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

3rd July 2019

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

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

Dear Sirs,

Sub: Annual Report for the Financial Year 2018-19

We have pleasure in enclosing the PDF copy of the Company's Annual Report for the Financial Year 2018-19.

The Company has commenced the dispatch of the aforementioned Annual Report to the shareholders in the permitted mode.

We request you to treat this as compliance with the provisions of Regulation 34 (1) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, as amended.

Further, as clarified by BSE vide its Circular dated 16th May 2019, we shall submit the Annual Report in XBRL mode at the same time of filing Form AOC – 4 XBRL with the Ministry of Corporate Affairs within the prescribed time limit under the Companies Act, 2013.

We request you to take the same on your records.

Thanking you,

Yours truly,
For NOCIL LIMITED

GUPTE
VIKAS
KASHINATH

Digitally signed by GUPTE VIKAS KASHINATH
DN: c=IN, o=Personal,
2.5.4.20=a82eb80e7b1e067a287ce674750089f458bc6a99af0e166cf2078337b262f230, postalCode=400101,
st=MAHARASHTRA,
2.5.4.45=034100643432346230356133363930363935666566383033616337323665383231653539616538653962666536643938613962383662316333383039393132383396137,
serialNumber=781f7a2e291fa674eb6adeb7c19db4c341d405f62a89af3633b7130a70430038, cn=GUPTE VIKAS KASHINATH
Date: 2019.07.03 15:33:58 +05'30'

(V. K. Gupte)
Company Secretary

Encl: as above

ARVIND MAFATLAL GROUP
The ethics of excellence

NOCIL LIMITED

57th ANNUAL REPORT

2018-19

CONTENTS

REGISTRAR AND SHARE TRANSFER AGENTS:

M/s. Karvy Fintech Pvt. Ltd.,
(formerly 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.karvyfintech.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 Wednesday, 24 July 2019 to Tuesday, 30 July 2019**.**
2. Pursuant to the provisions of Regulation 40 (1) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 as amended, w. e. f. 1st April 2019, except in case of transmission or transposition of shares, the requests for effecting the transfer of shares shall not be processed unless the shares are held in demat form with a Depository. Therefore, 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 Fintech 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.
5. 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.
6. 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.
7. 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.
8. Annual Report for Financial Year 2018-19 is being uploaded on the website of the Company viz.www.nocil.com for reference of the Members of the Company.
9. 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 2018-19.

57th Annual General Meeting

Date	**:**	**30 July 2019**
Day	**:**	**Tuesday**
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 (DIN: 00009872)	Executive Chairman
Rohit Arora (DIN: 00445753)	
Vilas R. Gupte (DIN: 00011330)	
N. Sankar (DIN: 00007843)	
C. L. Jain (DIN: 00102910) *[upto 29th June 2019]*	
D.N. Mungale (DIN: 00007563)	
P.V. Bhide (DIN: 03304262)	
(Ms.) D.N. Raval (DIN: 02792246)	
Debnarayan Bhattacharya (DIN: 00033553) *[effective from 10th May 2019]*	Additional Director
Priyavrata H. Mafatlal (DIN: 02433237)	
S.R. Deo (DIN: 01122338)	Managing Director

Company Secretary

V. K. Gupte

Auditors

Kalyaniwalla & Mistry LLP
Chartered Accountants

Solicitors & Advocates

Vigil Juris

PDS Legal

Veritas Legal

Bankers

HDFC Bank Limited

AXIS Bank Limited

IDFC First Bank Limited

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 SEVENTH Annual General Meeting of the Members of NOCIL Limited will be held on Tuesday, the 30 July 2019 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 (Standalone and Consolidated) Statements of Profit and Loss, Cash Flow Statement of the Company for the year ended 31 March 2019 and the Balance Sheet as at 31 March 2019 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. Vilas R. Gupte (holding DIN: 00011330), who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS:

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

   "**RESOLVED THAT** pursuant to provisions of Sections 149, 150, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013, and the Rules made there under (including any amendments, statutory modifications or re-enactment thereof for the time being in force), read with Schedule IV of the Companies Act, 2013, as amended, Mr. Debnarayan Bhattacharya (holding DIN: 00033553), who was appointed as an Additional Director of the Company w. e. f. 10 May, 2019 by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee and who holds office up to the date of this Annual General Meeting pursuant to Section 161 (1) of the Companies Act, 2013, as amended be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for five consecutive years hereon".

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

   "**RESOLVED THAT** pursuant to the provisions of Regulation 17 (1A) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, Mr. Debnarayan Bhattacharya (holding DIN: 00033553) be continued as an Independent Director of the Company for the term of 5 years effective from 30 July 2019 to 29 July 2024, notwithstanding that on 13 September 2023 he attains the age of 75 years during the aforesaid tenure."

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

   "**RESOLVED THAT** pursuant to the provisions of Regulation 17 (1A) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, Mr. Vilas R. Gupte (holding DIN: 00011330) be continued as a Non-Executive Non- Independent Director of the Company liable to retire by rotation, notwithstanding that on 9 September, 2019 he attains the age of 75 years"

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

   "**RESOLVED THAT** pursuant to the provisions of section 197 and other applicable provisions, if any, of the Companies Act, 2013, as amended, the Company in the General Meeting do hereby authorise the payment of commission at the rate not exceeding 1% of the net profits of the Company computed in the manner as laid down under sections 197 and 198 of the Companies Act, 2013, as amended, in each year to the Directors of the Company other than the Managing Director and Executive / Whole Time Directors of the Company (apart from sitting fees and expenses incurred for attending the meeting of the Board or the Committee(s) thereof) for a further period of five years effective from 1 September, 2019 and that such commission be divided by the Board of Directors of the Company amongst such Director or Directors and/ or any Directors who have ceased to be Directors of the Company during the Financial Year including Alternate Directors in such manner or proportion and on such basis as they may in their discretion decide".

8. 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 Lakhs (apart from reimbursement of out of pocket expenses and applicable taxes) to M/s. Kishore Bhatia & Associates, Cost Auditors, Mumbai (Registration No. 00294), who were appointed by the Board of Directors in their meeting held on 10 May, 2019 for carrying out Cost Audit of the Company for financial year 2019-20, be and is hereby approved and ratified."

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

Date : 10 May, 2019

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 Wednesday, 24 July 2019 to Tuesday, 30 July 2019 (both days inclusive).

4. The dividend for the year ended 31 March 2019 as recommended by the Board, will be paid to those members whose names appear on the Company's Register of Members on 23 July 2019. 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 23 July 2019. The dividend, if approved, at the Annual General Meeting, will be paid at par on or after 5 August, 2019.

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 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
31 March 2018	25 July 2018	31 August 2025

   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 2018-19.

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 57th Annual Report for 2018-19 and Notice of the 57th 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 email 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 57th Annual Report and Notice of the 57th 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.

1. 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 Seventh 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 Fintech 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 25 July 2019 (9:00 am) and ends on 29 July 2019 (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 23 July 2019, 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 email IDs are registered with the Company/DPs will receive an email from KARVY informing them of their User-ID and Password. Once the Member 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 Scrutinizer at e-mail ID: scrutinisers@mmjc.in or omkardindorkar@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	PASSWORD

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 23 July 2019.

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. 23 July 2019, 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., 23 July 2019 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 Bhalerao, 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. 30 July 2019.

Annexure to the Notice

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

Item Nos. 4 & 5

Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on 10 May 2019, had appointed Mr. Debnarayan Bhattacharya as an Additional Director – Independent, pursuant to Section 161 of the Companies Act, 2013. As per the provisions of said section, Mr. Bhattacharya holds office as Additional Director up to the date of the forthcoming Annual General Meeting and is eligible to be appointed as an Independent Director for a term up to five years.

The Company has received a declaration of independence from Mr. Bhattacharya as per the provisions of the Companies (Amendment) Act, 2017 as well as the SEBI (Listing Obligations and Disclosure Requirements), (Amendment), Regulations, 2018. In the opinion of the Board, Mr. Bhattacharya fulfils the conditions specified in the Companies Act, 2013 read with requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (Listing Regulations), for his appointment as an Independent Director of the Company.

Mr. Bhattacharya, is aged 70 years. Mr. Bhattacharya would be attaining the age of 75 years on 13 September 2023. In view of the provisions of Regulation 17 (1A) of SEBI (Listing Obligations and Disclosure Requirements), (Amendment) Regulations, 2018, for the continuation of Mr. D. Bhattacharya as a Non- Executive Independent Director from 13 September 2023 to 29 July 2024, consent of the Members is required by way of a Special Resolution.

The Company has received Notice under Section 160 of the Companies Act, 2013 from a member proposing Mr. Bhattacharya as a candidate for office of Director of the Company.

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

Having regard to his qualifications, knowledge and rich experience, his appointment on the Board of the Company as an Independent Director will be in the interest of the Company.

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

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

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

Item No. 6

Mr. Vilas R. Gupte, 74 years, is Non-Executive non-Independent Director of the Company. and is liable to retire by rotation.

Mr. Gupte, a Chartered Accountant has more than 40 years of experience at Senior Management level in various Companies. He retired as Chief Executive Officer of NOCIL in 2005 and thereafter has been a Non-Executive Director of the Company. Mr. Gupte was also a Chief Executive Officer of a Business Solution Consultancy for four years in the recent past.

Mr. Gupte would be attaining the age of 75 years on 9 September, 2019. In view of Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements), (Amendment) Regulations, 2018, for the continuation of Mr. Gupte as a Non-Executive Director beyond 9 September, 2019, consent of the Members would be required by way of a Special Resolution. It is in the interest of the Company to continue to avail his valuable expertise.

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

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

Item No. 7

A commission up to one per cent of the net profits of the Company computed in the manner as laid down under section 198 of the Companies Act, 1956, in each year was sanctioned for payment to the Directors of the Company by a Special Resolution passed at the Annual General Meeting held on 30 November 1964. The said resolution has been renewed from time to time and it was last renewed for a period of 5 years up to 31 August, 2019 at the Annual General Meeting of the Company held on 30 June, 2014.

Under the provisions of section 197 of the Companies Act, 2013 as amended, the Company can pay commission not exceeding 1 % of the Net Profits of the Company by passing an Ordinary Resolution.

Considering the rich experience and expertise brought to the Board, it is proposed that commission not exceeding 1 % p.a. of the Net Profits of the Company computed in accordance with the provisions of Section 198 of the Companies Act, 2013 be paid and distributed amongst the Directors of the Company including Directors who have ceased to be Directors(s) of the Company during the Financial Year and Alternate Directors, other than the Managing Director and the Whole-time Director(s) of the Company for a further period of five years effective from 1 September, 2019, based on the recommendations of the Nomination and Remuneration Committee and approval of the Board of Directors.

Such payment will be in addition to the sitting fees for attending the meetings of the Board / Committees. The Board recommends the Resolution for approval of the Members.

Mr. S. R. Deo, being Managing Director is not concerned or interested in the resolution.

Mr. H. A. Mafatlal, Executive Chairman (being related to Mr. Priyavrata H. Mafatlal, Non-Executive Director), be deemed to be concerned or interested in the resolution to the extent of the entitlement of commission of Mr. Priyavrata H. Mafatlal, Non-Executive Non-Independent Director.

All other Independent Directors and Non-Executive Non-Independent Directors of the Company, may be deemed to be concerned or interested in the resolution to the extent of their respective payment of commission.

None of the Key Managerial Personnel of the Company and / or their relatives are concerned or interested (financially or otherwise) in the Resolution.

Item No. 8

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 Lakh 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 10 May, 2019 for the Financial Year 2019-20.

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

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

Annexure 'A'

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, as amended and Secretarial Standards on the General Meeting.

Name	Mr. Debnarayan Bhattacharya	Mr. Vilas R. Gupte
DIN	00033553	00011330
Age	70 years	74 years
Qualification	1) B. Tech (Hons.), Chemical Engineering, IIT Kharagpur 2) Bachelor of Science (Hons.), Chemistry, Presidency College, Kolkata.	B.Com., and Member of the Institute of Chartered Accountants of India.
Date of Appointment / Re-appointment	May 10, 2019	July 27, 2017
Date of first appointment on the Board	May 10, 2019	July 29, 2005
Experience & Expertise in Specific Functional Areas	Mr. Bhattacharya has more than 40 years of corporate experience in Strategy, Management, Administration, Technical Operations, etc.	Mr. Gupte has more than 40 years of experience at various companies in Finance, Legal and Commercial matters.
Terms & conditions of appointment or re-appointment along with details of remuneration sought to be paid and the remuneration last drawn	Mr. Bhattacharya will be entitled to receive the Sitting Fees for attending each meeting of the Directors and the Committees thereof, of which he is a Member and profit related commission, as may be decided by the Board of Directors every year in accordance with the approval granted by the shareholders.	Mr. Gupte will be liable to retire by rotation. The remuneration paid to him for the year ended 31st March 2019 has been disclosed in the Corporate Governance Report for the year ended on that date. Mr. Gupte will be entitled to receive the Sitting Fees for attending each meeting of the Directors and the Committees thereof, of which he is a Member and profit related commission, as may be decided by the Board of Directors every year in accordance with the approval granted by the shareholders.
Directorship held in other entities (listed and unlisted)	- Hindalco Industries Ltd. - Vodafone Idea Ltd. - Haldia Petrochemicals Ltd.	- Mafatlal Industries Ltd.
Membership / Chairmanship of Committees	1. Member of the following Committees of Hindalco Industries Limited:- - CSR Committee - Risk Management Committee - Finance Committee 2. Member of the following Committees of Vodafone Idea Limited:- - Audit Committee - Shareholders/Investor Grievance Committee	Mafatlal Industries Ltd. - Chairman – Audit Committee - Member- Nomination and Remuneration Committee
Number of shares held in the Company	N.A.	600 (As Joint holder)
Disclosure of relationship between directors inter-se, Manager and Key Managerial Personnel	N.A.	N.A.
Number of Board Meetings attended during the year	Mr. Bhattacharya was appointed on 10 May 2019. Hence, the information on attendance in the Board Meetings held during FY 2018-19 is not applicable.	6 out of 6 meetings held in FY 2018-19

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

Date : 10 May, 2019

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

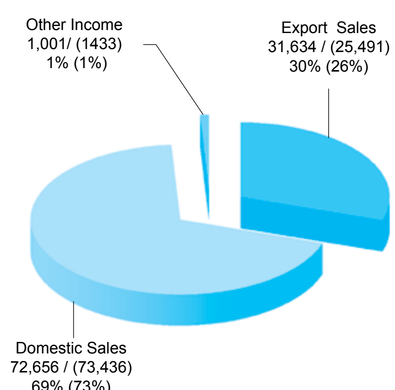
V. K. Gupte
Company Secretary

(₹ in Lakhs)

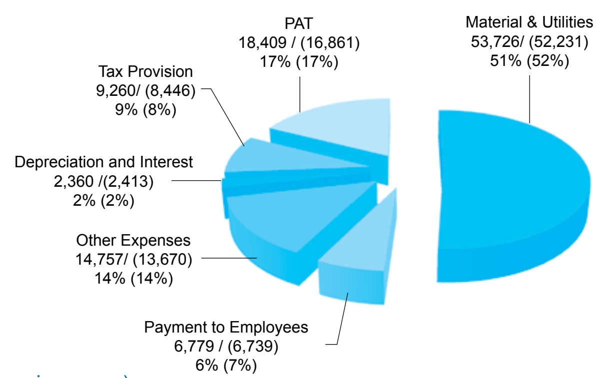
Sr. No.	Particulars	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
	SUMMARISED FINANCIAL DATA								
	STATEMENT OF PROFIT AND LOSS								
1	Total Income	50,474	50,205	60,690	72,289	71,825	82,740	100,360	105,291
2	EBITDA	5,611	3,349	7,168	11,576	14,119	16,709	27,720	30,029
3	Interest	43	375	1,739	1,651	934	222	122	63
4	Depreciation	899	785	1,756	1,360	1,372	1,869	2,291	2,297
5	Profit before Exceptional Items	4,669	2,188	3,674	8,565	11,813	14,618	25,307	27,669
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	27,669
8	Profit after Tax	3,399	4,249	2,362	5,675	7,774	9,683	16,861	18,409
9	Other Comprehensive Income						6,277	(741)	(2,643)
10	Total Comprehensive Income	3,399	4,249	2,362	5,675	7,774	15,960	16,120	15,766
11	Earning per share (EPS)- Basic (in ₹)	2.11	2.64	1.47	3.53	4.83	5.98	10.27	11.14
12	Dividend (₹ per Share)	0.60	0.60	0.60	1.00	1.20	1.80	2.50	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	75,961
14	Investments (incl. current and non-current)	2,506	4,731	4,731	4,731	13,669	20,090	30,153	14,822
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	3,010
16	Net Current Assets	17,319	14,590	18,110	23,533	19,734	28,839	27,679	32,049
17	Borrowings (incl. 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	16,542
19	Free Reserves/ Other Equity	17,205	20,325	21,558	25,263	60,066	74,146	87,295	98,764
20	Total Net Worth	33,284	36,404	37,637	41,342	76,145	90,504	103,743	115,306
21	Deferred Tax Liabilities (Net)	2,190	2,689	3,897	4,137	10,042	10,254	10,026	10,536
22	Book Value per Equity Share (INR) (20/no. of shares) (Face value-₹ 10 per share)	20.70	22.64	23.41	25.71	47.36	55.33	63.07	69.71
23	Debt / Equity Ratio (17/20)	24%	40%	40%	36%	2%	1%	0%	0%
24	EBITDA (%) (2/1)	11%	7%	12%	16%	20%	20%	28%	29%
25	Profit after Tax (%) (8/1)	7%	8%	4%	8%	11%	12%	17%	17%
26	Return on Net Worth (%) (8/20)	10%	12%	6%	14%	10%	11%	16%	16%
27	Return on Capital Employed (%) {2/(13+14+15+16)}	13%	6%	13%	19%	16%	17%	24%	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 2019.

FINANCIAL RESULTS		(₹ In Crores)
Particulars	**For the year ended 31 March 2019**	**For the year ended 31 March 2018**
Revenue from Operations	1042.90	989.27
Profit before Tax	276.69	253.07
Profit after Tax	184.09	168.61
Earnings per share of Face Value of ₹ 10/- each - Basic. - Diluted	11.14 11.08	10.27 10.15

Performance of the Company

Your Directors are pleased to inform you that the Company recorded a positive growth of 10% during the first half of the financial year, however, experienced negative growth in the second half due to a slowdown in the Auto sector, coupled with excess supplies from China. In spite of this, the year has ended on a satisfactory note.

The Manufacturing sector in general and the Auto sector in particular, which was buoyant during the first half of the financial year, experienced a recessionary situation in the second half of the year and this trend looks likely to continue for some part of the next financial year. Apprehensions related to the US China trade war also created a slowdown in China resulting in surplus availability directed towards supplies to non-US exports markets. However, despite short-term challenges, the global tyre manufacturers are having a positive outlook on a medium term / long term and thus have committed an investment outlay of over US $ 8 Bn which is good news for rubber chemicals players including your company.

Against this backdrop, your company has posted Revenue from Operations of ₹ 1043 Crores as compared to ₹ 989 Crores for the previous year a growth of more than 5%.

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

Domestic Market

Your company has recorded a Net Domestic turnover of ₹ 727 Crores as against ₹ 713 Crores for the previous year. In view of the reasons mentioned in the previous para, the domestic sales reported a marginal growth as compared to the previous Financial Year 2017-18.

