
Balance as at March 31, 2017	453	323	776
II. Accumulated amortisation for the year 2016-2017			
Balance as at April 1, 2016	243	103	346
Amortisation expense for the year	45	32	77
Eliminated on disposal of assets	-	-	-
Balance as at March 31, 2017	288	135	423
III Net block as on March 31 2017 (I-II)	**165**	**188**	**353**

Note:

1. Refer note 2A(c) - First Time Adoption for options availed by the Group on the transaction to IND AS.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd...)

NOTE 7: NON CURRENT INVESTMENTS

(₹ in Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of shares/ units	Amount	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)	19,54,695	5,102	12,69,695	3,176	5,66,320	1,529
- Navin Fluorine International Limited (₹ 10/- each, fully paid-up)	-	-	4,71,015	14,337	5,66,340	9,581
- HDFC Bank Limited (₹ 2/- each, fully paid-up)	5,000	94	5,000	72	5,000	54
- Bank of India (Rs 10/- each fully paid up)	19,900	21	19,900	28	19,900	19
- Corporation Bank (Rs 2/- each fully paid up)	12,000	4	12,000	6	12,000	5
Sub-Total (A)		**5,221**		**17,619**		**11,188**
(ii) Unquoted Investments (all fully paid)						
In Other entities						
(at fair value through Other Comprehensive Income (FVTOCI))						
- The Bharat Co-Operative Bank Limited (₹ 2,000/- fully paid-up)	10,000	1	10,000	1	10,000	1
- Shree Balaji Sahakari Sakhar Karkhana Limited (₹ 10/- each, fully paid-up)	1	-	1	-	1	-
- Mafatlal Engineering Industries Limited (₹ 100/- each, fully paid-up)	17,101	18	17,101	18	17,101	18
Less: Provision for Impairment		(18)		(18)		(18)
		-		-		-
- Mafatlal UK	32,000	-	32,000	-	32,000	-
- Mafatlal Services Limited	22,320	-	22,320	-	22,320	-
Sub-Total (B)		**1**		**1**		**1**
(b) Investments in Mutual Funds						
(at fair value through Profit and Loss account (FVTPL))						
- JM Mutual Fund (of ₹ 10/- each)	50,000	13	50,000	12	50,000	10
- UTI Masters Share (of ₹ 10/- each)	10,560	3	10,560	3	10,560	3
Sub-Total (C)		**16**		**15**		**13**
(c) Other Investments *(at amortised cost)*						
- National Saving Certificates*	-	-	-	-	-	0
Sub-Total (D)	-	-	-	-	-	-
Total (A+ B+C+D)	-	**5,238**	**-**	**17,635**	**-**	**11,202**
Aggregate Amount of Quoted Investments		5,221		17,619		11,188
Market Value of Quoted Investments		5,221		17,619		11,188
Aggregate Amount of Impairment in the Value of Investments		18		18		18
Aggregate Amount of Unquoted Investments (At Cost)		19		19		19

** Amount less than ₹ 0.50 lakhs*

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd...)

NOTE 8: NON CURRENT - OTHER FINANCIAL ASSETS *(₹ in Lakhs)*

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Financial Assets (at amortised cost)			
Security Deposits			
- Unsecured, considered good	451	442	440
- Unsecured, considered doubtful	300	300	300
Less : Allowance for bad and doubtful deposits	(300)	(300)	(300)
	451	**442**	**440**
Loans to employees			
- Unsecured, considered good	8	8	13
Total	**459**	**450**	**453**

NOTE 9: OTHER NON CURRENT ASSETS *(₹ in Lakhs)*

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Balances with Government Authorities (other than income taxes)			
- CENVAT Credit Receivable	335	33	33
- VAT Credit Receivable	1,019	702	677
- Service Tax Credit Receivable	14	9	1
- Others	26	26	26
	1,394	**770**	**737**
Less: Provision	(302)	-	-
	1,092	**770**	**737**
Capital advances	1,400	36	64
Prepaid expenses	61	69	88
Total	**2,553**	**875**	**889**

NOTE 10 : INVENTORIES (LOWER OF COST AND NET REALISABLE VALUE) *(₹ in Lakhs)*

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Raw materials	9,844	5,476	4,076
Work-in-progress	740	856	602
Finished goods	4,307	4,358	7,853
Stock-in-trade	9	21	28
Stores and spares	627	747	704
Total	**15,527**	**11,458**	**13,263**
Included above, goods-in-transit:			
(i) Raw materials	4,924	1,756	1,281
(ii) Finished goods	138	122	19
Total goods-in-transit	**5,062**	**1,878**	**1,300**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd...)

NOTE 11: FINANCIAL ASSETS - CURRENT INVESTMENTS

(₹ in Lakhs)

Particular	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of shares/ units	Amount	No. of shares/ units	Amount	No. of shares/ units	Amount
(a) Investments in Mutual Funds (Unquoted) ***(at fair value through Profit and Loss (FVTPL))***						
Edelweiss Arbitrage Fund - Regular Plan Dividend - ATDP	3,51,64,720	3,681	-	-	-	-
ICICI Prudential Flexible Income - Daily Dividend	1,102	1	-	-	-	-
ICICI Prudential Equity Arbitrage Fund - Dividend	1,16,18,106	1,584	-	-	-	-
ICICI Prudential Regular Income Fund - Growth	29,94,478	525	-	-	-	-
ICICI Prudential Equity Income Fund - Cumulative	40,71,661	522	-	-	-	-
ICICI Prudential Equity Arbitrage Fund - Dividend	79,98,881	1,091	-	-	-	-
Franklin India Ultra Short Bond Fund - Super Institutional Plan - Growth	21,97,387	529	-	-	-	-
Franklin India Short Term Income Plan - Retail Plan-Growth	28,802	1,057	-	-	-	-
Kotak Equity Saving Fund - Growth (Regular Plan)	79,89,773	1,054	-	-	-	-
Kotak Income Opp. Fund - Growth (Regular Plan)	27,37,581	524	-	-	-	-
SBI Equity Savings Fund - Regular Plan- Growth	84,09,792	1,043	-	-	-	-
SBI Arbitrage Opportunities Fund - Regular Plan - Dividend	75,80,092	1,010	-	-	-	-
IDFC Arbitrage Fund - Monthly Dividend-(Regular - Plan)	82,42,518	1,044	-	-	-	-
IDFC Corporate Bond Fund Regular Plan - Growth	1,09,71,360	1,304	-	-	-	-
IDFC Credit Opportunities Fund - Regular Plan - Growth	95,27,076	1,021	-	-	-	-
HDFC Regular Saving Fund - Regular Plan- Growth	77,52,963	2,669	-	-	-	-
HDFC Medium Term Opportunities Fund - Regular Plan - Growth	67,52,450	1,304	-	-	-	-
HDFC FMP 92D February 2018 (1) - Regular - Growth Series 39	72,50,000	731	-	-	-	-
HDFC Equity Savings Fund - Regular Plan - Growth	29,98,411	1,036	-	-	-	-
Aditya Birla Sun Life Corporate Bond Fund - Gr. - Regular	40,50,190	524	-	-	-	-
SBI Short Term Debt Fund - Regular Plan - Growth	5,07,722	102	-	-	-	-
Sub-Total (A)		**22,356**		**-**		**-**
(b) Other Investments **(at amortised cost)**						
Intercorporate deposits with Bajaj Finance Limited	-	526	-	-	-	-
Sub-Total (B)	**-**	**526**	**-**	**-**	**-**	**-**
Total (A+ B)		**22,882**		**-**		**-**
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)		22,882				-

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd...)