The Domestic tyre industry got impacted by the slowdown in the OEM industry which started from August 2018 onwards and the trend has not yet shown any significant improvement. The slowdown led to a drop in capacity utilization at the major tyre companies. Recent interactions with customers, business associates and other external consultants and based on their feedback we look forward for recovery and positive signs in the market. In view of the BS VI auto emission introduction, we are hopeful that auto sales is likely to witness a growth from September 2019 onwards due to pre-buying. This is also endorsed by a recent opinion report expressed by ICRA which is predicting a growth of 7-9 % for the auto sector in India.

Expectedly, rubber chemicals prices softened from October 2018 in view of the slow down, better availability and drop in corresponding CIF levels. The global slowdown fortunately softened the prices of major raw materials. From the high levels of June 2018, the prices have dropped by more than 40 % in certain raw materials.

Though China accounts for about 70% of world's rubber chemical production, it only consumes about 33-35 % of the rubber chemicals, resulting in exportable surplus, which makes it possible to dump it into neighboring markets, including India. The Company has made necessary applications before the Director General of Trade Remedies (DGTR) towards extension of anti-dumping duty in respect of six of its products. The matter is subjudice at this point of time.

Exports

For the year under review, Exports showed a healthy growth of 24% in revenue. Your company, despite challenging conditions experienced in the global market, recorded its best export performance. In view of our expanded presence in the international market, your Company is hopeful to participate more fruitfully in certain key accounts and the exports business activity is expected to cross the current level of ₹ 316 Crores in the coming years on a back of higher capacity.

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 and margins. In case of other products, where competition is acute from China/Korea/EU and pricing unattractive, your company continues to maintain only a strategic presence in certain select key accounts, focusing on long term business strategy as well as to ensure better capacity utilisation.

Operations

The production of all products was aligned in line with the market conditions in view of the auto industry slow down. As a result, some production cuts had to be undertaken to manage the inventories.

On the input fronts, the sharp reduction in crude oil and Benzene prices have resulted in sharp downward movements in prices of all major inputs, more particularly from September 2018 onwards. Crude Oil witnessed a downtrend in price from November 2018 and stabilized in the range of $62- $66/ barrel at the end of the year. Benzene prices too witnessed sharp downward movement from the levels of US $ 1200 per MT above US $ 585 per MT at the end of the year. Increased availability of Aniline due to slow down in Methylene Diphenyl Di-isocyante (MDI) demand resulted in the spreads dropping significantly lower over Benzene spot price. As a result, your company managed to enter into long term contractual arrangements with its vendors in respect of Aniline at a very attractive fixed spread over spot Benzene price.

Project

It may be recalled that the Board of Directors of your company had approved a capital expenditure of ₹ 170 Crores in March 2017. In terms of the said plan, capex which was to be incurred at Navi Mumbai, got commissioned by the end of June 2018 and Dahej expansion plans got commissioned by end of January 2019. There was slight delay in execution of expansion; however, due to slowdown in the industry there was no negative impact on the business. Currently, the products manufactured out of the Dahej expansion projects are sampled and are awaiting customer approvals. On receipt of approvals, the gradual scaling up of the production capacities will take place in line with the commercial orders.

However, in respect of the second expansion phase of ₹ 255 Crores, the progress of the same is on schedule and it is expected that the plants would be commissioned by 3rd quarter of 2019-20. The Management expects the samples to be approved in respect of these plants around March 2020. 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 will be financed through internal accruals.

Finance Rating

During the second consecutive 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. In addition, the Company has repaid the residual term loan of ₹ 5 Crores and thus has become debt free.

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.

The Company had also approached CRISIL Limited for review of its existing ratings, which had assigned CRISIL AA for its Fund-based Bank Facilities and CRISIL A1+ (stable) for its Non - Fund-based Bank Facilities.

Dividend

Your company forms part of the List of top 500 listed entities based on Market Capitalisation as on 31st March 2018. In view thereof, pursuant to the provisions of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 as amended, at its meeting held on 4th May 2018, the Board of Directors have approved the Dividend Distribution Policy effective from the Financial Year 2018-19. The said Policy is attached as **Annexure "H"** and is also available on the Company's website, the weblink of which is http://www.nocil.com/images/fckeditor/file/Dividend-Distribution-Policy-2018.pdf.

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 ₹ 2.50/- per share of ₹10/- (25%)]. The dividend, together with the tax on Dividend, will absorb a sum of approx. ₹ 49 crore (previous year ₹ 49 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 2010-11 has been transferred to the Investor Education and Protection Fund and unclaimed / un-encashed dividend for the FY 2011-12 paid on 31 July 2012 is due for transfer to IEPF on 6 September 2019.

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 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 2010-11 was 2 September 2018. The Company had intimated individually to concerned shareholders and published necessary notice in the newspapers intimating the shareholders about the impending transfer and the modus operandi for the same.

In compliance with the Amended Rules, during the year, the Company has transferred 1,36,176 Equity shares to the designated demat account opened by IEPF Authority with NSDL through Punjab National Bank, belonging to those shareholders holding shares both in 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 2010-11. The shares held in demat / physical mode were transferred in September 2018.

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 2019.

Insurance

The Company has taken all the necessary steps to insure its properties and insurable interests, as deemed appropriate and as required under the various legislative enactments. There were no major incidents or accidents to warrant Insurance claims during the year under review.

Health, Safety and Environment (HSE)

Health, Safety and Environment forms a core theme for long term sustainability of your company. HSE is an essential feature of your company's business module which ensures clean environment and safety of all employees, community around all manufacturing locations and all the stakeholders.

High emphasis is placed on laid down policies, systems and procedures, collective learning and continuous improvement by encouraging all employees including contract employees to report no "near miss accidents", continuous training to all employees and a humane approach for strengthening the culture through a strong "Safe Attitude Encouragement" initiative by Senior Management of the Company.

Management of process safety is an essential part of risk assessment and even the smallest change incorporated in the Plant undergoes risk assessment study before implementation. Extensive process safety is incorporated through automatic control system, and training is imparted to all the concerned employees.

Work areas are regularly monitored to check the concentration of chemicals, noise level, illumination and quality of ambient air to ensure safe and healthy work environment. Safe practices in the Company are encouraged by conducting various annual competitions and rewarding the employees for proposing novel safety messages.

Mitigation Actions are undertaken through weekly planned emergency drills to train the employees for systematic communication and planned actions. Your company is also a member of “mutual aid group” in which all the neighbouring industries participate in the mock drills to ensure all time preparedness for emergencies.

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

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

Your company has occupational health centers at all locations which not only undertakes the mandatory periodical health check of employees but also counsels the employees on the life style health hazards. Based on the health statistics of the community, collective counselling by experts is organized to increase the health awareness of employees.

HSE performance of your company is reviewed by your board every quarter and valuable suggestions by the board members are incorporated in policies/ work practices to further strengthen the HSE standards of the Company.

Total Quality Management (TQM)

Total Quality is an integral part of your company’s business which ensures uniform culture, business processes and systems across all locations in the organization. Domestic and international customers expect a high level of commitment by the Company for TQM standards and periodically conduct audits which includes all aspects of the business from supply chain to product delivery including the interest of all stakeholders and CSR practices.

The Company’s Plants situated at Navi Mumbai and Dahej and also PIL Chemicals Limited, a wholly owned subsidiary of the Company are certified for ISO 9001:2015, IS0 14001:2015, ISO 45001: 2018 and IATF 16949: 2016.

Your company is certified as a member of “Responsible Care” and enjoys the privilege of using Responsible Care Logo.

Dahej location has adopted “5S” to create an international cleanliness culture as a way of operating standard.

Quality Assurance laboratory of your company is accredited in accordance with ISO 17025:2017 standard.

TQM standards and HSE practices are complementary and form a part of business sustainability. TQM is an important business pillar for the successful journey of your company.

Research & Development

The VISION of Research & Development team of your company is to create a long-term sustainable rubber chemical business advantage in terms of product quality, cost & economics and coining the principles of GREEN CHEMISTRY & GREEN ENGINNERING. Research & development team is the backbone of the Company & is playing a vital role in developing innovative process technologies to fulfil the company’s vision to be a World Class innovative organisation in the field of rubber chemicals.

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

- Continuous improvement in process efficiency & product quality to satisfy customers through innovative strategies.
- Development of Green Processes & Technologies for environmental sustainability.
- Development of niche products/ intermediates by exploring innovative & novel technologies.
- Enhancement of plant capacities by process/ plant de-bottlenecking.
- Conservation of natural resources with emphasis on recycling of water.

Research & Development efforts in the above areas resulted in de-bottlenecking of plant capabilities, cost reduction through lower raw material usage & energy, recovery of value-added products & reagents from process streams, significant reduction in environmental load & in the development of niche products.

The research program of your company is approved by DSIR (Department of Scientific & Industrial Research), Govt. of India & acknowledged by national & international customers. One of the Process technology developed by the Company is well appreciated by the Indian Scientific Community & Indian Chemical Council (ICC) which has conferred **ACHARYA P.C. RAY AWARD** for the development of indigenous technology for the year 2017- 18.

In view of strengthening R & D facilities & capabilities, your board has regularly encouraged investment in R & D and continuous appreciation & motivation for R & D scientists and Engineers. The research team of your company will continue to work on innovative programs which is envisaged to bring long term business sustainability in rubber chemicals and develop new business areas.

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.

Your company now falls under top 500 listed entities based on market capitalization calculated as on 31 March, 2018. In view of this, in addition to the above, the Board has constituted the Risk Management Committee (RMC) w.e.f. 1 April, 2019 as required under Regulation 21(4) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018. RMC will specifically cover inter alia the risk factors related to Cyber Security.

Internal Control Systems and their Adequacy

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

The Internal Auditors monitor and evaluate the efficacy and adequacy of internal controls in the company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal auditors, the management undertakes corrective action in the respective areas and thereby further strengthens the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board. The Audit committee of the Board ensures that necessary corrective actions suggested are put in place. In addition, during the year under report, the Audit Committee and the Board have specifically reviewed the Internal Financial Controls with reference to the Financial Statements and process prevalent in the Company. The Board also engages the services of professional experts in the said field on a periodical basis, 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. Over all the Internal as well Statutory Auditors were satisfied with the Internal Control Systems including Compliances and SAP – IT related security.

Vigil Mechanism / Whistle Blower Policy

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

Policy on Prevention of Sexual Harassment of Women at Workplace

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

DIRECTORS

- **Number of Board Meetings**

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

- **Board Evaluation**

  Pursuant to the provisions of the Companies Act, 2013, as amended from time to time and Regulations 17 and 25 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, of individual Directors as well as the evaluation of the working of its Audit, Nomination & Remuneration and other Committees. The various criteria considered for evaluation of Whole Time / Executive Directors included qualification, experience, knowledge, commitment, integrity, leadership, engagement, transparency, analysis, decision making, governance etc. The Board commended the valuable contributions and the guidance provided by each Director in achieving the desired levels of growth. This is in addition to evaluation of Non-Independent Directors and the Board as a whole by the Independent Directors in their separate meeting being held every year.

- **Declaration by Independent Directors**

  As required under Section 149(7) of the Companies Act, 2013, read with SEBI (Listing Obligations and Disclosure Requirements), (Amendment) Regulations, 2018, the Independent Directors have placed the necessary declaration in terms of the conditions laid down under Section 149(6) of the Companies Act, 2013, as amended in the Board Meeting held on 10th May 2019.

- **Familiarization Programme to Independent Directors**

  The Company provides suitable familiarization programme to Independent Directors to help them familiarize themselves with the nature of the industry in which the company operates and the business model of the company in addition to regular presentation on expansion plans and their updates, technical operations, marketing and exports and financial statements. In addition to the above, Directors are periodically advised about the changes effected in the Corporate Law, Listing Regulations about their roles, rights and responsibilities as Directors of the Company. There is a regular interaction of Directors with the Key Management Personnel of the Company. The details of the 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 2019, 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 state of affairs of the Company as at 31 March 2019.

(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.

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

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

Remuneration policy

During the Financial Year 2014-15, based on the recommendations of the Nomination & Remuneration committee, the Board of Directors approved a Policy for selection and appointment of Directors, Senior Management and their remuneration. The weblink of the Policy is http://www.nocil.com/images/fckeditor/file/Remuneration-Policy.pdf. 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.

Re-classification of shareholding of Promoters and Promoter Group

Subsequent to the amicable restructuring of shareholding amongst the Promoters and Promoter Group of Companies which was part of a family settlement and succession plan between Mr. H. A. Mafatlal and Mr. V. P. Mafatlal in the year 2016, at the last AGM, held in 2018, the members of the Company approved re-classification of the Promoters and Promoter Group companies belonging to Mr. V. P. Mafatlal into Public / Non- Promoter category. Approval of the Stock Exchanges under Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 was received on 18th September 2018 for the same.

Related Party Transactions

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

As per the Related Party Transactions Policy, approved by the Board of Directors of the Company, during the year under review, the Company has entered into related party transactions based upon the omnibus approval granted by the Audit Committee. 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 2018-19 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 2019.

Extract of Annual Return

Extract of Annual Return for the Financial Year ended on 31 March 2019 as required by Section 92 (3) of the Companies Act 2013, is annexed as **Annexure "E".** The weblink is http://www.nocil.com/images/fckeditor/file/Extract-of-Annual Return- 2018-19.pdf.

Subsidiary Company

PIL Chemicals Limited, (PIL), wholly-owned subsidiary, has recorded a Turnover of ₹ 13.16 Crores and Profit before Tax of ₹ 1.55 Crores, for the year under review. The Board of Directors of PIL recommended a Dividend of Re. 0.60/-per share. (Previous year 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 wholly-owned subsidiary under the provisions of section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014 has been annexed in prescribed form AOC -1.

The audited accounts of the wholly-owned subsidiary company are placed on the Company's website and the members interested in obtaining copy of annual report of the wholly-owned 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. The present tenure of the Agreement with the Workers' Union ended on 31 December, 2018. Negotiations with the Union are progressing satisfactorily and are expected to be finalized in due course of time.

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, in the month of March, 2019, the Company obtained Member's approval by passing Special Resolutions through conduct of Postal Ballot for re-appointment Mr. N. Sankar, Mr. Rohit Arora, Mr. D. N. Mungale and Mr. P. V. Bhide as Independent Directors for second term of further period of 5 years effective from 30 June, 2019. In view of Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, approval was obtained for continuing Mr. N. Sankar as an Independent Director notwithstanding that on 19th November, 2020 he attains the age of 75 years and approval was obtained for Mr. C. L. Jain for continuing as Independent Director beyond 75 years for his residual term up to 29 June, 2019.

Pursuant to Section 152(6) of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Vilas R. Gupte, Non-Executive Director retires by rotation at the forthcoming Annual General Meeting. Being eligible, he offers himself for re-appointment. Further, approval of members is also being sought under Regulation 17 (1A) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, for continuing Mr. Gupte as Non-Executive Director notwithstanding that on 9 September, 2019 he attains the age of 75 years.

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

Appointment of Additional Director (After closure of Financial Year under review)

Pursuant to Sections 149, 152, 160 and any other applicable provisions of the Companies Act, 2013 and based on the recommendations of the Nomination and Remuneration Committee, Mr. Debnarayan Bhattacharya was appointed as an Additional Director- Independent by the Board of Directors in their meeting held on 10 May, 2019. Further, approval is being sought from the shareholders to appoint Mr. Bhattacharya as an Independent Director to hold office for five consecutive years from 30 July 2019 to 29 July 2024 and also for his continuation as an Independent Director notwithstanding that on 13 September 2023, he would attain the age of 75 years during the said term of 5 years. The Board takes the opportunity to welcome him on the Board.

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

Cost Auditors

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

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

The Audit Committee has obtained a certificate from the Cost Auditor certifying their independence and arm's length relationship with the Company. The Cost Audit Report in respect of F.Y. 2017-18 was filed on 7 August 2018 and the Report for the Financial Year 2018-19 will be filed within the time limit as prescribed under the Companies (Cost Records and Audit), Rules, 2014.

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 2019-20 on a remuneration of ₹ 6.50 lakhs.

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

Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors 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 2018-19. 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 Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, 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 Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, report on "Management Discussion and Analysis" is attached and forms a part of this Report.

Business Responsibility Report

The Company is now part of top 500 listed entities based on market capitalization calculated as on 31 March, 2018. In view of this, as required under Regulation 34(2)(f) SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, report on Business Responsibility is attached and forms a part of this report.

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 up-liftment 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 depository 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 : 10 May 2019

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. S. R. Deo – Managing Director

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

   - ₹ 18,387.29 lakhs

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3(above) - ₹ 367.75 lakhs

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

   a. Total amount to be spent for the financial year. – ₹ 367.75 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	1.20	1.20	1.20	Direct
2	Vayam, a registered Charitable Trust	empowerment of tribal communities	Doyapada, Vikramgad Taluka	10.50	10.50	10.50	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.	120.00	120.00	120.00	Direct
5	Adruta Children's Home	rehabilitation of deserted, parentless and abandoned children	Bhubaneswar	20.50	20.50	20.50	Direct
6	Sri Ramakrishna Vivekananda Sevashrama	medical, educational, and rural development	Guptakashi, Rudraprayag Uttarakhand	15.00	15.00	15.00	Direct

₹ 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
7	N.M. Sadguru Water and Development Foundation	rural/ tribal poverty reduction programmes	Dahod, Gujarat	50.00	50.00	50.00	Direct
8	Olympic Gold Quest – NGO	Promotion of Olympic sports	Mumbai	25.00	25.00	25.00	Implementing Agency
9	Seva Sahyog Foundation	Education	Mumbai	15.00	15.00	15.00	Direct
10	Shabri Seva Samiti	health services, educational and social initiatives	Thane, Raigad and Nandurbar, Maharashtra	15.00	15.00	15.00	Direct
11	Padariya Village	Promoting education	Dahej, Gujarat	0.53	0.53	0.53	Direct
12	Govt. of Gujarat- State Level Project -Sujalam Sufalam Jal Abhiyan	Environment	Ankleshwar, Gujarat	0.50	0.50	0.50	Direct
13	Akka Foundation – Indraprashta Jalbhumi Abhiyan	Environment	Latur, Maharashtra	0.50	0.50	0.50	Direct
14	Aashray Special School	Education	Navi Mumbai	5.00	5.00	5.00	Direct
15	Skill Development and Entrepreneurship Department,	Education	Mumbai, Maharashtra	20.00	20.00	20.00	Direct
16	Educational Aid to poor children of Ambetha Village	Education	Bharuch, Gujarat	1.54	1.54	1.54	Direct
17	Shree Bhagwan Mahaveer Viklang Sahayata Samiti (Jaipur Foot)	Health care	Jaipur, Rajasthan	25.50	25.50	25.50	Direct
18	Foundation for Democratic Reforms	Civic	Mumbai	5.00	5.00	5.00	Direct
19	Ramakrishna Mission	Health care	Khar, Mumbai	3.25	3.25	3.25	Direct
20	Bharat Ke Veer Corpus	Armed Forces	New Delhi	25.00	25.00	25.00	Direct
			Total	**369.02**	**369.02**	**369.02**	

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

Place : Mumbai
Date : 10 May 2019

Annexure "B"

FORM NO. MR.3

SECRETARIAL AUDIT REPORT

For the Financial Year Ended 31st March, 2019

[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, 2019 (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, 2019 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 External Commercial Borrowing, Foreign Direct Investment and Overseas Direct Investment (**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 and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 notified on 11th September, 2018 **(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 and The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 notified on 11th September, 2018 **(Not Applicable during the audit period).**

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

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

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

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 laws 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 941,150 Equity Shares pursuant to exercise of the Options granted under Employees Stock Option scheme of the Company.

For Makarand M. Joshi & Co.
Practicing Company Secretaries

Makarand Joshi
Partner
FCS No. 5533
CP No. 3662

Place: Mumbai
Date: 10/05/2019

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' forming part of Secretarial Audit Report

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

For Makarand M. Joshi & Co.
Practicing Company Secretaries

Makarand Joshi
Partner
FCS No. 5533
CP No. 3662

Place: Mumbai
Date: 10/05/2019

ANNEXURE "C"

Disclosure in the Directors' Report as per SEBI Guidelines:

	Particulars	Till the year ended March 31, 2019	
	Options outstanding as at the beginning of the year	2,895,000	
a	Options granted during the year	354,900	
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**	2,153,225	
d	Options Exercised**	941,150	
e	Total no. of shares arising as result of exercise of Options	941,150	
f	Options lapsed *	-	
g	Variation in terms of Options	None	
h	Money realised by exercise of Options (₹ in lakhs)	509.96	
i	Total number of options in force**	2,308,750	
	** The number of options have been reported as on 31.03.2019		
	* Lapsed Options includes options cancelled/lapsed.		
j	Employee wise details of options granted to:	**For the Grant made in 2018-19**	
		Name of the employee	**No. of options granted**
	- Senior Management	Given herein after*	
	- 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 AS 20 'Earnings per Share'	11.08	
l	Impact of employee compensation cost calculated as difference between intrinsic value and fair market value in accordance with SEBI Guidelines on ESOP	253.66	
m (i)	Weighted average exercise price of Options granted during the year whose Exercise price equals market price	142.45	
m (ii)	Weighted average fair value of options granted during the year whose Exercise price equals market price	46.27	
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	142.45	
	Volatility	38.00%	
	Riskfree Rate	6.97%	
	Exercise Price	142.45	
	Time To Maturity	4 years	
	Dividend yield	1.93%	

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

Name		Designation	No. of Options
1	S.R. Deo	Managing Director	4,58,800
2	C.R. Gupte	Former Managing Director	3,70,625
3	R.M. Gadgil	President- Marketing	3,02,950
4	P. Srinivasan	President Finance & Chief Financial Officer	2,74,850
5	Dr. C.N. Nandi	Vice President – Research & Development	1,63,875
6	Dr. N.D. Gangal	Vice President – QA, Analytical and Outsourced Research	1,49,975
7	R.M. Desai	Vice President- Operations, Corporate HR and Personnel	1,42,575
8	Ashwin Bhende	Assistant Vice President-Technology	58,125
9	Rakesh Srivastava	Assistant Vice President-Exports	42,550
10	Padam Bahal	Assistant Vice President-Financial and Cost Accounts	55,600
11	Manoj Shah	Assistant Vice President-Materials	55,775
12	V. K. Gupte	Assistant Vice President - Legal & Company Secretary	39,900
13	D. S. Desai	Assistant Vice President- MTS	45,900
14	Suresh Shetty	Assistant Vice President-Operations	51,150
15	Milind Shevte	Assistant Vice President-National Sales	20,600
16	Bhadresh Modi	Assistant Vice President-Operations Dahej	17,900
17	Nitin Shastri	Assistant Vice President- Project Execution & Purchase	19,200
18	K. R. Subramanian	General Manager Financial and Cost Accounts	17,700
19	Amol Pradhan	General Manager Information Technology	13,500
20	Uttam Khatri	General Manager- Production (Accelerators)	7,200
			23,08,750

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 2019.

A. CONSERVATION OF ENERGY

a) The steps taken or impact on conservation of energy

- Additional turbine power generation by combining low pressure steam network of old and new plant.
- Additional Steam Condensate recovery at both Navi Mumbai and Dahej plants.
- Replacement of old Air compressors with energy efficient Air compressor.
- Installation of LED lights.
- Use of very low-pressure steam instead of hot water circulation system in Process.
- Use of PNG instead of Diesel in hot oil system.
- Installation of additional solar panels.

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

- Generation of Electricity regularly from solar Panels at Dahej

c) The capital investment on energy conservation equipment

- Replacement of old air compressors with single high capacity, energy efficient air compressor: ₹ **28 Lakhs**
- Replacement of old lights in plant and internal roads by LED lights: ₹ **20 Lakhs**
- Replacement of steam jet ejectors by vacuum pump: ₹ **8 Lakhs**
- Installation of 450 KWH steam turbine: ₹ **180 Lakhs**

B. TECHNOLOGY ABSORPTION:

Efforts in brief made towards technology absorption:

1. Implementation of new generation separation technology to produce high purity Product.
2. Reactor scale up for higher efficiency and better-quality product.
3. Successful commercialization of absorption technology for recovering organics from lean streams.
4. Implementation of novel technology for substantial reduction in noble metal catalyst usage.

Benefits derived as a result of above efforts:

a) Energy optimization resulting into overall reduction in energy consumption.

b) Increase in Plant capacity to meet Market demand.

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 2018-19	FY 2017-18
Capital	**35**	20
Recurring	**465**	554
Total	**500**	574
Total R & D Expenditure as % to total turnover	**0.48**	0.58

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign exchange used		**₹ In Crore**
i)	Raw materials, stores and spare parts, Capital goods and other products	227.61
ii)	Expenditure in foreign currency	2.38
Foreign exchange earned		
iii)	Export of goods on FOB basis, Commission and Service Charges.	314.95

For and on behalf of Board of Directors

Place: Mumbai
Date: 10 May 2019

Hrishikesh A. Mafatlal
Chairman

ANNEXURE "E"

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31 March 2019

[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 Fintech 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.karvyfintech.com

* Formerly known as Karvy Computershare Private Limited.

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	20119	99%

* As per NIC Code - 2008

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and address of the company	CIN/GLN	Holding/ subsidiary / associate	% of shares held	Applicable section
1.	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. Promoter									
(1) Indian									
Individual/ HUF	8,59,660	-	8,59,660	0.52	8,59,660	-	8,59,660	0.52	-
Central Govt	-	-	-	-	-	-	-	-	-
State Govt	-	-	-	-	-	-	-	-	-
Bodies Corporate	5,80,20,739	-	5,80,20,739	35.28	5,49,92,329	-	5,49,92,329	33.26	(2.02)
Banks/ FI	-	-	-	-					
Any other	-	-	-	-					
Sub-total (A) (1):	**5,88,80,399**	**-**	**5,88,80,399**	**35.80**	**5,58,51,989**	**-**	**5,58,51,989**	**33.78**	**(2.02)**
(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)	**5,88,80,399**	**-**	**5,88,80,399**	**35.80**	**5,58,51,989**	**-**	**5,58,51,989**	**33.78**	**(2.02)**
B. Public Shareholding									
1. Institutions									
Mutual Funds	68,03,674	2,850	68,06,524	4.14	57,76,297	2,850	57,79,147	3.49	(0.65)
Banks/FI	4,34,150	37,280	4,71,430	0.28	4,44,329	37,460	4,81,789	0.29	0.01
Central Govt	-	-	-	-	-	-	-	-	-
State Govt	400	380	780	0.00	400	-	400	0.00	-
Venture Capital Funds	-	-	-	-	-	-	-	-	-
Insurance Companies Funds	9,79,138	1,160	9,80,298	0.60	21,46,859	1,160	21,48,019	1.30	0.70
Others (specify) FIIs, FPIs, , Alternate Investment Funds	90,45,595	-	90,45,595	5.50	70,40,784	-	70,40,784	4.26	(1.24)
Sub-total (B) (1):	**1,72,62,957**	**41,670**	**1,73,04,627**	**10.52**	**1,54,08,669**	**41,470**	**1,54,50,139**	**9.34**	**(1.18)**
2. Non- Institutions									
Bodies Corporate									
i) Indian incl. Trusts, NBFCs	1,13,90,230	39,111	1,14,29,341	6.95	1,09,22,357	35,461	1,09,57,818	6.63	(0.32)
ii) Overseas	-	-	-	-	-	-	-	-	-
Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	4,15,56,614	30,23,469	4,45,80,083	27.11	4,57,45,805	25,54,698	4,83,00,503	29.21	2.10
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	2,81,99,119	2,11,665	2,84,10,784	17.27	2,97,70,020	1,33,940	2,99,03,960	18.08	0.81
IEPF	12,02,824	-	12,02,824	0.73	13,38,600	-	13,38,600	0.81	0.08
Others (specify) NRI , Clearing Members	25,80,062	89,560	26,69,622	1.62	34,71,011	87, 560	35,58,571	2.15	0.53
Sub-total (B)(2):	**8,49,28,849**	**33,63,805**	**8,82,92,654**	**53.68**	**9,12,47,793**	**28,11,659**	**9,40,59,452**	**56.88**	**3.20**
Total Public shareholding (B)= (B)(1)+(B) (2)	**10,21,91,806**	**34,05,475**	**10,55,97,281**	**64.20**	**10,66,56,462**	**28,53,129**	**10,95,09,591**	**66.22**	**2.02**
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**16,10,72,205**	**34,05,475**	**16,44,77,680**	**100.00**	**16,25,08,451**	**28,53,129**	**16,53,61,580**	**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	0.09	0.00	1,54,500	0.09	0.00	0.00
4.	Priyavrata Hrishikesh Mafatlal	5,17,000	0.31	0.00	5,17,000	0.31	0.00	0.00
5.	Mafatlal Industries Ltd	2,60,07,919	15.82	29.33	2,52,59,059	15.28	35.71	(0.54)
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	12.38	0.00	2,03,69,204	12.32	6.48	(0.06)
8.	Navin Fluorine International Ltd.*	22,79,550	1.39	0.00	-	-	-	(1.39)
9.	Krishnadeep Engineers Pvt Ltd	4,02,720	0.24	0.00	4,02,720	0.24	0.00	0.00
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	5.45	0.00	89,60,880	5.42	27.40	(0.03)
	Total	**5,88,80,399**	**35.80**	**12.95****	**5,58,51,989**	**33.78**	**22.91****	**(2.02)**

*Pursuant to the approval of the shareholders at the previous Annual General Meeting held on 25th July 2018 and the Stock Exchanges on 18th September 2018, Navin Fluorine International Ltd has been re-classified from Promoter to 'Non-Promoter Public category'. Accordingly, the shareholding, if any, as on 31st March 2019 has not been reported.

** Percentage of Total shares pledged calculated as a percentage of total holding of the Promoter.

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	**5,88,80,399**	35.80*	**5,88,80,399**	35.61**
2	Additions during the year	-	-	-	-
3	Deletions during the year - Sold / Reclassified by the Promoter Group companies#	-	-	(30,28,410)	(1.83)**
4	At the End of the year	**5,88,80,399**	35.80	**5,58,51,989**	**33.78**

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

** - Total Equity Share Capital at the end of the year comprised of 16,53,61,580 Equity Shares of the face value of Rs. 10/- each.

- Number of shares sold by the Promoter Group companies : 16,48,860 and number of shares reclassified from Promoter to Public / Non-Promoter category : 13,79,550

(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	66,40,008	4.04	71,12,010	4.30
2	Dolly B Khanna	32,10,573	1.95	35,40,025	2.14
3	L&T MUTUAL FUND TRUSTEE LIMITED-L&T EMERGING BUSINESSES FUND	60,51,084	3.68	28,08,679	1.70
4	The New India Assurance Company Ltd.	8,93,318	0.54	20,61,039	1.25

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
5	PRINCIPLAL TRUSTEE CO. PVT LTD A/C PRINCIPAL MUTUAL FUND - PRINCIPAL DIVIDEND YIELD FUND	0	0	20,17,800	1.22
6	Aahvan Agencies Limited	14,50,059	0.88	14,50,059	0.88
7	Investor Education and Protection Fund	12,02,824	0.73	13,38,600	0.81
8	C. R. Gupte	8,61,275	0.52	10,56,575	0.64
9	Suresh Kumar Agarwal	0	0.00	10,00,000	0.60
10	Acadian emerging markets small cap equity fund llc	22,96,826	1.40	9,80,882	0.59
11	KOTAK MAHINDRA (INTERNATIONAL) LIMITED	9,17,339	0.56	9,17,339	0.55
12	EMERGING MARKETS CORE EQUITY PORTFOLIO (THE PORTFOLIO) OF DFA INVESTMENT DIMENSIONS GROUP INC. (DFAIDG)	9,46,503	0.58	8,73,270	0.53

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	0.11	1,88,160	0.11
2	Rohit Arora, Independent Director	0	0.00	0	0.00
3	Vilas R. Gupte, Non-Executive Director @	600	0.00	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	0.31	5,17,000	0.31
10	S.R. Deo , Managing Director	4,97,935	0.30		
	- Acquisition of Shares on exercise of ESOPs	1,75,375	0.11	6,73,310	0.41
B.	**Key Managerial Personnel**				
1	R.M. Gadgil, President Marketing	3,61,325	0.22		
	- Acquisition of Shares on exercise of ESOPs	1,16,925	0.07		
	- Sale of ESOP shares	(70,798)	(0.04)	4,07,452	0.25
2	P. Srinivasan, President Finance & Chief Financial Officer	1,20,400	0.07		
	- Acquisition of Shares on exercise of ESOPs	2,21,250	0.13	3,41,650	0.20
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	500	-	277	777
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	5	-	-	5
Total (i + ii + iii)	505		277	782
Change in Indebtedness during the financial year				
Addition	11	-	99	110
Reduction	(516)	-	-	(516)
Net Change	**(505)**	**-**	**99**	**(406)**
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	376	376
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	-	-	**376**	**376**

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	Total Amount		
		H. A. Mafatlal, Executive Chairman	S.R. Deo Managing Director	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	135. 60	115.56	251.16
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.40	0.82	1.22
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	
2	Stock Options*		45.53	45.53
3	Sweat Equity	-	-	
4	Commission	-	-	
	-- as % of profit			
	Others, please specify	-	-	
5	Others, (Includes retirement benefits and variable pay)	324.40	184.43	508.83
	Total (A)	**460.40**	**346.34**	**806.74**
	Ceiling as per the Act			**2,869.01**

** 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	5.25	4.20	3.85	4.90	2.45	1.40	22.05
• Commission	20.00	20.00	20.00	20.00	20.00	20.00	120.00
• Others, please specify	-	-	-	-	-	-	-
Sub-Total (1)							**142.05**
2. Other Non-Executive Directors	**VRG**	**PHM**					
• Fee for attending board committee meetings	5.25	2.10					7.35
• Commission	20.00	20.00		-	-	-	40.00
• Others, please specify	-	-		-	-	-	-
Sub-Total (2)							**47.35**
Total (B)=(1+2)							**189.40**
Total Managerial Remuneration (A+B)							996.14
Overall Ceiling as per the Act							**3,155.92**

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	115.79	113.55	45.68	275.02
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	6.10	4.35	1.26	11.71
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Options*	32.02	29.14	6.92	68.08
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	others, specify	-	-	-	-
5.	Others (Includes retirement benefits and variable pay)	37.26	39.30	9.55	86.11
	Total	**191.17**	**186.34**	**63.41**	**440.92**

** 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 2019

Sr. No.	Director	Remuneration (INR in lakhs)	Median Remuneration (INR in lakhs)	Ratio
1	Mr. H. A. Mafatlal - *Executive Chairman*	460.40	8.46	54
2	Mr. V. R. Gupte	25.25	8.46	3
3	Mr. N. Sankar	24.20	8.46	3
4	Mr. Rohit Arora	23.85	8.46	3
5	Mr. C. L. Jain	25.25	8.46	3
6	Mr. D. N. Mungale	24.90	8.46	3
7	Mr. P. V. Bhide	22.45	8.46	3
8	Ms. Dharmishta Raval	21.40	8.46	3
9	Mr.Priyavrata Mafatlal	22.10	8.46	3
10	Mr. S. R. Deo - *Managing Director*	346.35	8.46	41

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

Sr. No.	Directors & Key Managerial Personnel	Percentage increase
1	Mr. H. A. Mafatlal -*Executive Chairman*	10
2	Mr. V. R. Gupte	15
3	Mr. N. Sankar	16
4	Mr. Rohit Arora	14
5	Mr. C. L. Jain	15
6	Mr. D. N. Mungale	13
7	Mr. P. V. Bhide	19
8	Ms. Dharmishta Raval	18
9	Mr. Priyavrata Mafatlal	22
10	Mr. S. R. Deo - *Managing Director*	17
11	Mr. R. M. Gadgil- *President Marketing*	21
12	Mr. P. Srinivasan- *President Finance & Chief Financial Officer*	22
13	Mr. V. K. Gupte- *Company Secretary*	17

3 Percentage increase in the median remuneration of employees in the financial year 10%

4 The number of permanent employees on the rolls of the Company as at 31 March 2019 593

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 10%. 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: 10 May 2019

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 (64) Executive Chairman, ₹ 460.40 lakhs, B.Com. (Hons.), (3), 19.08.2016, Navin Fluorine International Limited (14)
2. Mr. S. R. Deo (64), Managing Director, ₹ 346.34 lakhs, M.Tech -Chemical Engineering from I.I.T. Kanpur (39), 01.11.1979, None.
3. Mr. R. M. Gadgil (66), President -Marketing, ₹ 191.17 lakhs, B. Tech Chemical Engineering from I.I.T. Mumbai (37), 01.11.1982, None.
4. Mr. P. Srinivasan (52), Chief Financial Officer, ₹ 186.34 lakhs, B.Com. & A.C.A, (14), 25.01.2005, Flamingo Pharmaceuticals Limited, (3)
5. Dr. C. N. Nandi (60), Vice President- Research & Development, ₹ 115.51 lakhs, M.Sc. & Ph.D. In Chemistry, (38), 08.09.1981, Bhabha Atomic Research Centre (0.5)
6. Dr. N. D. Gangal (53), Vice President- QA, Analytical & Outsourced Research, ₹ 109.67 lakhs, M.Sc. & Ph.D. In Chemistry, (12), 01.10.2007,Dow Chemcials, (0.5)
7. Mr. R. M. Desai (58), Vice President- Operations, Corporate HR & Personnel, ₹ 79.26 lakhs, B.E. Chemical Engineering (37),15.06.1982, None
8. Mr. A. B. Bhende (51), Assistant Vice President- Technology, ₹ 77.17 lakhs, Bsc. Tech. DBM.(18) 02.04.2001, Gharda Chemicals Limited,(10)
9. Mr. Padam Bahal (55), Assistant Vice President- Financial and Cost Accounts, ₹ 74.06 lakhs, B.Com & A.I.C.W.A, (11), 01.01.2008, Hikal Limited, (2)
10. Mr. M. J. Shah (59), Assistant Vice President- Materials, ₹ 72.04 lakhs, Diploma in Material management & Mechanical Engineering,(7), 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- None

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

- Not Applicable

Notes:

1 Remuneration as above includes, salary, company's contribution to Provident Fund and Superannuation Schemes, Gratuity fund and other Long Service funds, Leave Encashment, Leave Travel benefits, reimbursement of Medical expenses, Medical insurance premium, House Rent allowance, Compensatory allowances, Personal/ Special Allowance, Commission wherever applicable, Personal Accident Insurance, fair valuation of ESOPs, monetary value of perquisites calculated in accordance with provisions 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 Mr. H. A. Mafatlal - Executive Chairman of the Company and Mr. Priyavrata Mafatlal - Director of the Company.