NOTE 12 : CURRENT FINANCIAL ASSETS -TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Trade receivables			
(a) Secured, considered good	-	-	-
(b) Unsecured, considered good	24,336	16,654	15,076
(c) Unsecured, considered doubtful	2	18	18
Less: Allowance for doubtful debts (expected credit loss allowance)	(2)	(18)	(18)
Total	**24,336**	**16,654**	**15,076**

NOTE 13: CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Cash on hand	10	9	8
Balances with banks	2,429	10,587	478
Total	**2,439**	**10,596**	**486**
Cash and cash equivalents as per statement of cash flows	2,439	10,596	486

NOTE 14: CURRENT FINANCIAL ASSETS - OTHER BANK BALANCES

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Earmarked balances with bank			
Unpaid dividend account	225	175	157
Margin money deposit	134	127	84
Investments in term deposits (with original maturity of more than three months but less than twelve months)	406	1,324	844
Total	**765**	**1,626**	**1,085**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd...)

NOTE 15: CURRENT - OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
A) Financial Assets (at amortised cost)			
Loans to employees			
- Unsecured, considered good	2	4	4
Interest accrued on Security deposits	21	22	24
Other Assets	-	-	2
B) Financial Assets at FVTPL	-	96	29
Forward Cover Contract Receivable			
Total	**23**	**122**	**59**

NOTE 16: OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Advances to suppliers and Others	627	342	480
Less: Provision	-	(1)	(1)
	627	**341**	**479**
Balances with government authorities (other than income taxes)			
- CENVAT Credit Receivable	-	191	204
- VAT Credit Receivable	-	6	7
- Service Tax Credit Receivable	-	117	98
- GST Credit Receivable	1,799	-	-
	1,799	**314**	**309**
Prepaid expenses	268	195	193
Export incentive receivable	308	393	406
Other Advances	1	2	1
Other Assets	-	5	-
Total	**3,003**	**1,250**	**1,388**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd...)

NOTE 17 : EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Authorised:						
Equity shares of ₹ 10/- each	1,20,00,00,000	1,20,000	1,20,00,00,000	1,20,000	1,20,00,00,000	1,20,000
Issued and subscribed:						
Equity shares of ₹ 10/- each	16,44,77,680	16,448	16,35,83,180	16,358	16,07,86,980	16,079
Issued, Subscribed and Fully Paid:						
Equity shares of ₹ 10/- each	16,44,77,680	16,448	16,35,83,180	16,358	16,07,86,980	16,079

(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, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Equity Shares Outstanding at the beginning of the year	16,35,83,180	16,358	16,07,86,980	16,079	16,07,86,980	16,079
Add: Allotment pursuant to exercise of stock options granted under Company's employee stock option plan (refer Note 40)	8,94,500	90	27,96,200	279	-	-
Equity Shares Outstanding at the end of the year	**16,44,77,680**	**16,448**	**16,35,83,180**	**16,358**	**16,07,86,980**	**16,079**

(iii) Details of shareholders holding more than 5% of the aggregate equity shares of the Group except those mentioned above.

Name of shareholder	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of shares	Percentage	No. of shares	Percentage	No. of shares	Percentage
Mafatlal Industries Limited	2,60,07,919	15.81%	2,60,07,919	15.90%	2,30,36,469	14.33%
Arvi Associates Private Limited	-	-	-	-	1,06,43,026	6.62%
Suremi Trading Private Limited	2,03,69,204	12.38%	2,03,69,204	12.45%	-	-
Sushripada Investments Private Limited	89,60,880	5.45%	89,60,880	5.48%	-	-

(iv) Share options granted under Group's share option plan

Share options granted 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 no. 40

As at March 31, 2018, 28,95,000 equity shares (as at March 31, 2017, 34,50,400 equity shares and as at April 1, 2016, 41,69,200 equity shares) of ₹10 each were reserved for outstanding employee share option granted.

(v) During the period of five years immediately preceeding the date as at which the Balance Sheet is prepared :

- No Class of Shares were alloted as fully paid up pursuant to contract without payment being received in cash.
- No Class of Shares were alloted as fully paid up by way of bonus shares for consideration other than cash
- No Class of Shares were bought back by the Group.

(vi) There are no calls unpaid.

(vii) There are no forfeited shares.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd...)

NOTE 18 :OTHER EQUITY

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Capital Reserve	15	15	15
Securities premium reserve	1,226	740	451
General Reserve	4,865	4,865	4,865
Share options outstanding account	361	267	116
Retained earnings	81,944	54,227	46,843
Equity Instrument through Other Comprehensive Income	381	15,367	8,952
Other Items of Other Comprehensive Income			
- Remeasurements of Defined Benefit Obligation	(573)	(526)	(398)
Total	**88,219**	**74,955**	**60,844**

(i) Nature and purpose of each reserve within Other equity

Securities premium account

Where Group 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 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 no. 40.

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.

NOTE 19 : NON CURRENT FINANCIAL LIABILITIES - BORROWINGS

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Secured from banks:			
Term loans (Refer Note below)	-	500	1,500
Total	**-**	**500**	**1,500**

Note 1:

Fixed rate loans with a bank with remaining maturity periods is not exceeding 1 year as at March 31, 2018. These are secured by a first pari passu charge on all moveable and immoveable fixed assets of the holding Company at Dahej, both present and future and second pari passu charge on entire current assets of the holding Company, both present and future. These are repayable in 20/21 equal quarterly instalments commencing from Financial Year 2013-14

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd...)