For and on behalf of the Board of Directors

Place: Mumbai
Date: 10 May 2019

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/ arrange-ments/ transactions	Duration of contracts/ ar-rangements / 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	10	NA#	Nil
2	PIL Chemicals Limited (Wholly-owned subsidiary)	Processing charges	Continuing arrangement	1,316	NA#	Nil
3	Chaitanya Seva Trust*	Donation under CSR	Donation is as per CSR Policy	120	NA#	Nil
4	N. M. Sadguru Water and Development Foundation*	Donation under CSR	Donation is as per CSR Policy	50	NA#	Nil

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

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

For NOCIL Limited

H. A. Mafatlal
Chairman

Place: Mumbai
Date : 10 May 2019

Annexure "H"

Dividend Distribution Policy

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

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

Effective Date

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

Guidelines pertaining to Dividend

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

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

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

   a. Financial parameters for payment of Dividend

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

   b. External factors

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

Interim Dividend

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

Inadequacy of Profits / Declaration of Dividend out of Reserves

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

Circumstances under which the Company will not declare Dividend

- The Board of Directors may not recommend dividend in case the Company has incurred losses or inadequacy of profit
- if the Board of Directors forms an opinion that it would be in the best interest of the Company to re-invests / plough back the profits for major expansion / diversification requiring major funding.
- Any other unforeseen event which would restrict ability to recommend dividend.

Utilisation of Free Reserves

The Free Reserves may be utilised:

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

Parameters with regards to various classes of shares

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

Amendments / Review of the Policy

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

Disclosure

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

Report on Corporate Governance

1. Company's philosophy on Corporate Governance

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

2. Board of Directors

a. Board Structure

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

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

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

Mr. Debnarayan Bhattacharya (holding DIN: 00033553) was appointed as an Additional Director- Independent at the meeting of the Board of Directors held on May 10, 2019. The requisite information of Mr. Bhattacharya under Regulation 36 (3) of the Listing Regulations forms part of the Notice convening the 57th Annual General Meeting of the Company.

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 confirms that based on the written affirmations from each Independent Director, all Independent Directors fulfill the conditions specified for independence as stipulated in the Regulation 16 (1)(b) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment), Regulations, 2018 ("Listing Regulations) w. e. f . October 1, 2018 and are independent of the Management.

The Board of Directors comprises of professionals drawn from diverse fields who bring with them a wide range of skills and experience to the Board which enhances the quality of Board's decision making process. Pursuant to the amended Listing Regulations, the list of core skills / expertise / competencies identified by the Board in the context of the Company's business and sector in which it operates and those available with the Board are given as under:

Skills	Availability of skills / expertise / competence with the Directors
Knowledge of business of chemicals	Yes
Understanding of the financials	Yes
Familiarity with the laws applicable to the business	Yes
Governance	Yes

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

Composition of Board of Directors as on March 31, 2019:

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 31-03-2019	No. of Board meetings attended during FY 2018-19	No. of Directorship in Public Companies as on 31-3-2019*	No. of Board Committee Membership held in Public Companies as on 31-3-2019**		Attendance at last AGM held on July 25, 2018
						Chairman	Member	
1.	Mr. Hrishikesh A. Mafatlal	Executive Chairman – Promoter Group	1,88,160@	6	3	0	2	Yes
2	Mr. Priyavrata H. Mafatlal	Non –Executive Director	5,17,000	6	2	0	0	Yes
3	Mr. C. L. Jain	Independent Director	-	6	4	3	2	Yes
4	Mr. N. Sankar	Independent Director	-	5	1	-	1	No
5	Mr. Rohit Arora	Independent Director	-	4	1	1	1	Yes
6	Mr. Vilas. R. Gupte	Non-Executive Director	600 $	6	2	1	2	Yes
7	Mr. D. N. Mungale	Independent Director	-	6	7	2	5	Yes
8	Mr. P. V. Bhide	Independent Director	-	6	9	3	6	Yes
9	Ms. Dharmishta N. Raval	Independent Director	-	3	8	0	2	Yes
10	Mr. S.R. Deo	Managing Director	6,73,310#	6	1	0	1	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

6,73,300 equity shares are held by Mr. S. R. Deo on exercise of the Company's ESOP Scheme-2007 and balance 10 equity shares are held prior to the said exercise of the ESOPs.

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

Sr. No.	Name of Director	Names of listed entities in which Directorship held	Category of Directorship
1.	Mr. Hrishikesh A. Mafatlal	Mafatlal Industries Limited	Promoter Executive Chairperson
2	Mr. Priyavrata H. Mafatlal	Mafatlal Industries Limited	Promoter Executive Director
3	Mr. C. L. Jain	1. RPG Life Sciences Limited	Non -Executive Independent Director
		2. United Breweries Limited	Non -Executive Independent Director
4	Mr. N. Sankar	-	-
5	Mr. Rohit Arora	-	-
6	Mr. Vilas. R. Gupte	Mafatlal Industries Limited	Non Executive – Independent Director
7	Mr. D. N. Mungale	1. Tamilnadu Petroproducts Limited	Non -Executive Independent Director
		2. Mahindra CIE Automotive Limited	Non -Executive Independent Director
		3. Chowgule Steamships Limited	Non -Executive Independent Director
		4. Mahindra and Mahindra Financial Services Limited	Non -Executive Independent Director
8	Mr. P. V. Bhide	1. Glaxosmithkline Pharmaceuticals Limited	Non -Executive Independent Director
		2. Heidelberg Cement India Limited*	Non -Executive Independent Director
		3. VST Industries Limited	Non -Executive – Non Independent Director
		4. Tube Investments of India Limited	Non -Executive Independent Director
		5. L & T Finance Holdings Limited	Non -Executive Independent Director
		6. Quick Heal Technologies Limited**	Non -Executive Independent Director
9	Ms. Dharmishta N. Raval	1. Zydus Wellness Limited	Non -Executive Independent Director
		2. Cadila Healthcare Limited	Non -Executive Independent Director
		3. Torrent Power Limited	Non -Executive Independent Director
10	Mr. S.R. Deo	-	-

* Ceased to be a Director from the close of business hours of March 31, 2019.

** Ceased to be a Director from April 1, 2019

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

Sr. No.	Date of Meeting	Board Strength	No. of Directors present
1.	04.05.2018	10	9
2.	25.07.2018	10	9
3.	30.10.2018	10	8
4.	20.12.2018	10	10
5.	01.02.2019	10	9
6.	25.03.2019	10	9

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

The Fifty Sixth Annual General Meeting was held on July 25, 2018.

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.

d. Major functions of the Board

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

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

e. 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, & technical operations, financials and Marketing are made. The Management also endeavors to apprise the Directors regarding their responsibilities in case of change / amendment to the Rules and Regulations. The details of the 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

f. Independent Directors' Meeting

During the year under review, the Independent Directors met on December 19, 2018, inter alia to discuss:

- overall operations
- Business Strategy
- Medium / Long term plans

All the Independent Directors were present at the meeting. Pursuant to the requirements of the Listing Regulations and Schedule IV of the Companies Act, 2013 on Code of Conduct of the Independent Directors, the Independent Directors had reviewed and evaluated the performance of Non-Independent Directors and the Board as a whole and the same was found satisfactory.

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 2018-19
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

* Mr. D. N. Mungale has been appointed as Chairman of the Audit Committee effective May 10, 2019.

** Mr. C. L. Jain will continue as a Member of the Audit Committee up to his current tenure up to June 29, 2019.

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

May 04, 2018; July 25, 2018; October 30, 2018; February 01,2019 and March 25, 2019.

The requisite quorum was present at the meetings.

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

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

The scope of the activities of the Audit Committee is as set out in Regulation 18 of the Listing Regulations read with Section 177 of the Companies Act, 2013 and SEBI (Prohibition of Insider Trading) Regulations, 2015 and the amendments made thereto.

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

a) To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that financial 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) To recommend the appointment and remuneration of the Secretarial Auditor.

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

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

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

i) Scrutiny of inter-corporate loans and investments;

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

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

l) To review the Internal Control over Financial Reporting.

m) To review the functioning of the Whistle blower mechanism

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

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

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.

The Committee approves cases such as the transfer of shares in physical form, issue of duplicate share certificates and requests regarding Transmission / Consolidation / Split of Share Certificates etc. Further, in line with the Regulation 40 (1) of Listing Regulations as amended, the Committee has approved the share transfers in physical form up to March 31, 2019. The Committee also makes note of the cases wherein the equity shares have been transferred to IEPF and the legal heirs of such shareholders have approached the Company, after completion of the requisite formalities, for re-claiming their shares from IEPF. The Committee 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 1,36,176 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 2010-11 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 2018-19 under the heading 'Transfer of Unpaid Dividend and corresponding Equity Shares to the Investor Education and Protection Fund (IEPF)'. Out of 12,02,824 equity shares transferred by the Company to IEPF during the Financial Year 2017-18, 400 equity shares were credited by the Authority to the demat account of the claimants on completion of requisite formalities. As on March 31, 2019, the balance no. of shares lying with IEPF is 13,38,600.

5. Stakeholders Relationship and Investors' Grievance Committee

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

Regulations. Mr. Rohit Arora is the Chairman and Member of the Committee and was present at the Company's Annual General Meeting held on July 25, 2018.

The Composition of the Committee is as follows and all members attended the meeting held on July 25, 2018:

Name of Members	Category
Mr. Rohit Arora, Chairman	Independent Director
Mr. Hrishikesh A. Mafatlal	Executive Chairman (Promoter Group)
Mr. S. R. Deo	Managing Director
Mr. Vilas. R. Gupte	Non-Executive Director

The Committee normally meets once in a year. 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 three pending complaints during the year under review. The Company received 17 complaints from shareholders in Financial Year 2018-19. Except two complaints, which are pending due to non-receipt of requisite documents, rest of the complaints were resolved to the satisfaction of the shareholders.

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	2
Mr. H. A. Mafatlal	Executive Chairman (Promoter Group)	2
Mr. N. Sankar	Independent Director	2
Mr. D.N. Mungale	Independent Director	2

During the year, two NRC Meetings were held on December 20, 2018 and March 25, 2019.

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

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

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

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

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

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

B. Remuneration Policy

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

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 June 30, 2014, the Commission is paid at a rate not exceeding 1% per annum of the profits of the Company computed in accordance with Sections 197 and 198 of the Companies Act, 2013. The said approval was valid for 5 years which would expire on August 31, 2019. In view thereof, a separate proposal is being placed before the shareholders and forms part of the notice convening the 57th Annual General Meeting of the Company for extension of their approval for payment of commission at the aforementioned rate for a further period of five years from September 1, 2019 to cover the Financial Years from 2019-20 to 2023-24. The distribution of Commission amongst the NEDs is placed before the Board and distributed as decided by the Board.

C. Remuneration of Directors

(₹ in Lakhs)

Name of the Director	Salary, Allowances / Perquisites & Performance Bonus, ESOPs	Contribution to Funds	Total
Mr. H. A. Mafatlal, Executive Chairman	436.00	24.40	460.40
Mr. S.R. Deo, Managing Director	311.91	34.43	346.34

During the financial year 2018-19, Mr. S. R. Deo was granted 81,800 Stock Options. The Nomination and Remuneration Committee in its meetings held on various dates granted in 13,82,100 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. The details of the options exercised by Mr. S.R. Deo are given below:

Name of the Director	No. of shares held on 01-04-2018	No. of ESOPs exercised during the FY 2018-19	No. of Equity Shares sold during the FY 2018-19	No. of Equity Shares held as on 31-03-2019
Mr. S. R. Deo, Managing Director	4,97,925	1,75,375	-	6,73,300

Commission / Sitting Fees to Non-Executive Directors for the financial year 2018-19 for attending Board and Committee Meetings.

(₹ In Lakhs)

Name of the Director	Sitting Fees	Commission*	Total
Mr. Rohit Arora	3.85	20.00	23.85
Mr. Vilas R. Gupte	5.25	20.00	25.25
Mr. N. Sankar	4.20	20.00	24.20
Mr. C.L. Jain	5.25	20.00	25.25
Mr. D. N. Mungale	4.90	20.00	24.90
Mr. P.V. Bhide	2.45	20.00	22.45
Ms. Dharmishta N. Raval	1.40	20.00	21.40
Mr. Priyavrata H. Mafatlal	2.10	20.00	22.10
Total	**29.40**	**160.00**	**189.40**

* 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. Vilas R. Gupte	Non-Executive Director	3
Mr. S. R. Deo	Managing Director	3

During the year 2018-19, three Committee meetings were held on April 16, 2018, October 15, 2018 and March 22, 2019.

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

The terms of reference of the CSR Committee broadly comprises:

- To review the Company's existing CSR Policy and to supervise and monitor the activities undertaken by the Company as specified in CSR Policy and Schedule VII of the Companies Act, 2013.

- To provide guidance on various CSR activities undertaken by the Company.

8. General Body Meetings

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

Financial year	Date	Location	Time
2015-16	July 27, 2016	Rama & Sundri Watumull Auditorium, Mumbai	2.30 p.m.
2016-17	July 27, 2017		
2017-18	July 25, 2018		

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

Date of Annual General Meeting	Number and particulars of Special Resolutions passed.
July 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 01, 2017
July 25, 2018	No special resolutions were passed.

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

Postal Ballot

During the year, the Company had approached the shareholders in March 2019 through Postal Ballot. Details of the Postal Ballot are as under:

Date of Postal Ballot Notice	December 20, 2018
Voting period	February 11, 2019 to March 12, 2019
Date of approval	March 12, 2019
Date of declaration of Result	March 13, 2019

Name of the Resolution	Type of Resolution	No. of votes polled	No. of Votes – in favour	No. of Votes – against	% of Votes in favour on votes polled	% of votes against on votes polled
Re-appointment of Mr. N. Sankar (holding DIN : 00007843) as an Independent Director for 5 years from June 30, 2019	Special	70407984	68224216	2183768	96.90	3.10
Re-appointment of Mr. Rohit Arora (holding DIN: 00445753) as an Independent Director for 5 years from June 30, 2019	Special	70406545	68221789	2184756	96.90	3.10
Re-appointment of Mr. D. N. Mungale (holding DIN:00007563) as an Independent Director for 5 years from June 30, 2019	Special	70406621	68222880	2183741	96.90	3.10
Re-appointment of Mr. P. V. Bhide (holding DIN: 03304262) as an Independent Director for 5 years from June 30, 2019	Special	70406585	67687189	2719396	96.14	3.86
Continuation of Mr. C. L. Jain (holding DIN : 00102910) as an Independent Director for residual term till June 29, 2019.	Special	70408655	68691319	1717336	97.56	2.44

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

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

Procedure for Postal Ballot

In compliance with Sections 108 and 110 and other applicable provisions of the Companies Act, 2013, read with the related Rules, the Company provided electronic voting (e-voting) facility to all its members. The Company had engaged the services of Karvy Fintech Private Limited, the Company's RTA for the purpose of providing e-voting facility to all its members. The members had the option to vote either by physical ballot or through e-voting.

The Company had dispatched the postal ballot notices and forms along with postage prepaid business reply envelopes to its members whose names appeared on the register of members / list of beneficiaries as on a cut-off date i.e. January 25, 2019. The postal ballot notice was sent to members in electronic form to the email addresses registered with their depository participants (in case of electronic shareholding) / the Company's RTA (in case of physical shareholding). The Company also published a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Act and applicable Rules. Voting rights are reckoned on the paid-up value of the shares registered in the names of the members as on the cut-off date. Members who desired to exercise their votes by physical postal ballot forms were requested to return the forms, duly completed and signed, to the scrutinizer on or before the close of the voting period. Members who desired to exercise their votes by electronic mode were requested to vote before close of business hours on the last date of e-voting.

The scrutinizer submitted his report to the Chairman, after the completion of scrutiny, and the consolidated results of the voting by postal ballot were then announced by the Chairman on March 13, 2019. The results were also displayed on the Company's website viz., *www.nocil.com* and were communicated to the stock exchanges, depository and registrar and share transfer agent. The last date for the receipt of duly completed Postal Ballot Forms or e-voting was the date on which the resolution was deemed to have been passed, if approved by the requisite majority.

9. Means of communication

The Board takes on record the audited / unaudited yearly/ quarterly financial results prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind-AS Rules) in the format prescribed under Regulation 33 of the Listing Regulations read with Circular Ref No. CIR/CFD/FAC/62/2016 dated July 05, 2016 issued by SEBI within prescribed time limit from the closure of the quarter / year and announces the results to all the stock exchanges where the shares of the Company are listed. In view of the applicability of Ind- AS to the Company, 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 Operational and Financial Highlights to the Analysts which are hosted on the Company's website viz., www.nocil.com. and also submitted to the Stock Exchanges.

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

10. General Shareholder Information

i) Annual General Meeting:

Date and time : July 30, 2019 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 2019-20 (Indicative):

Quarter ending on June 2019	: July 30, 2019
Half year ending on September 2019	: November 4, 2019
Quarter ending on December 2019	: end of January 2020
Year ending on March 2020	: end of April/May 2020
Annual General Meeting (2019-20)	: end of July 2020

iii) Date of Book Closure

Wednesday, July 24, 2019 to Tuesday, July 30, 2019

iv) Dividend Payment Date

On or after August 5, 2019 (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 2019-20.

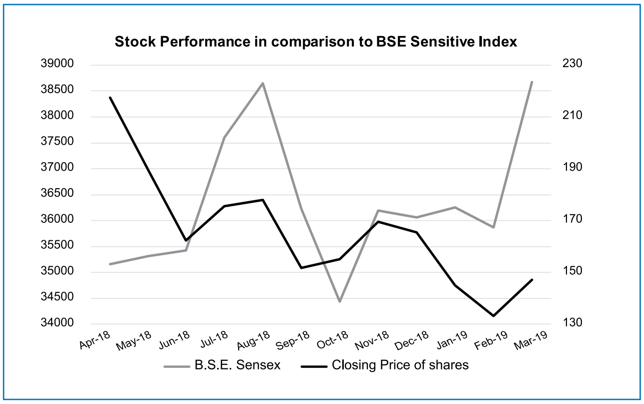
vi. Stock market data

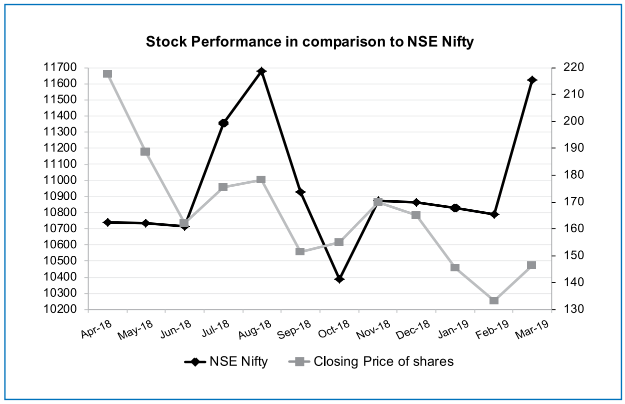
The monthly high / low quotation of shares traded on the Bombay Stock Exchange and the National Stock Exchange of India is as follows:

(Figures in ₹)

Bombay Stock Exchange Ltd. (BSE)			National Stock Exchange of India Ltd. (NSE)		
Month	**High**	**Low**	**Month**	**High**	**Low**
April, 2018	232.50	191.00	April, 2018	232.50	194.10
May, 2018	227.75	188.40	May, 2018	226.90	188.00
June, 2018	191.20	152.00	June, 2018	191.00	151.80
July, 2018	187.30	155.10	July, 2018	187.45	155.50
August, 2018	188.00	167.25	August, 2018	188.00	167.05
September 2018	180.70	150.55	September 2018	180.85	150.10
October, 2018	161.65	140.00	October, 2018	160.90	139.45
November, 2018	182.30	155.75	November, 2018	183.00	155.10
December, 2018	173.00	154.70	December, 2018	173.00	153.10
January, 2019	172.00	135.70	January, 2019	171.00	135.50
February, 2019	147.80	115.75	February, 2019	147.80	115.55
March, 2019	150.40	134.70	March, 2019	150.50	134.20

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





viii) Registrar and Share Transfer Agents (RTA):

The Company had appointed Karvy Computershare Private Limited 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 has an extensive internal / external audit oversight for their operations. During the year under review, pursuant to Order of the Hyderabad Bench of the National Company Law Tribunal (NCLT Order), the operations of Karvy Computershare Private Limited were transferred to Karvy Fintech Private Limited with effect from November 17, 2018. Hence, with effect from that date, Karvy Fintech Private Limited is the Registrar and Share Transfer Agent of the Company. The requisite information w. r. t. change was intimated to the Stock Exchanges and also updated on the Company's website viz., www.nocil.com.