NOTE 20: NON CURRENT PROVISIONS

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Provision for employee benefits (Refer Note 42)	1,585	1,691	1,802
Total	**1,585**	**1,691**	**1,802**

NOTE 21 : OTHER NON CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Provision for customs duty	7	7	59
Total	**7**	**7**	**59**

NOTE 22 : CURRENT FINANCIAL LIABILITIES - BORROWINGS

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Secured from banks:			
Working capital loans (Refer Note below)	-	-	87
Total	**-**	**-**	**87**

Note:

Secured by first pari passu charge on stock and book debts both present and future by way of hypothecation over the holding Company's entire current assets including stock of raw materials, semi finished and finished goods, consumable stores and spares and other movables, book debts, bills, outstanding monies, receivables, both present and future. This loan is repayable on demand.

NOTE 23 : CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Trade payables:			
(a) Payable to Micro and Small enterprises (Refer Note below)	151	155	130
(b) Payable to Others			
i) Acceptances	5,111	1,703	1,454
ii) Other than Acceptances	6,303	6,260	5,350
Total	**11,565**	**8,118**	**6,934**

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.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd...)

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at period end	151	155	130
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at period end	-	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the period	-	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the period	-	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act,beyond the appointed day during the period	-	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-	-
Further interest remaining due and payable for earlier periods	-	-	-

NOTE 24 : CURRENT FINANCIAL LIABILITIES - OTHERS

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Financial liabilities at amortised cost:			
Current maturities of long term loans from banks (Refer Note 19)	500	1,000	1,000
Security Deposits	277	160	163
Interest accrued but not due on borrowings	5	13	21
Unclaimed dividends	225	175	157
Payables for capital supplies	1,450	175	253
Salary,wages and bonus payable	736	521	281
Contribution payable towards employee benefits	329	465	606
Other payables	131	84	77
Total	**3,653**	**2,593**	**2,558**

NOTE 25 : OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Advances received from customers	108	66	58
Statutory remittances	2,011	756	895
Other liabilities	3	2	3
Total	**2,122**	**824**	**956**

NOTE 26: CURRENT PROVISIONS

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Provision for employee benefits (Refer Note 42)	413	378	165
Total	**413**	**378**	**165**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd...)

NOTE 27: REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Sale of goods *	97,684	80,736
Other operating revenues		
Sale of scrap	271	167
Duty drawback and other export incentives	418	652
VAT Refund	368	-
Cash Discounts Received	32	13
Excess provision for earlier years written back	109	197
Refund of electricity duty	-	9
Miscellaneous income	45	54
Total	**98,927**	**81,828**

* In the financial statements prepared under previous GAAP, Revenue from operations was presented net of excise duty. However, under Ind AS, revenue from sale of products includes excise duty. Excise duty expense amounting to ₹ 2,163 lakhs (previous year ₹ 7,607 lakhs) is presented separately on the face of the Statement of Profit and Loss for the year ended March 31, 2018.

NOTE 28: OTHER INCOME

(₹ in Lakhs)

Particulars		Year ended March 31, 2018	Year ended March 31, 2017
a)	**Interest Income**		
	- From Bank deposits	76	394
	- From Staff Loan*	0	0
	- From Income Tax Refund	-	169
	- From Intercorporate Deposits	86	-
	- From Other Deposits	28	22
		190	585
b)	**Other gains and losses**		
	Net gain arising on short term financial investments mandatorily measured at FVTPL	490	2
	Net foreign exchange gain	112	79
		602	81
c)	**Other non-operating income**		
	Rent from investment property	27	54
	Excess provision for earlier years written back	-	42
	Income from Redemption of Mutual Fund	48	23
	Income from Dividend reinvestment of Mutual Fund	487	-
	Dividend from equity investments	101	167
		663	286
Total		**1,455**	952

** Amount less than ₹ 0.50 lakhs*

NOTE 29: COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Opening stock	5,476	4,076
Add: Purchases (Net)	48,787	34,403
	54,263	38,479
Less: Closing stock	9,844	5,476
Total	**44,419**	**33,003**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd...)

NOTE 30 : CHANGES IN STOCK OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

(₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Closing stock		
- Finished goods	4,307	4,358
- Work in progress	740	856
-Stock-in-trade	9	21
	5,056	**5,235**
Opening stock		
- Finished goods	4,358	7,853
- Work in progress	856	602
-Stock-in-trade	21	28
	5,235	**8,483**
Decrease in excise duty on closing stock of finished products	(830)	(631)
Net (Increase)/Decrease	**(651)**	**2,617**

NOTE 31: EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Salaries, wages and bonus	5,686	5,105
Contribution to provident and other funds	602	633
Employee Share based payment (Refer note 40)	257	152
Staff welfare expenses	574	529
Total	**7,119**	**6,419**

NOTE 32: FINANCE COST

(₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest cost - on financial liability at amortised cost		
a) Borrowings from banks	100	197
b) Security deposits and others	22	25
Total	**122**	**222**

NOTE 33: DEPRECIATION AND AMORTISATION EXPENSES

(₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Depreciation of Property, Plant and Equipment (Refer Note 4)	2,320	1,895
Depreciation of Investment Properties (Refer Note 5)	2	1
Amortisation of Intangible Assets (Refer Note 6)	81	77
Total	**2,403**	**1,973**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd...)

NOTE 34: OTHER EXPENSES

(₹ *in Lakhs)*

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Power & Fuel oil consumed	6,574	5,178
Processing charges	1,861	1,725
Selling expenses	2,926	2,469
Consumption of packing materials	1,372	1,239
Stores and spares consumed	1,110	803
Rent including lease rentals	278	280
Repairs and maintenance:		
- Plant & machinery	895	780
- Buildings	187	128
- Others	22	-
Insurance charges	100	93
Rates and taxes	189	200
Loss on fixed assets sold/scrapped/written off	350	66
Expenses on Corporate Social Responsibility	251	188
Provision for Doubtful Debt	2	-
Other General Expenses	2,926	2,774
Total	**19,043**	**15,923**

NOTE 35 : 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, 2018	For the year ended March 31, 2017
Current Tax:		
Current Income Tax Charge	8,603	4,743
MAT Credit Entitlement	(12)	(20)
Adjustments in respect of prior years	(22)	-
Total	**8,569**	**4,723**
Deferred Tax		
In respect of current year	(92)	244
Total	**(92)**	**244**
Total tax expense recognised in Statement of Profit and Loss	**8,477**	**4,967**

(b) Income Tax recognised in other Comprehensive Income

(₹ *in Lakhs)*

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Deferred Tax		
Remeasurement of Defined Benefit Obligations	(13)	-
Net fair value (gain)/loss on investments in equity shares at FVTOCI	145	-
Total	**132**	**-**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd...)

(c) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit before tax	25,470	14,678
Less: Income taxed at different tax rate	(48)	-
Profit Before tax	**25,422**	**14,678**
Income Tax using the Company's domestic Tax rate #	8,796	5,087
Effect of expenses that are not deductible in determining taxable profit	314	259
Effect of income that is not taxable in determining taxable profit	(626)	(272)
Effect on deferred tax balances due to the change in income tax rate from 34.608% to 34.94% (effective 01.04.2018)	6	(107)
Effect of income taxed at different rate	8	-
Adjustments in respect of prior years	(22)	-
Income tax expense recognised in Statement of Profit and Loss	**8,477**	**4,967**

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, 2018 *(₹ in Lakhs)*

Particulars	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
Property, Plant and Equipment, Investment properties and Intangible assets	10,220	17	-	10,237
Financial asset measured at FVTOCI	-	-	(145)	(145)
Financial asset measured at FVTPL	-	10	-	10
Defined benefit obligation	(699)	16	13	(670)
Provision for doubtful debts/ advances	(111)	(101)	-	(211)
Payment for voluntary retirement scheme	(15)	14	-	(1)
Provisions for Bonus	(2)	1	-	(1)
Other non financial assets	1,261	(69)	-	1,192
Unabsorbed Depreciation	(20)	20	-	-
Net Tax (Asset)/Liabilities	**10,634**	**(92)**	**(132)**	**10,410**

Deferred tax (assets)/liabilities in relation to the year ended March 31, 2017 *(₹ in Lakhs)*

Particulars	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
Property, Plant and Equipment, Investment properties and Intangible assets	9,957	263	-	10,220
Defined benefit obligation*	(629)	(71)	0	(699)
Provision for doubtful debts/ advances	(111)	-	-	(111)
Payment for voluntary retirement scheme	(29)	14	-	(15)
Other non financial assets	1,251	10	-	1,261
Provision for Bonus	-	(2)	-	(2)
Unabsorbed Depreciation	(51)	31	-	(20)
Net Tax (Asset)/Liabilities	**10,390**	**244**	**0**	**10,634**

** Amount less than ₹ 0.50 lakhs*

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd...)

NOTE 36: EARNING PER SHARE

(₹ in Lakhs)

Particulars		Year ended March 31, 2018	Year ended March 31, 2017
(a)	Profit for the year (₹ in lakhs)	16,993	9,711
(b)	Weighted average number of Ordinary shares outstanding for the purpose of basic earnings per share	16,42,30,111	16,18,32,035
(c)	Effect of potential Ordinary shares on Employee Stock Options outstanding	19,68,166	24,53,772
(d)	Weighted average number of Ordinary shares in computing diluted earnings per share [(b) + (c)]	16,61,98,277	16,42,85,807
(e)	Earnings per share on profit for the year (Face Value ₹ 10/- per share)		
	– Basic [(a)/(b)]	10.35	6.00
	– Diluted [(a)/(d)]	10.22	5.91

NOTE 37: 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	As at March 31, 2018	As at March 31, 2017
Charged to Statement of Profit and Loss	**278**	**280**
Future Minimun Lease rentals Payable under non-cancellable operating leases are as follows:		
Within one year	29	-
After one year but not more than five years	32	-
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 ₹ 27 lakhs (2016-17: ₹ 53 lakhs) on such lease is included in Other Income.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd...)

NOTE 38: CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(₹ in Lakhs)

Particulars		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a)	**Contingent liabilities :**			
	(i) in respect of income tax matters	252	252	252
	(ii) in respect of sales tax / VAT matters	364	524	394
	(iii) in respect of excise / custom duty matters	300	325	266
	(iv) claims against the Company not acknowledged as debts	52	42	42
	Future cash flow in respect of the above, if any, is determinable only on receipt of judgements/decisions pending with the relevant authorities.			
(b)	**Commitments :**			
	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	7,869	469	175
	The Group did not have any long-term contracts including derivative contracts for which any provision was required for foreseeable losses.			

NOTE 39: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)		Year ended March 31, 2018	Year ended March 31, 2017
(i)	**Capital expenditure**		
	(a) Capital equipments	20	22
(ii)	**Revenue expenditure**		
	(a) Salary/wages	428	333
	(b) Travelling & Conveyance Expenses	21	13
	(c) Repairs & Maintainance	30	20
	(d) Communication Expenses	1	1
	(e) Materials/Consumables	23	29
	(f) Housekeeping	2	2
	(g) Others	12	36
	(h) Depreciation	37	26
Total revenue expenditure (a) to (h)		554	460
(iii)	**Total R & D expenditure**	**574**	**482**
(iv)	Amount received by R & D facilities	-	-
(v)	**Net amount of R & D expenditure**	**574**	**482**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd...)

NOTE 40: SHARE BASED PAYMENTS

40.1 Details of the employee share option plan of the Company

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 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 Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

Share options outstanding at the end of the year have the following expiry dates, exercise prices and fair value:

Grant series and grant year	Expiry Year	Exercise price ₹	Fair value ₹	March 31, 2018	March 31, 2017	April 1, 2016
				Number of options	Number of options	Number of options
Grant 1 - 2007-08	2017-18	23.40	15.72	-	-	4,25,100
Grant 2 - 2009-10	2019-20	25.35	16.06	-	-	4,25,100
Grant 3 - 2010-11	2020-21	20.60	10.59	-	-	9,73,000
Grant 4 - 2011-12	2021-22	16.65	9.02	-	-	9,73,000
Grant 5 - 2015-16	2025-26	37.65	16.27	7,76,000	13,73,000	13,73,000
Grant 6 - 2016-17	2026-27	52.85	19.44	7,15,925	9,17,200	-
Grant 7 - 2016-17	2026-27	84.05	28.74	10,63,975	11,60,200	-
Grant 8 - 2017-18	2027-28	188.35	69.28	3,39,100	-	-
Total				**28,95,000**	**34,50,400**	**41,69,200**
Weighted average remaining contractual life of options outstanding at end of year				8.85	9.60	6.47

Fair value of share options granted in the year:

The weighted average fair value of the share options granted during the financial year is ₹ 69.28 (Previous year: ₹ 28.74). 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, 2018	March 31, 2017	
	Grant 8	Grant 6	Grant 7
Grant date share price (₹)	188.35	52.85	84.05
Exercise price (₹)	188.35	52.85	84.05
Expected volatility (%)	41.30	44.83	44.83
Expected life of the options	4 years	4 years	4 years
Expected dividend (%)	2.50	3.03	3.03
Risk free interest rate(%)	7.41	7.23	7.23
Expiry Year	2027-28	2026-27	2026-27

Basis of assumptions:

1. The risk free interest rates are determined based on the zero-coupon sovereign bond yields with maturity equal to the expected term of the option.
2. The expected volatility was determined based on the volatility of the equity share for the period of one year prior to issue of the option. Volatility calculation is based on historical stock prices using standard deviation of daily change in stock price. The historical period is taken into account to match the expected life of the option.
3. Dividend yield has been calculated taking into account expected rate of dividend on equity share price as on grant date.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd...)