Address for Investor correspondence

Karvy Fintech 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 Fintech 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, 2019

Sr. no	No. of shares	No. of share-holders	% of Share-holders	No. of shares held	% of share-holding
1	Up to 1 - 5000	1,21,766	85.27	1,69,56,924	10.25
2	5001 - 10000	10,985	7.69	89,81,905	5.43
3	10001 - 20000	5,035	3.52	77,67,898	4.70
4	20001 - 30000	1,715	1.20	44,42,350	2.69
5	30001 - 40000	800	0.56	29,03,589	1.76
6	40001 - 50000	696	0.49	33,12,736	2.00
7	50001 - 100000	1,014	0.71	76,49,899	4.63
8	100001 & ABOVE	793	0.56	11,33,46,279	68.54
	Total:	**1,42,804**	**100.00**	**16,53,61,580**	**100.00**

b. Shareholding pattern by Ownership as on March 31, 2019*

Sr No.	Ownership	No. of shares held	% of shareholding
1	Indian Promoters	5,58,51,989	33.78
2	Mutual funds	57,79,147	3.49
3	Banks, financial institutions, insurance companies, etc.	26,29,808	1.59
4	NRI's / OCBs / FIIs	1,02,96,527	6.23
5	Private corporate bodies	1,09,33,467	6.61
6	IEPF	13,38,600	0.81
7	Indian public	7,85,32,042	47.49
	Total	**16,53,61,580**	**100.00**

* On March 25, 2019, the Company had issued 57,250 Equity shares on exercise of ESOPs by the Senior Managerial Personnel. As on March 31, 2019, the corporate action in respect of these shares was in process and has since been completed.

xi) Demat information

The shares of the Company were brought under compulsory demat mode with effect from May 29, 1999. As on March 31, 2019 about 98.18% shareholding representing 16,25,08,451 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.

xvi) List of credit ratings obtained

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

Bank Facilities	Rating	
	CARE Ratings Limited	CRISIL Limited
Long Term Bank facilities (fund based)	CARE AA; Stable (Double A; Outlook : Stable)	CRISIL AA (stable)
Short Term Bank facilities (Non-fund based)	CARE A1 + (A one plus)	CRISIL A1+

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 person has been denied access to the Chairman of the Audit Committee or Managing Director.

D. **Details of compliance with mandatory requirements:**

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

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

G. **Policy on Board Diversity**

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

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

H. **Details of Utilization of funds**

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

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

The Company has obtained a Certificate dated May 9, 2019 from M/s. Makarand M. Joshi & Co., Company Secretaries, Mumbai to the effect that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI / Ministry of Corporate Affairs or any such statutory authority.

J. **Recommendations of the Committees**

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

K. **Fees paid to the Statutory Auditors**

Total fees incurred by the Company including its subsidiaries, on consolidated basis to the Statutory Auditors and all entities in their network / firm / network entity of which they are a part, is Rs. 30 Lakhs.

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

The disclosures for the Financial Year 2018-19 are as under: -

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

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 2018-19 do not contain any audit qualification.

c. Separate posts of Chairman and CEO:

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

d. Reporting of Internal Auditor

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

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 March 31, 2019.

Place : Mumbai
Date : May 10, 2019

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, 2019, 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, as amended ('The Listing Regulations').

Management's Responsibility

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

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 have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which 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 provided by 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, 2019.

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.

Restriction on Use:

The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

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

Daraius Z. Fraser
Partner
M. No.: 42454

Mumbai; May 10, 2019.

MANAGEMENT DISCUSSION AND ANALYSIS

Economic Review

The long-term growth prospects for the Indian Economy continue to be vibrant and positive due to its young population, liberalised Government policies and strong welfare schemes for the upliftment of the poor. These initiatives have enabled India to become one of the fastest growing economies of the world. Very few large economies of the world are reporting GDP growth of more than 6.5%. It is expected that the short-term challenge of Indian Industrial growth (which is below 1%), shall be addressed since Industrial Growth is a key driver for employment generation.

The year under review witnessed volatility on several fronts. The US sanctions on Iran resulted in a sudden spurt in Crude oil prices during the first three quarters, with the price touching high of US $ 84 /barrel from base of $ 65/barrel at the beginning of the financial year. Since 80% of the Indian crude oil requirement is met through imports, the economy experienced serious fiscal repercussions and apprehensions on account of ballooning trade deficit and other economic factors. The Indian Rupee devalued from levels of ₹ 67 per USD to ₹74.50 levels in a matter of a few months. Post deferral of Iran sanctions by six months, crude oil prices started coming down from Nov 2018 and stabilized in the range of $62-66/barrel, thus stabilizing the dollar exchange rate around ₹70/USD. The recent news on the withdrawal of waivers to select countries by the US Govt. has led to a surge in crude oil prices touching $ 75/ barrel. If implemented, the outcome is likely to affect rupee- dollar parity as was encountered during first half of the previous financial year.

The manufacturing sector in general which looked buoyant during the first half of the financial year, experienced a surprisingly recessionary situation for the second half of the year and this trend looks likely to spill over for the initial part of the next financial year. A large part of this slowdown can be attributed to the slowdown in global trade and the Chinese economy which recorded their lowest GDP growth during last 20- 25 years. Chinese outlook continues to be moderate. At the same time, growth prospects in EU economy look flattish. As a result, surplus capacities built during the economic buoyancy (particularly in China), will take some time to find commensurate demand.

Global growth is expected to be moderate about 2.9% in F.Y. 2019-20. Global financing conditions have tightened, industrial production has moderated, trade tensions remain elevated, and some large emerging market and developing economies have experienced significant financial market stress. Faced with these headwinds, the recovery in emerging market and developing economies has lost momentum.

Rubber Chemical Industry:

Global rubber consumption witnessed a growth of 2.4% for the calendar year 2018. Rubber chemicals demand essentially follow the trend of global rubber consumption.

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 impacted due to higher fuel prices, interest rates and the NBFC crisis, in the second half of the year. Demand of Radial truck and bus tyres segment is a direct reflection of the overall economic situation. The tightening of environmental and compliance in China, which created some supply chain constraints in tyre industry in the previous year, partially got relaxed on account of US China trade war tensions and the slowdown in the Chinese auto sector. This segment has shown a marginal negative growth in terms of capacity utilization and this is likely to continue during early half of the next financial year before the positive impact of pre-buying comes in. However, the OEM sector business accounts for only 30% of total tyre business and replacement market continue to be healthy. OEM sales could have a positive impact due to introduction of BS VI auto emission standards from April 1,2020.

The major domestic non-tyre segment, namely the moulded & extruded goods segment, largely depends on the automobile sector. Thus, this segment is expected to move in line with the growth in respective OEM segments. The slowing down in the overall GDP growth rates, slowdown of OEM production and high interest rates affected this segment unfavourably.

Infrastructure sector continues to enjoy intense focus from Government for initiating policies that would ensure time bound implementation of laid down plans. Automobile and tyre sector growth are directly proportional to infrastructure growth and both sectors are optimistic in the medium term 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. While the automotive sector in the country recorded marginal growth, China also recorded negative growth of 6% for the year under review.

On the global business front, most markets faced volatile conditions. The situation continues to be challenging for the Financial Year 2019-20. During the second half of FY 2018-19, prices of major Rubber Chemicals inputs dropped sharply to lower levels on account of a drop in Crude oil prices and the Benzene crude oil price parity. As a result, the Benzene which started the year at US$ 1200 per MT sharply dropped to US$ 585 per MT. This sudden price decrease led to our input costs going down by 25% to 40% for certain raw materials. These decreases had to be passed down to the customers who were facing low demand issues themselves.

Finished goods prices too witnessed a sudden drop, exceeding the drop in raw material prices, due to combination of slowdown, US Chinese trade tensions and drop in corresponding input prices.

Most of these reductions have been reflected from second half of the year. Thankfully, due to your company's wide range of products and through an optimum mix of inventory management and buying strategy, we could withstand this shock, and this partially impacted the profit margins during the second half of the year. In view of the recent news on chemical plant explosion, some corrections can be expected by the Chinese Government.

Industry Structure and Developments

The Rubber chemical industry witnessed a slowdown due to fall in the production of Automobile in China between August 2018 and March, 2019 coupled with problems of U.S. China trade war. The production cuts carried out by tyre customers across the globe also impacted our sales volumes, more particularly in the second half of the year. The easing out of the Environmental compliance pressure at the Chinese end also impacted the operational performance of most players in the industry. Despite this, the Export business of the company registered a healthy growth since customers strategically supported sustainable supply from NOCIL over low pricing offered by China.

The recent news by ICRA on auto growth, (if prediction comes true) coupled with the expansion plans by global tyre majors augurs well for the Rubber Chemicals industry. 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 offer, and this would hopefully bridge some of the gaps in pricing. However, the possibility of sustained competition cannot be completely ruled out.

In view of the opportunities as mentioned above, your company has decided to significantly invest in capacity expansion programmes in three phases. The progress on the project has been mentioned in the Directors' Report.

Business Outlook: Opportunities & Threats

Opportunities:

The Outlook for the Indian economy is likely to be healthy with most estimates predicting a good G.D.P. growth. 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 few 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 speciality 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 future trend of rubber growth, auto sector growth and tyre industry growth, the Board of Directors of your company had consented to expand in the field of rubber chemicals in the previous year for an amount of ₹ 425 Crores. It is expected that the entire expansion will be commissioned by the calendar year 2019.

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 ₹ 67–74.50 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 unfavorably impacting some user segments.

Risks & Concerns:

Exchange-rate fluctuations, increase in prices of Crude Oil and down-stream petrochemicals, trade war between US and China, US Government sanction on eight economies etc. are all concern areas which your company may face from time to time. The anti-dumping duties on 6 products of the Company originating from China and Korea are scheduled to expire by end July 2019. Necessary applications for seeking extension with appropriate authorities / Courts have been filed. Any rejection of the same will have an impact on both domestic revenues as well as profitability.

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 Company remains a zero-debt company. For expansion purpose, the entire funding will be through internal accruals. During the year CARE has reaffirmed ratings as CARE AA (Double A) (Stable) for long term Bank Facilities (Term loan as well as Fund Based facilities) and CARE A1+ (A One plus) rating for short term Non-Fund Based Bank facilities. The Company had also approached CRISIL Limited for review of its existing ratings, which had assigned CRISIL AA for its Fund-based Bank Facilities and CRISIL A1+ (stable) for its Non - Fund-based Bank Facilities.

The Company's performance about the domestic sales volumes, remained flat for the year on account of auto slow down and production cuts experienced at domestic tyre industries. On the export business front, despite stiff competition, especially from China, your company successfully exported to strategic accounts with wide range of products and thus achieved a healthy growth. By a combination of a better product mix helped by speciality products and continual improvement in the efficiency of operations at all locations, the Company has managed to keep its operating margins at reasonable levels for all the four quarters, although during second half the EBIDTA levels, dropped due to slowdown, falling prices and some legacy input costs on account of our inevitable coverage of 2- 3 months.

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

(₹ In Crores)

Particulars	F.Y. 2018-19	F.Y. 2017-18
Revenue from Operations	1,042.90	989.27
Other Income	10.01	14.33
Total Income	1,052.91	1,003.60
EBIDTA	300.29	277.20

During the year under review, the Company achieved a profit before tax of ₹ 276.69 Crores as compared to ₹ 253.07 Crores in 2017-18.

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements), (Amendment), Regulations, 2018, the key financial ratios viz., Debtors Turnover, Inventory Turnover, Operating Profit Margin (%), Net Profit (%) and Return on Net Worth do not exceed the threshold of 25 % or more as compared to the immediately preceding financial year. However, Interest Coverage and Debt Equity ratios exceeded the threshold limits due to the repayment of the entire Term Loan to the Bankers during the Financial Year 2018-19 as stated in the Directors' Report.

Internal control systems

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

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

The Audit Committee of the Board of Directors regularly reviews the findings of the internal auditors, adequacy of internal controls, financial controls, compliance with the accounting standards, as well as recommends to the Board, the adoption of the quarterly and annual results of the Company and appointment of auditors. The Audit Committee also reviews the related party transactions, entered by the Company during each quarter.

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

Material developments in human resources

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

Business Responsibility Report

Section A: General Information about the Company

1	Corporate Identity Number	L99999MH1961PLC012003
2	Name of the Company	NOCIL Limited (NOCIL)
3	Registered Office	3rd Floor, Mafatlal House, H. T. Parekh Marg, Backbay Reclamation, Churchgate, Mumbai- 400020
4	Website	www.nocil.com
5	Email id	investorcare@nocil.com
6	Financial Year	2018-19
7	Sector(s) that the Company is engaged (industry activity code wise)	Manufacturing of Rubber Chemicals NIC Code of Products – 20119 (NIC – 2008 Code referred)
8	List three key products / services that the Company manufactures / provides (as in Balance Sheet)	Manufacturer of Rubber Chemicals which amongst others include: a. Pilflex 13 b. Pilnox TDQ c. Pilcure CBS
9	Total Number of locations where business activity is undertaken by the Company	NOCIL is a manufacturer of rubber chemicals and it operates from the following locations : A. Number of national Locations: - 2 manufacturing plants at Navi Mumbai, Maharashtra and Dahej, Gujarat - 4 Sales Offices at Mumbai, New Delhi, Chennai and Kolkata. - Registered Office in Mumbai - Regional Sales Offices B. Number of International Locations: Nil
10	Markets served by the Company- Local/ State/ National/ International	NOCIL has built a broad customer base in India and over forty countries across the world

Section B : Financial Details of the Company

1	Paid up capital (INR)	₹ 165,41,88,300/- divided into 16,54,18,830 Equity shares of ₹ 10/- each fully paid-up.
2	Total Turnover	₹ 1052.91 Crores
3	Total Profit after taxes	₹ 184.09 Crores
4	Total spending on Corporate Social Responsibility (CSR) as a percentage of profit after tax (%)	₹ 3.69 Crores
5	List of activities in which expenditure in 4 above has been incurred	Health care, Environment Protection, Education, livelihood enhancement project, rehabilitation of deserted, parentless and abandoned children, empowerment of tribal communities etc. (Refer Annexure A to the Directors' Report for the Financial Year ended 31 March 2019 on CSR)

Section C: Other details

1. Does the Company have any subsidiary company/ companies:

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

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

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

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

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

Section D

1. Details of Director/ Directors responsible for BR

a. Details of Director/ Directors responsible for implementation of the BR policy/ policies

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

b. Details of BR Head

1	DIN	07315943
2	Name	R. M. Desai

3	Designation	Vice President - Operations, Corporate HR & Personnel
4	Telephone Number	022 66730551
5	Email id	hr@nocil.com

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

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

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

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

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

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

3. **Governance related to BR**

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

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

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

   The Company forms part of the top 500 listed companies in terms of market capitalization as on 31st March 2018. In view thereof, Financial Year 2018-19 is the first year wherein the Business Responsibility Report has been included in the Annual Report, which is available on the Company's website.

Section E : Principle -wise performance

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

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

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

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

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

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

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

   a) PILFLEX 13

   b) PILCURE CBS

   c) PILNOX TDQ

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

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

   In each of the above mentioned product the Company has achieved 4 % reduction in energy consumption.

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

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

3. **Does the Company have procedures in place for sustainable sourcing (including transportation)?**

   If yes, what percentage of inputs was sourced sustainability? Also, provide details thereof.

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

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

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

   We procure raw materials from domestic suppliers in addition to import of key raw materials such as Aniline, Nitro Benzene etc.

We carry out the due diligence of local suppliers/vendors depending upon the business exigencies, provide them guidance for improving their product quality, capability and capacity. NOCIL has been certified as **RESPONSIBLE CARE** Company and we also provide requisite training to our suppliers on best safety practices. Some of the products / services are procured locally. Only those which are not available locally, are procured from outside vendors / suppliers.

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

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

Principle – 3 Business should promote the wellbeing of employees

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

Following is the employee count :

Registered Office	24
Company's Plant at Navi Mumbai	384
Company's Plant at Dahej	185
Total	593

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

Registered Office	8
Company's Plant at Navi Mumbai	300
Company's Plant at Dahej	125
Total	433

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

4. **Please indicate the Number of permanent employees with disabilities** - NIL

5. **Do you have an employee association that is recognized by management**.

Yes. It is NOCIL RCD Employees Union.

6. **What percentage of your permanent employees is members of this recognized employee association?** - 22 %

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

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

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

	Category	Safety	skill upgradation training
a	Permanent employees	100	52
b.	Permanent woman employees	100	2
c.	Casual / Temporary / Contractual employees	100	NIL
d	Employees with disabilities	NA	NA

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

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

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

2. **Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders**.

Yes.

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

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

Principle 5 – Business should respect and promote human rights

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

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

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

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

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

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

   The Company combines economic success with environmental protection and social responsibility, thus, contributing to a better future. Its endeavour to comply with all applicable legal and internal Environmental, Health and Safety requirements allow to better conserve energy and natural resources, prevent pollution and protect the health, safety of people.

   Policy related to Principle 6 is also implemented at wholly owned subsidiary.

2. **Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming etc.? Y/ N. If yes, please give hyperlink for webpage.**

   No.

3. **Does the Company identify and assess potential environmental risks? Y/ N.**

   Yes.

4. **Does the Company have any project related to Clean Development Mechanism ? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?**

   NOCIL developed green technology for manufacturing of 4 Amino diphenylamine. This process generates negligible effluents. We have been granted 2 US patents for this technology.

   We have also received Indian Chemical Council award for best indigenous technology.

5. **Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/ N. If yes, please give hyperlink for webpage.**

   Yes, we are in the process of obtaining ISO 50001 certification for energy management.

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

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

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

   The Company has not received any show cause / legal notice from CPCB/ SPCB during the period under review.

Principle 7 – Businesses, when engaged in influencing public and regulatory policy, should do so in a responsive manner

1. **Is your company a member of any trade and chamber or association> If yes, Name only those major ones that your business deals with:**

   Yes. The Company is a member of the following Bodies / Institutions:-

   1. Indian Chemical Council
   2. All India Rubber Industry Association
   3. Indian Rubber Institute
   4. Bombay Chamber of Commerce and Industry.
   5. Indian Merchants Chamber.

2. **Have you advocated/ lobbied through above associations for the advancement or improvement of any public good? Yes/No. If yes, please specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, water, Food Security, Sustainable Business Principles, Others).**

   Occasionally in the past, we have taken the assistance from the Chambers / Association with respect to operational matters which are in the interest of the Company.

Principle 8 - Business should support inclusive growth and equitable development.

1. **Does the Company have specified programs / initiatives / projects in pursuit of the Policy related to Principle 8? If yes, details thereof.**

   Yes. The Company is committed towards social inclusion and equitable development of communities. The initiatives encompasses environment, health, education, sustainable livelihood etc.

2. **Are the programs / projects undertaken through in-house team/ own foundation / external NGO / Government structures / any other organization?**

   The Company evaluates the projects Direct or in-house under its CSR Policy.

3. H**ave you done any impact assessment of your initiative?**

   The Company initially assesses the needs of the community / organization from whom it receives the Appeal or proposal and thereafter plans the CSR expenditure accordingly. This process ensures that the funds earmarked for CSR are spent on the deserving cases only.