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

Particulars	Year ended March 31, 2018		Year ended March 31, 2017	
	Number of options	Weighted average exercise price ₹	Number of options	Weighted average exercise price ₹
Balance at beginning of period not exercised	34,50,400	57.29	41,69,200	26.06
Granted during the period	3,39,100	188.35	20,77,400	70.27
Exercised during the period	(8,94,500)	46.06	(27,96,200)	20.37
Balance at end of period	**28,95,000**	**76.11**	**34,50,400**	**57.29**
Exercisable at the end of the year	3,11,350		3,43,250	

The weighted average share price at the dates of exercise of options exercised during the year ended March 31, 2018 was ₹ 187.33 (year ended March 31, 2017 : ₹ 75.47)

NOTE 41: 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 primary 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, 2018	For the year ended March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
India	73,436	60,005	65,794	74,388	70,018
Outside India	25,491	21,823	-	-	-
Total	**98,927**	**81,828**	**65,794**	**74,388**	**70,018**

II. Revenue from Major products: *(₹ in Lakhs)*

Particulars	Revenue from operations	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Rubber Chemicals	97,184	80,270
Others	1,743	1,558
Total	**98,927**	**81,828**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd...)

NOTE 42: EMPLOYEE BENEFIT PLANS

1) Defined contribution plans :

The Group participates in a number of defined contribution plans on behalf of relevant personnel. Any expense recognised in relation to these schemes represents the value of contributions payable during the period by the Group at rates specified by the rules of those plans. The only amounts included in the balance sheet are those relating to the prior months contributions that were not due to be paid until after the end of the reporting period.

The major defined contribution plans operated by the Group are as below:

a) Provident fund and pension

In accordance with the Employee's Provident Fund and Miscellaneous Provisions Act, 1952 eligible employees of the Group are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Group make monthly contributions at a specified percentage of the covered employees' salary. The contributions, as specified under the law, are made to the provident fund administered and managed by Government of India. The Group has no further obligations under the fund managed by the GOI beyond its monthly contributions which are charged to the Statement of Profit and Loss in the period 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 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 2018	For the year ended March 31, 2017
i)	Employer's Contribution to Provident Fund and pension	218	214
ii)	Employer's Contribution to Superannuation Fund	61	62
	Total	279	276

2) Defined Benefit Plans:

a) Gratuity (Funded)

The Group has an obligation towards gratuity, a funded defined benefit retirement plan covering all employees. The plan provides for lump sum payment to vested employees at retirement, death while in employment or on termination of the employment of an amount equivalent to 15 days salary, as applicable, payable for each completed year of service. Vesting occurs upon completion of five years of service. The Group makes annual contributions to gratuity funds established by various in-house fund managed by NOCIL Employees Trust Fund as disclosed in related party transaction. The Group accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation determined in accordance to the terms of the Payment of Gratutity 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, 2018 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 FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd...)

A Principal actuarial assumptions used:

The principal assumptions used for the purposes of the actuarial valuations were as follows. *(₹ in Lakhs)*

Particulars	Gratuity (Funded)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
1. Discount rate	7.56% - 7.82%	7.12% - 7.51%	7.81% - 7.85%
2. Salary escalation	6.00%	6.00%	4.00% - 6.00%
3. Rate of Employee Turnover	6.00%	6.00%	6.00%
4. Mortality rate	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

B. Expenses recognised in Statement of Profit and Loss *(₹ in Lakhs)*

Particulars	Gratuity (Funded)	
	Year ended March 31, 2018	Year ended March 31, 2017
Service cost:		
Current service cost	101	92
Past service cost	1	-
Net Interest cost	78	95
Components of defined benefit costs recognised in statement of profit and loss	180	187

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 Statement of Profit and Loss: *(₹ in Lakhs)*

Particulars	Gratuity (Funded)	
	Year ended March 31, 2018	Year ended March 31, 2017
Interest Cost	206	210
(Interest Income)	(128)	(115)
Net Interest cost recognised in Statement of Profit and Loss	78	95

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

Particulars	For year ended March 31,	
	2018	2017
Actuarial (Gains)/Losses on Obligation For the Period - Due to changes in demographic assumptions	-	-
Actuarial (Gains)/Losses on Obligation For the Period - Due to changes in financial assumptions	(38)	1
Actuarial (Gains)/Losses on Obligation For the Period - Due to experience adjustment	67	141
Return on Plan Assets, Excluding Interest Income	5	(14)
Change in Asset Ceiling	-	-
Net Expense For the Year Recognised in OCI	34	128

D. Amount recognised in the Balance Sheet *(₹ in Lakhs)*

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Present Value of Defined Benefit Obligation as at the end of the year	(2,741)	(2,888)	(2,676)
Fair Value of plan assets	1,694	1,794	1,469
Net Asset / (Liability) recognised in the Balance Sheet	(1,047)	(1,094)	(1,207)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd...)

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

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Opening defined benefit obligation	2,888	2,676
Current Service Cost	101	92
Past Service Cost	206	-
Interest cost	29	210
Actuarial (gains)/losses	28	142
Benefits Paid (From the Fund)	(437)	(140)
Benefit Paid (Directly by the Employer)	(74)	(92)
Closing defined benefit obligation	2,741	2,888

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

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Opening fair value of the plan assets	1,794	1,469
Contributions by the Employer	215	337
Actuarial (gains)/losses	(5)	13
Interest income	128	115
Benefits paid	(437)	(140)
Closing fair value of plan assets	1,694	1,794

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, 2018	Estimated for the year ended March 31, 2017
March 31, 2019	880	755
March 31, 2020	325	251
March 31, 2021	323	613
March 31, 2022	300	323
March 31, 2023	300	273
Thereafter	906	1,035

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, 2018	As at March 31, 2017
Projected Benefit Obligation on Current Assumptions		
Impact of +0.5% Change in Rate of Discounting	(42)	(47)
Impact of -0.5% Change in Rate of Discounting	44	49
Impact of +0.5% Change in Rate of Salary Increase	44	50
Impact of -0.5% Change in Rate of Salary Increase	(42)	(52)
Impact of +0.5% Change in Rate of Employee Turnover	3	2
Impact of -0.5% Change in Rate of Employee Turnover	(3)	(2)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd...)

NOTE 43: RELATED PARTY DISCLOSURES

A . **Details of related parties** Description of relationship	Name of the Related Party
Key Management Personnel - Chairman - Managing Director - Managing Director	 Mr. H. A. Mafatlal (from August 19, 2016) Mr. C. R. Gupte (upto July 31, 2017) Mr. S. R. Deo (from August 1, 2017) *(Previously Deputy Managing Director)*
Enterprises over which Key Management Personnel is able to exercise significant influence	Navin Fluorine International Limited (Till August 19, 2016) Mafatlal Industries Limited Shri Sadguru Seva Sangh Trust Sri Chaitanya Seva Trust N. M. Sadguru Water and Development Foundation NOCIL Employee Trust Funds

B. Nature of Transactions/ Names of Related Parties *(₹ in Lakhs)*

S. No.	Particulars	Year ended March 31, 2018	Year ended March 31, 2017
A	**Enterprises over which Key Management Personnel is able to exercise significant influence***		
I	**Navin Flourines International Limited**		
1	Sale of Investments	-	2,194
2	Rent Paid	-	62
3	Dividend Received	-	62
4	Dividend Paid	-	82
5	Purchase of Material/Services	-	1
II	**Mafatlal Industries Limited**		
1	Purchase of Investments	1,874	2,210
2	Reimbursement of Expenses	16	14
3	Dividend Received	39	17
4	Dividend Paid	468	276
III	**Shri Sadguru Seva Sangh Trust**		
1	Expenditure on CSR Activities	-	40
IV	**Sri Chaitanya Seva Trust**		
1	Expenditure on CSR Activities	100	40
V	**N. M. Sadguru Water and Development Foundation**		
1	Expenditure on CSR Activities	30	25
VI	**NOCIL Employee Trust Funds**		
1	Contributions Paid to funds	521	654
2	Post Employement Benefits Paid on Behalf of Trust	35	-
C	**Key Management Personnel #**		
1	Short-term employee benefits	782	675
2	Post-employment benefits	70	83
3	Share-based payment	101	71

* The transactions with related parties are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions. All the Related Party Transactions are reviewed and approved by the Audit Committee.

Based on the recommendation of the Nomination, Remuneration and Compensation Committee, all decisions relating to the remuneration of the Directors are taken by the Board of Directors of the Company, in accordance with shareholders' approval, wherever necessary.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd...)

C. Amounts outstanding with related parties

(₹ in Lakhs)

Sr. No.	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
A	Enterprises over which Key Management Personnel is able to exercise significant influence*			
I	Mafatlal Industries Limited			
1	Trade Payable	2	3	3
II	NOCIL Employee Trust Funds			
1	Contributions Payable to Funds	329	465	606

"Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. No guarantees have been given or received."

44. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

44.1 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.

44.2 Categories of financial instruments

The following table provides categorisation of all financial instruments at carrying value except non-current investments in un-quoted equity instrument of subsidiary which are carried at cost.

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Financial assets			
Measured at FVTPL			
Mandatorily measured:			
(a) Mutual Fund Investments	22,372	15	13
Measured at amortised cost			
(a) Cash and cash equivalent	2,439	10,596	486
(b) Bank balance other than (a) above	765	1,626	1,085
(c) Trade receivables	24,336	16,654	15,076
(d) Other financial assets (including Derivate Financial Instruments)	482	572	512
(e) Inter Corporate Deposits	526	-	-
Measured at FVTOCI			
(a) Investments in equity instruments	5,222	17,620	11,189
Total Financial Assets	**56,142**	**47,083**	**28,361**
Financial Liabilities			
Measured at amortised cost			
(a) Borrowings	-	500	1,587
(b) Trade payables	11,565	8,118	6,934
(c) Other financial liabilities (including current maturities of borrowings)	3,653	2,593	2,558
Total Financial Liabilities	**15,218**	**11,211**	**11,079**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd...)

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

44.4 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.

44.5 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, 2018	As at March 31, 2017	As at April 1, 2016
A.	**USD Currency:**			
	Financial Liabilities			
	In USD million	7.65	3.74	2.95
	Equivalent In ₹ lakhs	4,960	2,427	1,949
	Financial Assets			
	In USD million	7.43	1.58	3.55
	Equivalent In ₹ lakhs	4,815	1,026	2,344
B.	**Euro Currency:**			
	Financial Liabilities			
	In Euro million*	0.11	0.00	0.29
	Equivalent In ₹ lakhs	92	3	217
	Financial Assets			
	In Euro million*	0.03	0.15	0.26
	Equivalent In ₹ lakhs	24	105	196

* *Amount less than EURO 0.00 million.*

44.5.1 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 receivable 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 strengthens 5% against the relevant currency. For a 5% weakening of the Rupee against the relevant currency , there would be a comparable impact on the profit or equity, and the balances below would be negative.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd...)

Particulars	USD Currency Impact	
	Year ended March 31, 2018	Year ended March 31, 2017
Impact on profit or loss for the year		
5% strengthening of US Dollar	7	70
5% weakening of US Dollar	(7)	(70)

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.

44.5.2 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.

The following table details the significant derivative financial instruments outstanding at the end of the reporting period:

Financial assets/ (Financial liabilities)	Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Derivative Assets / (Liabilities) measured at FVTPL:				
(i) Forward contracts	Notional value (USD million) - Sell position	-	4	1
	No of Contracts	-	4	3
	Fair value (₹ lakhs)	-	2708	874
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.			

44.6 Interest rate risk management

The Group does not have interest rate risk exposure on its outstanding loans as at the year end since those bear fixed rate of interest.

44.7 Other price risks

"The Group is exposed to price risks arising from mutual funds and equity investments. Equity price risk is related to change in market reference price of investments in equity securities held by the Group. The fair value of quoted investments held by the Group exposes the Group to equity price risks. In general, these investments are not held for trading purposes. The Group manages the surplus funds majorly through combination of investments in debt based/artibrage/equity oriented mutual fund schemes and fixed deposits. The price of investment in these mutual funds is based on Net Asset Value (NAV) declared by the Asset Management Group 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.

44.7.1 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, 2018 would increase/ decrease by ₹ 260 Lakhs (year ended March 31, 2017: increase/decrease by ₹881 Lakhs) as a result of the changes in fair value of equity investments measured at FVTOCI.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd...)

44.7.2 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, 2018 would increase/decrease by ₹ 236 Lakhs (year ended March 31, 2017: increase/decrease by ₹ Nil lakhs) as a result of the changes in fair value of mutual funds.

44.8 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, loss on collection of receivable is not material, hence no additional provision considered.

The average credit period on sales of goods is 60 days. The Group's trade and other receivables consists of a large number of customers, hence the Group is not exposed to concentration risk.

The ageing analysis of trade receivables as of the reporting date is as follows:

(₹ in Lakhs)

Ageing of trade receivables	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Within the credit period	22,215	16,510	14,671
0 - 180 days past due	2,053	144	400
More than 180 days past due	68	-	5
Total	**24,336**	**16,654**	**15,076**

Reconciliation of loss allowance provision for Trade Receivables

(₹ in Lakhs)

Particulars	March 31, 2018	March 31, 2017
Balance as at beginning of the year	**18**	**18**
Impairment losses recognised in the year based on lifetime expected credit losses	2	-
Amounts written off during the year as uncollectible	-	-
Amounts written back during the year	(18)	-
Amounts recovered during the year	-	-
Balance at end of the year	**2**	**18**

44.9 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 deposit and mutual funds which carry no / negligible mark to market risks.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd...)