4. **What is your company's direct contribution to community development projects – Amount in INR and the details of the projects undertaken.**

   The Company directly contributes to the various community development projects. The details have been given in Annexure A to the Directors' Report for the Financial Year ended 31 March 2019.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

   The Company directly contributes to the various developmental programs undertaken by the NGOs. These organizations in turn ensure that the amount is utilized for the right cause and it reaches the intended beneficiaries. The Company also receives updates / progress from the NGOs.

Principle 9 – Businesses should engage with and provide value to their customers and consumers in responsive manner.

1. **What percentage of customer complaints / consumer cases are pending as on the end of the financial year.**

   There are no customer complaints pending against the Company.

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/ N.A.**

   Yes. The Company displays product information as mandated under applicable laws. Additionally, First aid information is also given in the event of unpleasant situations/ Accidents etc.

3. **Is there any case filed by any stakeholder against the Company regarding their unfair trade practices, irresponsible advertising and /or anti–competitive behavior during the last five years and pending as on end of the financial year. If so, provide details thereof, in about 50 words or so.**

   There are no cases filed against the Company pertaining to unfair trade practices, irresponsible advertising and / or anti – competitive behavior during the last five years.

4. **Did your company carry out any consumer survey / customer satisfaction trends.**

   The Company is customer focused and has standard processes where it carries out survey and takes feedback of Domestic and International customers on yearly basis. The Company also receives frequent evaluation on its products and services from major end-users.

For and on behalf of Board of Directors

Place: Mumbai
Date: 10 May 2019

H.A. Mafatlal
Chairman

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

NOCIL LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of ***NOCIL LIMITED*** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss, the Statement of Changes in Equity, the Cash Flow Statement for the year then ended and Notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profits, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. no.	Key audit matter description	How the scope of our audit addressed the key audit matter
1	**Revenue recognition and measurement** Refer to Note 2 (Accounting policies) for revenue recognition and measurement, Note 25 of the Standalone Financial Statements for aggregate revenue from sale of goods recognised as required by the applicable Ind AS. For the year ended March 31, 2019, the Company recognised revenues from sale of goods aggregating to ₹ 103,036 lakh. The Company recognises revenue from sale of goods when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and the products have been delivered to the customer. Amounts disclosed as revenue are net of customer returns, trade allowance, rebates, goods and services tax and amount collected on behalf of third parties. **Risk identified:** Revenue is recognised when control of the underlying goods is transferred to the customer. There may be a risk of revenue being overstated due to pressure from Management to achieve performance targets at the reporting period end.	Our procedures included: **Accounting policies:** Assessing the Company's revenue recognition policies, including those related to discounts, rebates and returns by comparing with the applicable Ind AS. **Tests of controls:** Evaluating the design and testing the operating effectiveness of controls over the accuracy of discounts, incentives and rebates and correct timing of revenue recognition. **Tests of details:** - Verifying the supporting documentation for determining that the revenue was recognised in the correct accounting period. - Comparing the discounts, incentives and rebates with the prior year and, where relevant, performed further inquiries and testing. - Verifying the manual journals posted to revenue to identify unusual or irregular items. - To assess the recoverability of trade receivables, our procedures included an assessment of whether the provision against, or write off, impacted our view as to the initial recognition of the related revenue. **Performing substantive analytical procedures:** Developing an expectation of the current year revenue based on trend analysis and recent market conditions and growth of the Company and compared the same with the actuals, accompanied with further inquiries and testing. We also assessed as to whether the disclosures in respect of revenue were adequate.
2	**Property, Plant And Equipment Capitalisation** Refer to Note 2 (Accounting policies) for Property, Plant and Equipment measurement as required by the applicable Ind AS. During the year ending March 31, 2019, the Company has capitalised ₹ 14,937 lakh. **Risk identified:** Capitalisation of costs and the useful lives assigned to assets are areas of judgement by Management. These manifest themselves in the following two audit risks: – the risk that amounts being capitalised do not meet capitalisation criteria; and – the risk that the useful economic lives assigned to assets are inappropriate.	Our procedures included: **Accounting policies:** Assessing the Company's capitalisation process and policies, by comparing with the applicable Ind AS. **Tests of controls:** Evaluating the design and testing the operating effectiveness of controls over the accuracy of amount capitalised, estimation of useful life and correct timing of capitalisation. We determined that the operation of the controls provided to us with audit evidence in respect of the capitalisation of costs. **Tests of details:** We tested costs capitalised in the year and considered the ageing of assets in the course of construction. We assessed the nature of costs incurred in capital projects through testing of amounts recorded and considering whether the expenditure met the criteria for capitalisation under accounting standards. We found no material misstatements from our testing. We tested the controls over the annual review of asset lives. In addition, we tested whether Management's views on asset lives are supportable by considering our knowledge of the business. We also tested whether the prior year asset life review has been appropriately applied and assessed the judgements made by Management in the current year review.
3.	**System environment and internal controls** **Risk identified:** The IT and business process controls implemented might not be designed, implemented or operating in a manner conducive to the effective processing and reporting of financial information. The fragmented system environment introduces risks related to system access, change management, and we have accordingly designated this as a focus area in the audit. The risk of end user devices which are used to store or process the Company's information are encrypted to prevent breach of the Company's information. The risk of access to Operating system and SAP codes are given to appropriate persons.	Our procedures included: **Tests conducted:** Our response to the risks related to the system environment includes both the test of IT and business process controls. We also performed sufficient tests of details as part of our audit. We tested the Company's controls around access and change management related to key IT systems through our Information Technology specialist.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Director's Report and Report on Corporate Governance but does not include the financial statements and our auditor's report thereon which we obtained prior to the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance,but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.

  Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

  We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

  We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

  From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report)Order,2016,("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.
2. As required by 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, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid Standalone 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, 2019 which were taken on record by the Board of Directors and as certified by an external practising Company Secretary, none of the Directors of the Company are disqualified as on March 31, 2019, from being appointed as a Director in terms of section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i) The Standalone Financial Statements disclose the impact of pending litigations on the financial position of the Company. Refer Note 36 to the 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 41.5.2 to the 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 Reg. No.: 104607W / W100166

Daraius Z. Fraser
PARTNER
M. No.: 42454

Mumbai: May10, 2019.

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 Standalone Financial Statements for the year ended March 31, 2019:

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 Rs. 25.22 Lakh	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 Rs. 4.69 Lakh	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
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 Rs. 5.99 Lakh	190.90	2010-2016	CESTAT
		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
Property Tax	Property Tax demands.	630.53	1995 onwards	Navi Mumbai Municipal Corporation

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 loan obtained by the Company were applied for the purpose for which the loan 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 10, 2019.

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 Standalone Financial Statements for the year ended March 31, 2019.

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

We have audited the internal financial controls with reference to financial statements of ***NOCIL LIMITED*** ("the Company") as of March 31, 2019,in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

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

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

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

3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

In our opinion, to the best of our knowledge and according to the explanations given to us, the Company has,in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

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

Daraius Z. Fraser
PARTNER
M. No.: 42454

Mumbai: May 10, 2019.

BALANCE SHEET AS AT MARCH 31, 2019

(₹ in Lakhs)

Particulars	Note	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non - Current Assets			
(a) Property, Plant and Equipment	3	62,632	49,938
(b) Capital work-in-progress		13,051	3,916
(c) Investment Property	4	47	48
(d) Intangible assets	5	231	276
(e) Investments in Wholly Owned Subsidiary	6	2,504	2,504
(f) Financial Assets			
(i) Other Investments	7	2,234	5,197
(ii) Other financial assets	8	626	417
(g) Non - Current tax assets		460	350
(h) Other non - current assets	9	3,396	2,526
Total Non - Current Assets		**85,181**	**65,172**
Current Assets			
(a) Inventories	10	17,042	15,499
(b) Financial Assets			
(i) Investments	11	10,083	22,452
(ii) Trade receivables	12	23,219	24,336
(iii) Cash and cash equivalent	13	3,601	2,400
(iv) Bank balances other than (iii) above	14	289	359
(v) Other financial assets	15	26	19
(c) Other current assets	16	3,341	1,321
Total Current Assets		**57,601**	**66,386**
Total Assets		**1,42,782**	**1,31,558**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	17	16,542	16,448
(b) Other Equity	18	98,764	87,295
Total Equity		**1,15,306**	**1,03,743**
Liabilities			
Non-current liabilities			
(a) Provisions	19	1,464	1,527
(b) Deferred tax liabilities (Net)	33	10,536	10,026
(c) Other non - current liabilities	20	7	7
Total Non - Current Liabilities		**12,007**	**11,560**
Current Liabilities			
(a) Financial Liabilities			
(i) Trade payables			
(a) Total outstanding dues of micro and small enterprises	21	215	147
(b) Total outstanding dues to creditors other than micro and small enterprises	21	9,663	11,240
(ii) Other financial liabilities	22	4,710	3,653
(b) Other current liabilities	23	229	462
(c) Provisions	24	578	406
(d) Current tax liabilities		74	347
Total Current Liabilities		**15,469**	**16,255**
Total Equity and Liabilities		**1,42,782**	**1,31,558**

Significant accounting policies 2

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

In terms of our report attached.

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

For and on behalf of the Board of Directors

Hrishikesh A. Mafatlal
Chairman
DIN: 00009872

D.N. Mungale
Director & Chairman- Audit Committee
DIN: 00007563

S.R. Deo
Managing Director
DIN: 01122338

Daraius Z. Fraser
Partner
Membership No. 42454

P. Srinivasan
Chief Financial Officer

V. K. Gupte
Company Secretary

Place : Mumbai
Date : May 10, 2019

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Lakhs)

Particulars				Note	For the year ended March 31, 2019	For the year ended March 31, 2018
I	Revenue from operations			25	1,04,290	98,927
II	Other Income			26	1,001	1,433
III	**Total Income (I + II)**				**1,05,291**	**1,00,360**
IV	**EXPENSES**					
	(a)	Cost of materials consumed		27	49,556	44,419
	(b)	Purchases of Stock-in-trade			229	294
	(c)	Changes in stock of finished goods, work-in-progress and stock-in-trade		28	(3,103)	(651)
	(d)	Excise duty on sale of goods			-	2,163
	(e)	Employee benefit expense		29	6,779	6,739
	(f)	Finance costs		30	63	122
	(g)	Depreciation and amortisation expense		31	2,297	2,291
	(h)	Other expenses		32	21,801	19,676
	Total Expenses (IV)				**77,622**	**75,053**
V	**Profit Before Tax (III - IV)**				**27,669**	**25,307**
VI	**Tax Expense**					
	(a)	Current tax		33	8,398	8,563
	(b)	Deferred tax		33	862	(97)
	(c)	Excess Provision for tax relating to earlier years		33	-	(20)
	Total Tax Expense (VI)				**9,260**	**8,446**
VII	**Profit After Tax (V -VI)**				**18,409**	**16,861**
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)		(32)	(33)
			(b) Equity instruments through other comprehensive income		(2,963)	(839)
		(ii)	Income tax relating to items that will not be reclassified to profit or loss			
			(a) On Remeasurements of the defined benefit liabilities / (asset)	33	7	(13)
			(b) On Equity instruments through other comprehensive income	33	345	144
	Total Other Comprehensive Income for the year				**(2,643)**	**(741)**
IX	**Total Comprehensive Income for the year (VII+VIII)**				**15,766**	**16,120**
X	**Earnings Per Equity Share (Face Value ₹ 10/- each)**			34		
	(a)	Basic			11.14	10.27
	(b)	Diluted			11.08	10.15

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

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

For and on behalf of the Board of Directors

Hrishikesh A. Mafatlal
Chairman
DIN: 00009872

D.N. Mungale
Director & Chairman- Audit Committee
DIN: 00007563

S.R. Deo
Managing Director
DIN: 01122338

Daraius Z. Fraser
Partner
Membership No. 42454

P. Srinivasan
Chief Financial Officer

V. K. Gupte
Company Secretary

Place : Mumbai
Date : May 10, 2019

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Lakhs)

	Particulars	For year ended March 31, 2019	For year ended March 31, 2018
A	**Cash flows from operating activities**		
	Profit before tax	**27,669**	**25,307**
	Adjustments for:		
	Finance costs	63	122
	Interest income	(181)	(141)
	Dividend income	(484)	(621)
	Loss on disposal / scrapping / write off of property, plant and equipment	25	350
	Excess provision for earlier years written back	(177)	(109)
	Fair Value (gain)/loss on investments	(56)	(484)
	Depreciation / amortisation expenses	2,297	2,291
	Unrealised foreign exchange revalution	69	10
	Expense recognised in respect of equity-settled share-based payments	254	257
	Rent from Investment Property	(38)	(27)
	Income from Redemption of Mutual Fund	(242)	(48)
	Remeasurement of defined benefit liabilities / (assets) through OCI	(32)	(33)
	Operating profit before working capital changes (i)	**29,167**	**26,874**
	Adjustments for:		
	(Increase)/Decrease in Trade Receivables	1,028	(7,658)
	(Increase)/Decrease in Inventories	(1,544)	(4,068)
	(Increase)/Decrease in Other Assets - Current & Non Current	(1,943)	(518)
	(Increase)/Decrease in Other Financial Assets - Current & Non Current	(209)	85
	Increase/(Decrease) in Trade Payable	(1,272)	3,345
	Increase/(Decrease) in Provisions - Current & Non Current	109	(85)
	Increase/(Decrease) in Other Financial Liabilities - Current	58	243
	Increase/(Decrease) in Other Liabilities - Current	(226)	(360)
	Changes in Working Capital (ii)	**(3,999)**	**(9,016)**
	Cash generated from operations (iii) = (i-ii)	25,168	17,858
	Income taxes paid (Net of Refund) (iv)	(8,781)	(8,019)
	Net cash generated by operating activities (v)= (iii)-(iv)	**16,387**	**9,839**
B.	**Cash flows from investing activities**		
	Payments to acquire financial assets	(33,100)	(29,374)
	Proceeds on redemption of financial assets	45,895	19,971
	Interest received	89	120
	Dividends received	443	179
	Payments for purchase of property, plant and equipment	(23,510)	(4,711)
	Proceeds from disposal of property, plant and equipment	1	9
	Rent from Investment Property	38	27
	Payments for intangible assets	(34)	(7)
	Net cash (used in)/generated by investing activities (vi)	**(10,178)**	**(13,786)**
C.	**Cash flows from financing activities**		
	Proceeds from issue of equity instruments of the Company	510	413
	Repayment of borrowings	(500)	(1,000)
	Dividends paid to owners of the Company (including tax)	(4,902)	(3,499)
	Interest paid	(68)	(130)
	Net cash used in financing activities (vii)	**(4,960)**	**(4,216)**
	Net increase in cash and cash equivalents (v+vi+vii)	1,249	(8,163)
	Cash and cash equivalents at the beginning of the year	2,400	10,546
	Unrealised foreign exchange restatement in Cash and cash equivalents	(48)	17
	Cash and cash equivalents at the end of the year	**3,601**	**2,400**
	Reconciliation of cash and cash equivalents with the Balance Sheet:		
	Cash and cash equivalents at end of the year (including other bank balances)	3,890	2,759
	Less: Bank balances held as margin money against guarantees not considered as Cash and cash equivalents	(289)	(359)
	Cash and cash equivalents at end of the year	**3,601**	**2,400**

Note:

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

The above cash flow statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (IND AS - 7) "Statement of Cash Flow".

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

For and on behalf of the Board of Directors

Hrishikesh A. Mafatlal
Chairman
DIN: 00009872

D.N. Mungale
Director & Chairman- Audit Committee
DIN: 00007563

S.R. Deo
Managing Director
DIN: 01122338

Daraius Z. Fraser
Partner
Membership No. 42454

P. Srinivasan
Chief Financial Officer

V. K. Gupte
Company Secretary

Place : Mumbai
Date : May 10, 2019

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

(a) Equity share capital

(₹ in Lakhs)

Particulars	Amount
Balance as at April 1, 2017	**16,358**
Changes in equity share capital during the year:	
Issue of equity shares under employee stock option plan	90
Balance as at March 31, 2018	**16,448**
Changes in equity share capital during the year:	
Issue of equity shares under employee stock option plan	94
Balance as at March 31, 2019	**16,542**

(b) Other equity

(₹ in Lakhs)

Particulars	Other Equity					Other Comprehensive Income		Total
	Capital reserve	Securities premium	General reserve	Share options outstanding account	Retained earnings	Equity Instrument through OCI	Other Items of OCI	
Balance as at April 1, 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 dividend (₹ 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 as at March 31, 2018	**15**	**1,226**	**4,865**	**361**	**81,025**	**367**	**(564)**	**87,295**
Profit for the year	-	-	-	-	18,409	-	-	18,409
Other Comprehensive Income for the year, net of income tax	-	-	-	-	-	(2,619)	-	(2,619)
Remeasurement of Defined Benefit Obligation, net of income tax	-	-	-	-	-	-	(26)	(26)
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**18,409**	**(2,619)**	**(26)**	15,764
Premium on shares issued	-	610	-	-	-	-	-	610
Recognition of share based payments	-	-	-	61	-	-	-	61
Payment of dividend (₹ 2.50 per share) and Dividend distribution tax thereon	-	-	-	-	(4,966)	-	-	(4,966)
Balance as at March 31, 2019	**15**	**1,836**	**4,865**	**422**	**94,468**	**(2,252)**	**(590)**	**98,764**

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

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

For and on behalf of the Board of Directors

Hrishikesh A. Mafatlal
Chairman
DIN: 00009872

D.N. Mungale
Director & Chairman- Audit Committee
DIN: 00007563

S.R. Deo
Managing Director
DIN: 01122338

Daraius Z. Fraser
Partner
Membership No. 42454

P. Srinivasan
Chief Financial Officer

V. K. Gupte
Company Secretary

Place : Mumbai
Date : May 10, 2019

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

NOTE 1: GENERAL INFORMATION

a) Corporate information

NOCIL Limited (the Company) having Company Identification No: L99999MH1961PLC012003 was incorporated on May 11, 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 financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India under the historical cost convention on accrual basis at the end of each reporting period except for:

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

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

The financial statements have been prepared on going concern basis. The accounting policies are applied consistently to all periods presented in the financial statements. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III of the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for proceeding and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as not exceeding 12 months for the purpose of current or non-current classification of assets and liabilities.

The financial statements of the Company for the year ended March 31, 2019 have been approved for issue in accordance with the resolution of the Board of Directors on May 10, 2019.

c) Functional and presentational currency

The financial statements are presented in Indian Rupees (₹), which is the Company's functional and presentational currency. All amounts have been rounded to the nearest lakhs, 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)).
- Recognition and measurement of defined benefit obligations (Note 2(k) and Note 39).
- Fair valuation of employee share options (Note 2(l) and Note 38).
- Discounting of long-term financial liabilities.
- Fair value of financial instruments (Note 1(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 valuers, broker quotes or pricing services, is used to measure fair values, then the Management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly (i.e. as prices)or indirectly (i.e. derived from prices).

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

- Level 3 inputs for the assets or liability that are not based on observable market data (unobservable inputs).

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

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

f) 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 116 – Leases: This Standard is effective for annual periods beginning on or after 1 April, 2019, The Company is in the process of identifying such lease contracts which will impact the financial statements upon initial application of this standard. Management does not estimate the impact of the same to be significant.

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 the Statement of Profit and Loss.