44.9.1 Liquidity risk table

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include principal cash flows along with interest. The contractual maturity is based on the earliest date on which the Group may be required to pay.

(₹ in Lakhs)

Particulars	" Upto 1 year "	1-5 years	5+years	Total
March 31, 2018				
Borrowings	-	-	-	-
Trade Payables	11,565	-	-	11,565
Other Financial Liabilities	3,653	-	-	3,653
Total	**15,218**	**-**	**-**	**15,218**
March 31, 2017				
Borrowings	-	500	-	500
Trade Payables	8,118	-	-	8,118
Other Financial Liabilities	2,593	-	-	2,593
Total	**10,711**	**500**	**-**	**11,211**
April 1, 2016				
Borrowings	87	1,500	-	1,587
Trade Payables	6,934	-	-	6,934
Other Financial Liabilities	2,558	-	-	2,558
Total	**9,579**	**1,500**	**-**	**11,079**

45. FAIR VALUE MEASUREMENTS

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

45.1 Fair value of the Company's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

(₹ in Lakhs)

Financial assets/ (Financial liabilities)	March 31, 2018	March 31, 2017	April 1, 2016	Fair value hierarchy	Valuation technique(s) and key input(s)
a) At FVTPL:					
1) Foreign currency Forward Contract Receivable	-	2708	874	Level 2	Discounted cash flow. 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 counterparties.
2) Investments in Mutual funds	22,372	15	13	Level 2	Fair value of investments in Mutual Funds is based on Net asset value (NAV) declared by mutual fund houses at the reporting date.
b) At FVTOCI:					
3) Investments in equity instruments (quoted) (See Note below)	5,222	17,620	11,189	Level 1	Quoted bid prices in an active market

Note : These investments in equity instruments are not held for trading. Instead, they are held for medium or long-term strategic purpose. Upon the application of Ind AS 109, the Company has chosen to designate these investments in equity instruments as at FVTOCI as the management believes that this provides a more meaningful presentation for medium or long-term strategic investments, than reflecting changes in fair value immediately in statement of profit and loss.

There were no transfers between Level 1 and 2 in the period.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd...)

45.2 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, 2018		As at March 31, 2017		As at April 1 2016	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets held at amortised cost:						
Cash and cash equivalent	2,439	2,439	10,596	10,596	486	486
Other Bank balance	765	765	1,626	1,626	1,085	1,085
Trade receivables	24,336	24,336	16,654	16,654	15,076	15,076
Other financial assets	482	482	476	476	483	483
Inter Corporate Deposits	526	526	-	-	-	-
Financial liabilities held at amortised cost:						
Borrowings	-	-	500	500	1,587	1,587
Trade Payables	11,565	11,565	8,118	8,118	6,934	6,934
Other financial liabilities	3,653	3,653	2,593	2,593	2,558	2,558

NOTE 46: 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 7 & 11 in the financial statement.

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

NOTE 47: SUBSEQUENT EVENTS: There are no subsequent events identified as on the reporting date March 31, 2018.

NOTE 48:

(i) The figures for the comparative periods have been regrouped wherever necessary, to conform to the current year's classification.

(ii) The figures for the comparative periods have been audited by a firm of Chartered Accountant other than Kalyaniwalla & Mistry LLP, Chartered Accountants.

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

For and on behalf of the Board of Directors

Hrishikesh A. Mafatlal
Chairman

C.L. Jain
Director & Chairman- Audit Committee

S.R. Deo
Managing Director

Daraius Z. Fraser
Partner
Membership No. 42454

P. Srinivasan
Chief Financial Officer

V. K. Gupte
Company Secretary

Place : Mumbai,
Date : 4 May 2018

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

(₹ in Lakhs)

1	**Sl. No.:**	1
2	Name of the subsidiary:	PIL Chemicals Limited
3	Date since when the subsidiary was acquired	22-Feb-07
4	Reporting period for the subsidiary concerned, if different from the holding company's reporting period:	1-Apr-17 to 31-Mar-18
5	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries:	Not Applicable
6	Share capital	835
7	Reserves & surplus	2,594
8	Total assets	4,118
9	Total Liabilities	4,118
10	Investments	471
11	Turnover	1,463
12	Profit before tax	196
13	Provision for tax	(31)
14	Profit after tax	165
15	Proposed Dividend	6%
16	% of shareholding	100%
Notes:		
1	Names of subsidiaries which are yet to commence operations	None
2	Names of subsidiaries which have been liquidated or sold during the year	None

Part B Associates and Joint Ventures

None

For and on behalf of the Board of Directors

Hrishikesh A. Mafatlal
Chairman

C.L. Jain
Director & Chairman- Audit Committee

S.R. Deo
Managing Director

P. Srinivasan
Chief Financial Officer

V. K. Gupte
Company Secretary

Place : Mumbai,
Dated : 4 May 2018

NOCIL LIMITED

Regd. Office: Mafatlal House, H.T. Parekh Marg, Backbay Reclamation, Churchgate Mumbai-400 020
T. No. 91-22-66364062/66576100, Fax: 91-22-66364060, Website: www.nocil.com
CIN: L99999MH1961PLC012003 Email: investorcare@nocil.com

Proxy Form

(Pursuant to Section 105 (6) of the Companies Act, 2013 and Rule 19 (3) of the Companies (Management and Administration) Amendment Rules, 2016)

Name of the Member(s) : ....

Registered address : ....

E-mail : ....

Folio No./ Client Id / DP Id : ....

No. of shares : ....:

I / We, being the member(s) of the above named company, hereby appoint:

Name: .... E-mail : ....

Address : ....

Signature: ______________________________ or failing him / her

Name: .... E-mail : ....

Address : ....

Signature: ______________________________ or failing him / her

Name: .... E-mail : ....

Address : ....

Signature: ______________________________

as my / our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the 56th Annual General Meeting of the Company, to be held on Wednesday, 25 July 2018 at 2.30 p.m. at Rama & Sundri Watumull Auditorium, K.C. College, Vidyasagar, Principal K.M.Kundnani Chowk, Dinshaw Wacha Road, Churchgate, Mumbai-400020, and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution
Ordinary business	
1	Adoption of Audited Statement of Accounts for FY 2017-18 etc.
2	To declare dividend on equity shares.
3	Appointment of Mr. Priyavrata H. Mafatlal as a Director.
4	Ratification of the Appointment of M/s. Kalyaniwalla & Mistry LLP, as Statutory Auditors of the Company.
Special business	
5	ORDINARY RESOLUTION: Reclassification of promoter and promoter group shareholding
6	ORDINARY RESOLUTION: Ratification of payment of remuneration to M/s. Kishore Bhatia & Associates, Cost Auditors, Mumbai, for FY 2018-19

Signed this .... day of July, 2018.

....

Signature of the proxy holder(s) Signature of the member

Affix
Re. 1
revenue
stamp

Notes: The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting.

IMPORTANT COMMUNICATION TO MEMBERS

The provisions of the Section 20 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, as amended from time to time, permits companies to send the Annual Report and other documents by e–mail to the shareholders. To support this Green initiative of the Government in full measure, members who have not registered their e-mail addresses so far, are requested to register their e-mail addresses and changes therein from time to time along with their name, address and Folio No./Client Id No., in respect of their shareholding with :

i) The Registrar and Share Transfer Agents Viz. Karvy Computershare Private Limited for shares held in physical form and;

ii) The concerned Depository Participants in respect of shares held in electronic / demat mode

Upon registration of e-mail address(es), the Company would send Notices / Documents including Annual Report via electronic mode.

In case any Member opts / insists for physical copies of above documents, the same would be sent to him by post free of cost at the address registered with the Company.

REGISTRATION FORM FOR RECEIVING DOCUMENTS IN ELECTRONIC MODE

M/s. Karvy Computershare Private Limited
Unit: NOCIL Limited
Registered Office :
Karvy Selenium Tower B,
Plot 31-32, Gachibowli,
Financial District, Nanakramguda,
Hyderabad – 500 032

Investors' Relation Centre :
24 B, Rajabahadur Mansion, Ground Floor,
Ambalal Doshi Marg, Fort,
Mumbai - 400023, Maharashtra .

I/We is/ are member/s of M/s NOCIL Ltd and hereby exercise my/our option to receive the documents such as Notices / Circulars / Documents including Annual Reports etc. in electronic mode pursuant to the provisions of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended from time to time. Please register my following e-mail id in your records for sending communication through electronic mode.

Name of First Member ....

Joint Holder -1 ....

Joint Holder -2 ....

e-mail id for registration ....

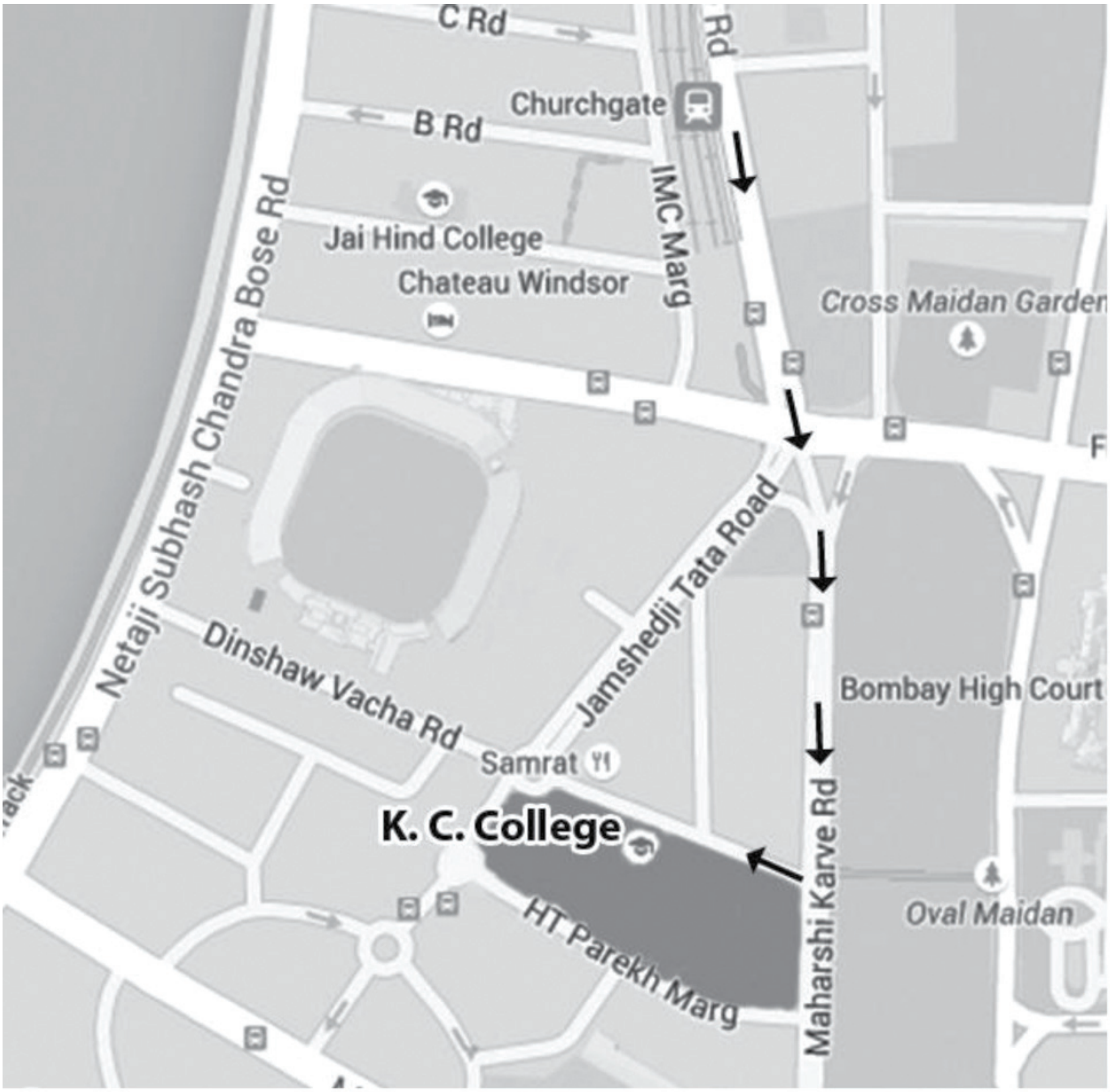
Date : Signature (1st holder) ....

Regd.Folio/Client Id No..

ROUTE MAP TO ANNUAL GENERAL MEETING VENUE

Location: Rama and Sundri Watumull Auditorium at Kishinchand Chellaram College (K.C College), 124, Dinshaw Wacha Road, Churchgate, Mumbai-400 020

Landmark: Oval Maidan



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NOCIL LIMITED

Mafatlal House, H.T. Parekh Marg, Backbay Reclamation, Churchgate, Mumbai - 400 020. INDIA
Telephone : 66364062 • Fax : 66364060. • E-mail : investorcare@nocil.com. • Website : www.nocil.com