Depreciation is provided, under the Straight Line Method basis so as to write off the original cost of the asset less its estimated residual value over the estimated useful life. The Management's estimate of useful lives is in accordance with Schedule II to the Companies Act, 2013. Assets costing ₹ 50,000 or less are fully depreciated in the year of purchase. Leasehold land is amortised on a straight line basis over the period of the lease.

b) Investment Property

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

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

Investment properties are de-recognised either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the Statement of Profit and Loss in the period of de-recognition.

c) Intangible Assets

Intangible assets that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortised over their estimated useful life. The useful life of intangible assets are assessed as either finite or infinite. Amortisation is recognised on a straight line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Estimated useful lives of finite intangible assets are as follows:

Patents	10 years
Software	3 years

Changes in the expected useful life are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are 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.

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.

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 (FVTOCI).

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

Trade Receivables and Loans:

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Debt Instruments:

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

- the Company's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset.

Measured at amortised cost:

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

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

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are 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 derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'Other Income' in the Statement of Profit and Loss.

Measured at Fair Value Through profit and Loss (FVTPL):

A financial asset not classified as either amortised cost or 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 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 full disposal of the investments.

Impairment of financial assets:

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

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

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

De-recognition of financial assets:

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

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

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

Financial liabilities

Initial recognition

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

the amortised cost unless at initial recognition, they are classified as fair value through profit and loss. In case of trade payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised cost, using the effective interest method.

Subsequent Measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss. The interest expenses using the effective interest method is recognised over the relevant period of the financial asset. The same is included under Finance cost in the Statement of profit and Loss unless it is capitalised as part of cost of an item of Property, Plant and Equipment.

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

Effective April 1, 2018, the company has applied Ind AS 115 – Revenue from Contracts with Customers which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognized. Ind AS 115 replaces Ind AS 18 Revenue. The impact of the adoption of the standard on the financial statements of the Company is insignificant.

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 shareholder's right to receive payment has been established.

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that discounts the estimated future cash payments or receipts through the expected life of the financial instruments or a shorter period, where appropriate, to the net carrying amount of the financial assets. Interest income is included in other income in the Statement of Profit and Loss.

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Post-Employment Benefits:

(a) Defined Contribution Plans

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

(b) Defined Benefit Plans

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

(c) Other Long-Term Employee Benefits

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd..)

NOTE 3 : PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars		Land - Leasehold	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
I.	**Gross Carrying Value**							
	Balance as at April 1, 2018	24,413	8,228	32,167	323	195	368	65,694
	Additions	-	3,354	11,336	111	83	53	14,937
	Disposals	-		(122)			(5)	(127)
	Balance as at March 31, 2019	**24,413**	**11,582**	**43,381**	**434**	**278**	**416**	**80,504**
II.	**Accumulated depreciation and impairment for the year 2018-19**							
	Balance as at April 1, 2018	894	1,593	12,893	165	88	123	15,756
	Depreciation expense for the year	448	316	1,300	78	29	46	2,217
	Eliminated on disposal of assets	-		(96)			(5)	(101)
	Balance as at March 31, 2019	**1,342**	**1,909**	**14,097**	**243**	**117**	**164**	**17,872**
III.	**Net Carrying value as at March 31, 2019 (I-II)**	**23,071**	**9,673**	**29,284**	**191**	**161**	**252**	**62,632**

(₹ in Lakhs)

Particulars		Land - Leasehold	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
I.	**Gross Carrying Value**							
	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 2017-18**							
	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 Carrying value as at March 31, 2018 (I-II)**	**23,519**	**6,635**	**19,274**	**158**	**107**	**245**	**49,938**

Notes:

a) **Assets charged against borrowing** *(₹ in Lakhs)*

Particulars	As at March 31, 2019	As at March 31, 2018
Property Plant & Equipment offered as secured against term loans from banks	-	**27,296**

b) **Property, Plant & Equipment relating to approved R & D facility included above is as under:**

(₹ in Lakhs)

Particulars	Gross Block	Depreciation	Net Block
Balance as at April, 1, 2018	547	291	256
Additions during the year	35		35
Depreciation expense for the year		43	(43)
Disposals / Deletions	(3)	(1)	(2)
Balance as at March 31, 2019	**579**	**333**	**246**

c) **Additions during the year includes preoperative expenses of ₹ 977 lakhs incurred during the course of construction.**

d) **Refer Note 36(b) for disclosure of contractual commitment for acquisition of Property, Plant and Equipment.**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd..)

NOTE 4: INVESTMENT PROPERTY

(₹ in Lakhs)

Particulars	Buildings	Total
I. Gross Carrying Value		
Balance as at April 1, 2018	83	83
Additions	-	-
Disposals	-	-
Balance as at March 31, 2019	83	83
II. Accumulated depreciation and impairment for the year 2018-19		
Balance as at April 1, 2018	35	35
Depreciation expense for the year	1	1
Eliminated on disposal of assets	-	-
Balance as at March 31, 2019	36	36
III. Net Carrying value as at March 31, 2019 (I-II)	47	47

Particulars	Buildings	Total
I. Gross Carrying Value		
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 2017-18		
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 Carrying value as at March 31, 2018 (I-II)	48	48

Note:

a. **Fair value disclosures**

The fair value of the Company's investment properties as at March 31, 2019 and March 31, 2018 has been arrived at on the basis of a valuation carried out on the respective dates by independent & government certified valuer not related to the Company. The fair value was determined based on the comparable sale and market analysis approach based on recent market prices without any significant adjustments being made to the market observable data. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

Details of the Company's investment properties and information about the fair value hierarchy as at March 31, 2019 and March 31, 2018 are as follows:

(₹ in Lakhs)

Particulars	Amount	Fair value hierarchy
As at March 31, 2019		
Fair value of Investment property - Residential Units located in India	1,297	Level 2
As at March 31, 2018		
Fair value of Investment property - Residential Units located in India	1,224	Level 2

b. The company has no restriction on the releasability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd..)

c. Information regarding Income and Expenditure of Investment Property

(₹ in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Rental Income derived from Investment Properties	32	26
Less: Direct Operating Expenses	(9)	(5)
Gain arising from Investment properties before depreciation	23	21
Less: Depreciation	(1)	(2)
Net Gain arising from Investment properties	22	19

NOTE 5 : INTANGIBLE ASSETS

(₹ in Lakhs)

Particulars	Patents	Software	Total
I. Gross Carrying Value			
Balance as at April 1, 2018	453	325	778
Additions	-	34	34
Disposals	-	-	-
Balance as at March 31, 2019	453	359	812
II. Accumulated amortisation for the year 2018-19			
Balance as at April 1, 2018	337	165	502
Amortisation expense for the year	42	37	79
Eliminated on disposal of assets	-	-	-
Balance as at March 31, 2019	379	202	581
III. Net Carrying value as at March 31, 2019 (I-II)	**74**	**157**	**231**

Particulars	Patents	Software	Total
I. Gross Carrying Value			
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 2017-18			
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 Carrying value as at March 31, 2018 (I-II)	**116**	**160**	**276**

Note:

a) Intangible Assets relating to approved R & D facility included above is as under:

(₹ in Lakhs)

	Gross Block	Amortisation	Net Block
Balance as at April, 1, 2018	14	4	10
Additions during the year	16		16
Amortisation expense for the year		2	(2)
Balance as at March 31, 2019	**30**	**6**	**24**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd..)

NOTE 6: INVESTMENT IN WHOLLY OWNED SUBSIDIARY

(₹ in Lakhs)

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of shares	Amount	No. of shares	Amount
Unquoted Investments in equity shares				
In Wholly owned Subsidiary (at cost)				
PIL Chemicals Limited (₹ 10/- each, fully paid-up)	83,54,833	2,504	83,54,833	2,504
Total	**83,54,833**	**2,504**	**83,54,833**	**2,504**
Aggregate Amount of Unquoted Investments		2,504		2,504

NOTE 7: NON CURRENT INVESTMENTS

(₹ in Lakhs)

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of shares	Amount	No. of shares	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	2,117	19,54,695	5,102
-HDFC Bank Limited (₹ 2/- each, fully paid-up)	5,000	116	5,000	94
Total Quoted Investments (A)		**2,233**		**5,196**
(ii) Unquoted Investments (all fully paid)				
(at fair value through other comprehensive income (FVTOCI))				
- The Bharat Co-Operative Bank Limited (₹ 10/- each, fully paid-up)	10,000	1	10,000	1
- Shree Balaji Sahakari Sakhar Karkhana Limited * (₹ 2,000/- each, fully paid-up)	1	0	1	0
- Mafatlal Engineering Industries Limited (₹ 100/- each, fully paid-up)	17,101	18	17,101	18
Less: Provision for Impairment		(18)		(18)
		-		-
Total Unquoted Investments (B)		**1**		**1**
Total Investments (A+ B)		**2,234**		**5,197**
Aggregate Amount of Quoted Investments		2,233		5,196
Market Value of Quoted Investments		2,233		5,196
Aggregate Amount of Unquoted Investments (At Cost)		19		19
Aggregate Amount of Impairment in the Value of Investments		18		18

**** Amount less than ₹ 0.50 lakhs***

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd..)

NOTE 8: NON CURRENT - OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Financial Assets (at amortised cost)		
Security Deposits		
- Unsecured, considered good	624	417
- Unsecured, considered doubtful	300	300
Less : Allowance for bad and doubtful deposits	(300)	(300)
	624	**417**
Loans to employees		
- Unsecured, considered good	2	-
Total	**626**	**417**

NOTE 9: OTHER NON CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with Government Authorities (other than income taxes)		
- CENVAT Credit Receivable	335	335
- VAT Credit Receivable	1,022	1,019
- Service Tax Credit Receivable	6	14
- Others	26	26
	1,389	**1,394**
Less: Provision	(302)	(302)
	1,087	**1,092**
Capital Advances	2,260	1,382
Prepaid Expenses	49	52
Total	**3,396**	**2,526**

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

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Raw materials	8,258	9,844
Work-in-progress	1,687	740
Finished goods	6,470	4,307
Stock-in-trade	2	9
Stores and spares	625	599
Total	**17,042**	**15,499**

Included above, goods-in-transit:		
(i) Raw materials	1,079	216
(ii) Finished goods	32	138
Total	**1,111**	**354**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd..)

NOTE 11: FINANCIAL ASSETS - CURRENT INVESTMENTS

(₹ in Lakhs)

Particulars	As at March 31, 2019		As at March 31, 2018	
	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	2,77,13,003	4,016	1,16,18,106	1,584
ICICI Prudential Ultra Short Term Fund	29,94,478	565	29,94,478	525
ICICI Prudential Equity Savings 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 Credit Risk Fund	-	-	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 Risk Fund			95,27,076	1,021
HDFC Regular Saving Fund - Regular Plan- Growth	-	-	74,57,497	2,568
HDFC Corporate Bond Fund	-	-	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 Credit Risk Fund	-	-	40,50,190	524
Kotak Equity Arbitrage Fund-Direct Plan- Reinvest	1,36,74,965	1,505	-	-
ABSL Corporate Bond Fund - Direct- Growth	6,98,032	504	-	-
Kotak Corporate Bond Fund- Direct-Growth	19,893	503	-	-
ABSL-FTP-Series SJ-Direct Growth	20,00,000	202	-	-
IDFC Fixed Term Plan Series 177 Direct Plan (1160 Days)	20,00,000	202	-	-
Total (A)		**7,497**		**21,926**
(b) Other Investments (at amortised cost)				
Intercorporate deposits with Bajaj Finance Limited		-		526
Intercorporate deposits with HDFC Ltd		2,586		-
Total (B)		**2,586**		**526**
Total Investments (A+B)		**10,083**		**22,452**
Aggregate Amount of Impairment in the Value of Investments		-		-
Aggregate Amount of Unquoted Investments (At Cost)		10,083		22,452

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd..)

NOTE 12 : CURRENT FINANCIAL ASSETS -TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Trade receivables		
(a) Considered good - Secured	-	-
(b) Considered good - Unsecured	23,219	24,336
(c) Which have significant increase in Credit Risk	-	-
(d) Credit impaired	2	2
Less: Allowance for doubtful debts	(2)	(2)
Total	**23,219**	**24,336**

NOTE 13: CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Cash on hand	11	10
Balances with banks	3,590	2,390
Total	**3,601**	**2,400**
Cash and cash equivalents as per statement of cash flows	3,601	2,400

NOTE 14: CURRENT FINANCIAL ASSETS - OTHER BANK BALANCES

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Earmarked balances with bank		
Unpaid dividend account	289	225
Margin money deposit	-	134
Total	**289**	**359**

NOTE 15: CURRENT - OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Financial Assets (at amortised cost)		
Loans to employees		
- Unsecured, considered good *	1	0
Interest accrued on Security deposits	25	19
Total	**26**	**19**

**** Amount less than INR 0.50 lakhs***

NOTE 16: OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Advances to suppliers and Others	746	620
Balances with government authorities (other than income taxes)		
- GST Credit Receivable	1,437	73
Prepaid expenses	543	260
Export incentive receivable	613	308
Advance to a Related Party	-	59
Other Advances	2	1
Total	**3,341**	**1,321**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd..)

NOTE 17 : EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at March 31, 2019		As at March 31, 2018	
	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
Issued and subscribed:				
Equity shares of ₹ 10/- each	16,54,18,830	16,542	16,44,77,680	16,448
Issued, Subscribed and Fully Paid:				
Equity shares of ₹ 10/- each	16,54,18,830	16,542	16,44,77,680	16,448

(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 (refer note 18 on details of dividend paid / proposed).

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, 2019		As at March 31, 2018	
	No. of shares	*Amount*	No. of shares	*Amount*
Equity Shares Outstanding at the beginning of the year	16,44,77,680	16,448	16,35,83,180	16,358
Add: Allotment pursuant to exercise of stock options granted under Company's employee stock option plan (refer Note 38)	9,41,150	94	8,94,500	90
Equity Shares Outstanding at the end of the year	**16,54,18,830**	**16,542**	**16,44,77,680**	**16,448**

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

Name of shareholder	As at March 31, 2019		As at March 31, 2018	
	No. of shares	Percentage	No. of shares	Percentage
Mafatlal Industries Limited	2,52,59,059	15.27%	2,60,07,919	15.81%
Suremi Trading Private Limited	2,03,69,204	12.31%	2,03,69,204	12.38%
Sushripada Investments Private Limited	89,60,880	5.42%	89,60,880	5.45%

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

Share options granted but not exercised under Company's share option plan carry no rights to dividend and no voting rights. Further details of the employee share option plan are provided in Note 38.

As at March 31, 2019, 23,08,750 equity shares (as at March 31, 2018, 28,95,000 equity shares) of ₹ 10 each were reserved for outstanding employee share option granted.

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

- No Class of Shares were alloted as fully paid up pursuant to contract without payment being received in cash.

- No Class of Shares were alloted as fully paid up by way of bonus shares for consideration other than cash.

- No Class of Shares were bought back by the company.

(vi) There are no calls unpaid.

(vii) There are no forfeited shares.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd..)

NOTE 18 :OTHER EQUITY

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Capital reserve	15	15
Securities premium	1,836	1,226
General reserve	4,865	4,865
Share options outstanding account	422	361
Retained earnings	94,468	81,025
Equity Instrument Through Other Comprehensive Income	(2,252)	367
Other Items of Other Comprehensive Income		
- Remeasurements of Defined Benefit Obligation	(590)	(564)
Total	**98,764**	**87,295**

(i) Nature and purpose of each reserve within Other equity

Securities premium account:

Where company issues shares at a premium, a sum equal to the aggregate amount of the premium received on those shares shall be transferred to a "securities premium account" as per the provisions of applicable Companies Act. It can be utilised in accordance with the provisions of the Act, to issue bonus shares, to provide for premium on redemption of shares or debentures,write-off equity related expenses like underwriting costs, etc.

General reserve:

The general reserve comprises of transfer of profits from retained earnings for appropriation purposes. The reserve can be distributed/ utilised by the 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 38.

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, 2019. 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. During the current year, the Company has paid dividend of ₹ 2.50 per share for the year ended March 31,2018 post approval in the 56th Annual General Meeting of the Company.

NOTE 19: NON CURRENT PROVISIONS

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits (Refer Note 39)	1,464	1,527
Total	**1,464**	**1,527**

NOTE 20 : OTHER NON CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for customs duty	7	7
Total	**7**	**7**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd..)

NOTE 21 : CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Trade payables:		
(a) Payable to Micro and Small enterprises (Refer Note below)	**215**	**147**
(b) Payable to Others		
i) Acceptances	2,417	5,111
ii) Other than Acceptances	7,246	6,129
	9,663	**11,240**
Total	**9,878**	**11,387**

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, 2019	As at March 31, 2018
a) The principal amount remaining unpaid to any supplier at the end of the year	215	147
b) Interest due remaining unpaid to any supplier at the end of the year (*)	0	-
c) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act,2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
d) The amount of interest due and payable for the delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act,2006	-	-
e) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
f) The amount of further interest remaining due and payable even in the succeeding years until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act ,2006	-	-

(*) Amount less than INR 0.50 lakhs

NOTE 22 : CURRENT FINANCIAL LIABILITIES - OTHERS

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Financial liabilities (at amortised cost) :		
Current maturities of long term loans from banks (Refer note (a) below)	-	500
Security Deposits	376	277
Interest accrued but not due on borrowings	-	5
Unclaimed dividends (Refer note (b) below)	289	225
Payables for capital supplies	2,890	1,450
Salary,wages and bonus payable	910	736
Contribution payable towards employee benefits	84	329
Other payables	161	131
Total	**4,710**	**3,653**

Notes:

a) During the previous year, the Company had Fixed interest rate loans from a bank with remaining maturity periods not exceeding 1 year. These were 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.

b) There are no amounts due for payment to the Investor Education and Protection Fund under section 125 of the Companies Act, 2013 at the end of the current financial year.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd..)

NOTE 23 : OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Advances received from customers	76	108
Statutory remittances	152	351
Other liabilities	1	3
Total	**229**	**462**

NOTE 24: CURRENT PROVISIONS

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits (Refer Note 39)	578	406
Total	**578**	**406**

NOTE 25: REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Sale of goods (including Excise Duty)*	103,036	97,684
Other operating revenues		
Sale of scrap	148	271
Profit on Sale of Raw Material	39	
Duty drawback and other export incentives	841	418
VAT Refund	-	368
Cash Discounts Received	31	32
Excess provision for earlier years written back	177	109
Miscellaneous income	18	45
Total	**104,290**	**98,927**

* Sales for the year ended March 31,2019 is net of Goods and Service Tax (GST), however sales for the year ended March 31,2018 is inclusive of Excise Duty (up to June 30, 2017). Excise duty expense amounting to ₹ Nil (previous year ₹ 2,163 lakhs) is presented separately on the face of the Statement of Profit and Loss for the year ended March 31, 2019.

NOTE 26: OTHER INCOME

(₹ in Lakhs)

Particulars		For the year ended March 31, 2019	For the year ended March 31, 2018
a)	**Interest Income on**		
	- Bank deposits	9	29
	- Staff Loan*	0	0
	- Income Tax/VAT Refund	7	-
	- Intercorporate Deposits	135	86
	- Other Deposits	30	26
		181	**141**
b)	**Dividend income from**		
	- Dividend reinvestment of Mutual Fund	433	487
	- Equity investments	51	134
		484	**621**
c)	**Other gains and losses**		
	- Net gain arising on short term financial investments mandatorily measured at FVTPL	56	484
	- Net foreign exchange gain	-	112
		56	**596**
d)	**Other non-operating income**		
	- Rent from investment property	38	27
	- Income from Redemption of Mutual Fund	242	48
		280	**75**
Total		**1,001**	**1,433**

*** Amount Less than ₹ 0.50 Lakhs**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd..)

NOTE 27: COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Opening stock	9,844	5,476
Add: Purchases (Net)	47,970	48,787
	57,814	54,263
Less: Closing stock	8,258	9,844
Total	**49,556**	**44,419**

NOTE 28 : CHANGES IN STOCK OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

(₹ in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Closing stock		
- Finished goods	6,470	4,307
- Work in progress	1,687	740
-Stock-in-trade	2	9
	8,159	**5,056**
Opening stock		
- Finished goods	4,307	4,358
- Work in progress	740	856
-Stock-in-trade	9	21
	5,056	**5,235**
Decrease in excise duty on closing stock of finished products	-	(830)
Net Increase in Inventories	**(3,103)**	**(651)**

NOTE 29: EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries, wages and bonus	5,525	5,352
Contribution to provident and other funds	335	562
Employee Share based payment (Refer Note 38)	254	257
Staff welfare expenses	665	568
Total	**6,779**	**6,739**

NOTE 30: FINANCE COST

(₹ in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest cost - on financial liability (at amortised cost)		
a) Borrowings from banks	16	100
b) Security deposits and others	47	22
Total	**63**	**122**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd..)

NOTE 31: DEPRECIATION AND AMORTISATION EXPENSES

(₹ in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Depreciation of Property, Plant and Equipment (Refer Note 3)	2,217	2,208
Depreciation of Investment Properties (Refer Note 4)	1	2
Amortisation of Intangible Assets (Refer Note 5)	79	81
Total	**2,297**	**2,291**

NOTE 32: OTHER EXPENSES

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2018
Power & Fuel oil consumed	7,044	6,006
Processing charges	3,381	3,324
Selling and Distribution expenses	3,219	2,926
Consumption of packing materials	1,454	1,372
Stores and spares consumed	979	1,021
Rent including lease rentals	286	278
Repairs and maintenance:		
- Plant & machinery	934	876
- Buildings	327	186
Insurance charges	139	96
Rates and taxes	143	179
Auditors remuneration and out-of-pocket expenses (Refer Note (a))	30	32
Loss on fixed assets sold/scrapped/written off	25	350
Expenses on corporate social responsibility (Refer Note (b))	369	250
Net Foreign Exchange Loss	422	-
Provision for Doubtful Debt	-	2
Sitting Fees and Commission Paid to Directors	189	165
Other General Expenses	2,860	2,613
Total	**21,801**	**19,676**

Note (a)

(₹ in Lakhs)

Auditors remuneration and out-of-pocket expenses (net of service tax and GST):	For the year ended March 31, 2019	For the year ended March 31, 2018
(i) As Auditors	26	29
(ii) Other services - Certification work	4	2
(iii) Auditors out-of-pocket expenses*	0	1
Total	**30**	**32**

*** Amount Less than Rs 0.50 Lakhs**

Note (b)

Corporate Social Responsibility

The Company has spent ₹ 369 lakhs duirng the financial year (Previous Year: ₹ 250 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 ₹ 368 lakhs (Previous Year ₹ 250 lakhs)

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd..)

(c) Amount spent during the year : *(₹ in Lakhs)*

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2018
i) On Construction / acquisition of any asset	-	-
ii) On Education, Health, Poverty alleviation, others	369	250
Total	**369**	**250**

NOTE 33: CURRENT TAX AND DEFERRED TAX

(₹ in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Income Tax Expense recognised in Statement of Profit and Loss		
Current Tax:		
Current Income Tax Charge	8,398	8,563
Adjustments in respect of prior years	-	(20)
Total	**8,398**	**8,543**
Deferred Tax		
In respect of current year	862	(97)
Total	**862**	**(97)**
Total tax expense recognised in Statement of Profit and Loss	**9,260**	**8,446**
(b) Income Tax recognised in other Comprehensive Income		
Deferred Tax (Liabilities)/Assets:		
Remeasurement of Defined Benefit Obligations	7	(13)
Net fair value (gain)/loss on investments in equity shares at FVTOCI	345	144
Total	**352**	**131**
(c) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:		
Profit before tax	27,669	25,307
Less: Income taxed at different tax rate	5	(48)
Profit before tax	**27,664**	**25,259**
Income Tax using the Company's domestic Tax rate #	9,669	8,742
Effect of expenses that are not deductible in determining taxable profit	433	309
Effect of income that is not taxable in determining taxable profit	(178)	(106)
Effect of expenditure eligible for weighted deduction/ expenditure not debited to Profit and Loss but allowable as deduction	(582)	(517)
Effect of reversal of deferred tax liability (Net)	(83)	(53)
Effect on deferred tax balances due to the change in income tax rate from 34.608% to 34.94% (effective 01.04.2018)	-	83
Effect of income taxed at different rate	1	8
Adjustments in respect of prior years	-	(20)
Income tax expense recognised in Statement of Profit and Loss	**9,260**	**8,446**

The tax rate used for the reconciliations above is the corporate tax rate plus surcharge (as applicable) on corporate tax, education cess and secondary and higher education cess on corporate tax ,payable by corporate entities in India on taxable profits under Income Tax Act, 1961.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd..)

(d) Movement of Deferred Tax

Deferred tax (assets)/liabilities in relation to the Year Ended March 31, 2019

(₹ in Lakhs)

Particulars	Opening Balance	Recognised in statement of Profit and Loss	Recognised in OCI	Closing Balance
Property, Plant and Equipment, Investment properties and Intangible assets	9,833	766	-	10,599
Financial asset measured at FVTOCI	(144)	-	(345)	(489)
Financial asset measured at FVTPL	9	10	-	19
Defined benefit obligation	(653)	(20)	(7)	(680)
Provision for doubtful debts / advances	(212)	106	-	(106)
Payment for voluntary retirement scheme	(0)	-	-	(0)
Other non financial assets	1,193	-	-	1,193
Net Tax (Assets)/Liabilities	**10,026**	**862**	**(352)**	**10,536**

Deferred tax (assets)/liabilities in relation to the Year Ended March 31, 2018

(₹ in Lakhs)

Particulars	Opening Balance	Recognised in statement of Profit and Loss	Recognised in OCI	Closing Balance
Property, Plant and Equipment, Investment properties and Intangible assets	9,801	32	-	9,833
Financial asset measured at FVTOCI	-	-	(144)	(144)
Financial asset measured at FVTPL	-	9	-	9
Defined benefit obligation	(684)	18	13	(653)
Provision for doubtful debts / advances	(111)	(101)	-	(212)
Payment for voluntary retirement scheme	(14)	14	-	(0)
Other non financial assets	1,262	(69)	-	1,193
Net Tax (Assets)/Liabilities	**10,254**	**(97)**	**(131)**	**10,026**

NOTE 34: EARNINGS PER SHARE

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
1. Calculation of weighted average number of equity shares - Basic		
(a) Number of equity shares at the beginning of the year (in units)	16,44,77,680	16,35,83,180
(b) Number of equity shares issued during the year (in units)	9,41,150	8,94,500
(c) Number of equity shares outstanding at the end of the year (in units)	16,54,18,830	16,44,77,680
(d) Weighted number of equity shares outstanding during the year (in units)	16,52,50,999	16,42,30,111
2. Calculation of weighted average number of equity shares - Diluted		
(a) Number of potential equity shares at the beginning of the year (in units)	16,73,72,680	16,70,33,580
(b) Number of potential equity shares outstanding at the end of the year (in units)	16,77,27,580	16,73,72,680
(c) Weighted number of potential equity shares outstanding during the year (in units)	16,61,14,870	16,61,98,277
3. Profit for the year (₹ in lakhs)	**18,409**	**16,861**
(a) Basic Earnings per share of ₹ 10/- each (3/1(d))	11.14	10.27
(b) Diluted Earnings per share of ₹ 10/- each (3/2(c))	11.08	10.15

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd..)

NOTE 35: LEASES

Operating lease arrangements

Company as lessee

The Company has entered into operating lease arrangements for certain premises (residential, offices, godowns etc.) and plant and machineries. These lease arrangements are ranging between 11 months to 60 months generally or longer and are renewable by mutual consent or mutually agreeable terms.

The specified disclosure in respect of these agreements is given below: *(₹ in Lakhs)*

Particulars	As at March 31, 2019	As at March 31, 2018
Charged to Statement of Profit and Loss	**286**	**278**
Future Minimun Lease rentals Payable under non-cancellable operating leases are as follows:		
Within one year	89	29
After one year but not more than five years	17	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 ₹ 38 lakhs (2017-18: ₹ 27 lakhs) on such lease is included in Other Income.

NOTE 36: CONTINGENT LIABILITIES AND COMMITMENTS *(TO THE EXTENT NOT PROVIDED FOR)*

(₹ in Lakhs)

Particulars		As at March 31, 2019	As at March 31, 2018
(a)	**Contingent liabilities :**		
	Claims against the Company not acknowledged as debts (including Direct and Indirect taxes)	1,208	968
(b)	**Commitments :**		
	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	10,074	7,538
	The Company did not have any long-term contracts including derivative contracts for which any provision was required for foreseeable losses.		

NOTE 37: DETAILS OF EXPENDITURE AND INCOME ON INHOUSE APPROVED RESEARCH AND DEVELOPMENT (R & D) FACILITY

(₹ in Lakhs)

Particulars (as defined and bifurcated by the management of the company)		For the Year ended March 31, 2019	For the Year ended March 31, 2018
(i)	**Capital expenditures**		
	(a) Capital equipments	35	20
(ii)	**Revenue expenditures**		
	(a) Salaries / wages	306	428
	(b) Travelling & Conveyance Expenses	20	21
	(c) Repairs & Maintainance	53	30
	(d) Communication Expenses	1	1
	(e) Materials/Consumables	23	23
	(f) Housekeeping	2	2
	(g) Others	14	12
	(h) Depreciation	46	37
	Total revenue expenditure (a) to (h)	**465**	**554**
(iii)	**Total R & D expenditure (i+ii)**	**500**	**574**
(iv)	**Amount received by R & D facilities**	-	-
(v)	**Net amount of R & D expenditure (iii-iv)**	**500**	**574**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd..)

NOTE 38: SHARE BASED PAYMENTS

38.1 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 options vest 25% every year ('graded vesting'). The options granted can be exercised at any time until completion of ten years from the date of grant, subject to the vesting schedule. Any options remaining unexercised at the end of the exercise period shall lapse.

The number of options granted is calculated in accordance with the performance-based formula approved by the shareholders at a previous annual general meeting and is subject to approval by the nomination and remuneration committee.

The share-based payments to employees being equity-settled are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the 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 values:

Grant series and grant year	Expiry Year	Exercise price ₹	Fair value ₹	March 31, 2019 Number of options	March 31, 2018 Number of options
Grant 1 - 2007-08	2017-18	23.40	15.72	-	-
Grant 2 - 2009-10	2019-20	25.35	16.06	-	-
Grant 3 - 2010-11	2020-21	20.60	10.59	-	-
Grant 4 - 2011-12	2021-22	16.65	9.02	-	-
Grant 5 - 2015-16	2025-26	37.65	16.27	3,43,250	7,76,000
Grant 6 - 2016-17	2026-27	52.85	19.44	4,58,600	7,15,925
Grant 7 - 2016-17	2026-27	84.05	28.74	8,12,900	10,63,975
Grant 8 - 2017-18	2027-28	188.35	69.28	3,39,100	3,39,100
Grant 9 - 2018-19	2028-29	142.45	46.27	3,54,900	-
Total				**23,08,750**	**28,95,000**
Weighted average remaining contractual life of options outstanding at the end of year				8.31	8.85

Fair value of share options granted in the year:

The weighted average fair value of the share options granted during the financial year is ₹ 46.27 (Previous year: ₹ 69.28). 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, 2019 Grant 9	March 31, 2018 Grant 8
Grant date share price (₹)	142.45	188.35
Exercise price (₹)	142.45	188.35
Expected volatility (%)	38%	41.30%
Expected life of the options	4 years	4 years
Expected dividend (%)	1.93%	2.50%
Risk free interest rate (%)	6.97%	7.41%
Expiry Year	2028-29	2027-28

Basis of assumptions:

1. The risk free interest rates are determined based on the zero-coupon sovereign bond yields with maturity equal to the expected term of the option.
2. The expected volatility was determined based on the volatility of the equity share for the period of one year prior to the issue of options. Volatility calculation is based on historical stock prices using standard deviation of daily change in stock price. The historical period is taken into account to match the expected life of the option.
3. Dividend yield has been calculated taking into account expected rate of dividend on equity share price as on grant date.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd..)

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

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Balance at beginning of period not exercised	28,95,000	76.11	34,50,400	57.29
Granted during the period	3,54,900	142.45	3,39,100	188.35
Exercised during the period	(9,41,150)	54.18	(8,94,500)	46.06
Balance at end of period	**23,08,750**	**95.25**	**28,95,000**	**76.11**
Exercisable at the end of the year	3,17,575		3,11,350	

The weighted average share price at the dates of exercise of options exercised during the year ended March 31, 2019 was ₹ 152.20 (year ended March 31, 2018 : ₹ 187.33)

NOTE 39: 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 in which they are incurred. The benefits are paid to employees on their retirement or resignation from the Company.

b) Superannuation fund

The Company holds two in-house superannuation funds which appropriates funds to Life Insurance Corporation of India (the insurer) at the time of retirement/resignation of employee. The pension annuity is met by the Insurer as required, taking into consideration the contributions made. The Company has no further obligations under the scheme beyond its monthly contributions which are charged to the Statement of Profit and Loss in the period in which they are incurred.

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, 2019	For the Year ended March 31, 2018
i) Employer's Contribution to Provident Fund and Pension	223	206
ii) Employer's Contribution to Superannuation Fund	59	61
Total	**282**	**267**

(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 40). The Company accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation using Projected Unit Credit method determined in accordance with the terms of The Payment of Gratuity Act, 1972.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd..)

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, 2019 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, 2019	As at March 31, 2018
1. Discount rate	7.47%	7.56%
2. Salary escalation	6.00%	6.00%
3. Rate of Employee Turnover	6.00%	6.00%
4. Mortality rate	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

B. Expenses recognised in the Statement of Profit and Loss *(₹ in Lakhs)*

Particulars	Gratuity (Funded)	
	Year ended March 31, 2019	Year ended March 31, 2018
Service cost:		
Current service cost	87	97
Past service cost	-	1
Net Interest cost	74	76
Components of defined benefit costs recognised in the Statement of Profit and Loss	**161**	**174**

The current service cost and the net interest expenses for the year are included in the 'Employee benefits expenses' line item in the Statement of Profit and Loss.

Net Interest Cost recognised in the Statement of Profit and Loss: *(₹ in Lakhs)*

Particulars	Gratuity (Funded)	
	Year ended March 31, 2019	Year ended March 31, 2018
Interest Cost	202	204
Interest Income	(128)	(128)
Net interest cost recognised in the Statement of Profit and Loss	**74**	**76**

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

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
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	6	(37)
Actuarial (Gains)/Losses on Obligation For the Period - Due to experience adjustment	9	65
Return on Plan Assets, Excluding Interest Income	17	5
Change in Asset Ceiling	-	-
Net (Income)/Expense recognised in OCI	**32**	**33**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd..)

D. Amount recognised in the Balance Sheet *(₹ in Lakhs)*

Particulars	As at March 31, 2019	As at March 31, 2018
Present Value of Defined Benefit Obligation as at the end of the year	(2,780)	(2,674)
Fair Value of plan assets	1,867	1,695
Net Asset/(Liability) recognised in the Balance Sheet	**(913)**	**(979)**

E. Movements in the present value of defined benefit obligation are as follows: *(₹ in Lakhs)*

Particulars	As at March 31, 2019	As at March 31, 2018
Opening defined benefit obligation	2,674	2,855
Current Service Cost	87	97
Past Service Cost	-	1
Interest cost	202	204
Actuarial (gains) / losses	15	28
Benefits Paid (From the Fund)	(135)	(437)
Benefit Paid (Directly by the Employer)	(103)	(74)
Liability transferred in	40	-
Closing defined benefit obligation	**2,780**	**2,674**

F. Movements in the fair value of the plan assets are as follows: *(₹ in Lakhs)*

Particulars	As at March 31, 2019	As at March 31, 2018
Opening fair value of the plan assets	1,695	1,794
Contributions by the Employer	156	215
Return on Plan Assets, Excluding Interest Income	(17)	(5)
Interest income	128	128
Benefits paid	(135)	(437)
Assets transferred in	40	-
Closing fair value of the plan assets	**1,867**	**1,695**

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, 2019	Estimated for the year ended March 31, 2018
1st Following Year	1,072	877
2nd Following Year	273	321
3rd Following Year	327	318
4th Following Year	323	297
5th Following Year	274	297
Sum of Years 6 To 10	806	890
Sum of Years 11 and above	568	575

H Sensitivity Analysis

The Sensitivity Analysis below has been determined based on reasonably possible change of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. These sensitivities show the hypothetical impact of a change in each of the listed assumptions in isolation. While each of these sensitivities holds all other assumptions constant, in practice such assumptions rarely change in isolation and the asset value changes may offset the impact to some extent. For presenting the sensitivities, the present value of the Defined Benefit Obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the Defined Benefit Obligation presented above. There was no change in the methods and assumptions used in the preparation of the Sensitivity Analysis from previous year.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd..)

(₹ in Lakhs)

Projected Benefits Payable in Future Years From the Date of Reporting	As at March 31, 2019	As at March 31, 2018
Projected Benefit Obligation on Current Assumptions		
Impact of +0.5% Change in Rate of Discounting	(38)	(40)
Impact of -0.5% Change in Rate of Discounting	40	42
Impact of +0.5% Change in Rate of Salary Increase	41	42
Impact of -0.5% Change in Rate of Salary Increase	(39)	(41)
Impact of +0.5% Change in Rate of Employee Turnover	2	3
Impact of -0.5% Change in Rate of Employee Turnover	(3)	(3)

NOTE 40: RELATED PARTY DISCLOSURES

A . Details of related parties

Description of relationship	Name of the Related Party
Wholly Owned Subsidiary Company	PIL Chemicals Limited
Key Management Personnel	
- Chairman	Mr. H. A. Mafatlal
- Former Managing Director	Mr. C. R. Gupte (upto 31st July, 2017)
- Managing Director	Mr. S. R. Deo (from 1st August, 2017)
Enterprises over which Key Management Personnel is able to exercise significant influence	Mafatlal Industries Limited
	Sri Chaitanya Seva Trust
	N. M. Sadguru Water and Development Foundation
	NOCIL Employee Trust Funds

B. Nature of Transactions with Related Parties

(₹ in Lakhs)

S. No.	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
A	**Subsidiary Company**		
I	**PIL Chemicals Limited**		
1	Services received	1,316	1,463
2	Dividend Received	50	33
B	**Enterprises over which Key Management Personnel is able to exercise significant influence***		
I	**Mafatlal Industries Limited**		
1	Purchase of Investments	-	1,874
2	Reimbursement of Expenses	10	16
3	Dividend Received	-	39
4	Dividend Paid	650	468

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd..)

(₹ in Lakhs)

S. No.	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
II	**Sri Chaitanya Seva Trust**		
1	Expenditure on CSR Activities	120	100
III	**N. M. Sadguru Water and Development Foundation**		
1	Expenditure on CSR Activities	50	30
IV	**NOCIL Employee Trust Funds**		
1	Contributions paid to funds	388	521
2	Post Employment Benefits paid on behalf of Trust	11	35
C	**Key Management Personnel #**		
1	Short-term employee benefits	702	782
2	Post-employment benefits	59	70
3	Share-based payment	46	101

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

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

C. Amounts outstanding with related parties *(₹ in Lakhs)*

S. No.	Particulars	As at March 31, 2019	As at March 31, 2018
A	**Subsidiary Company**		
I	**PIL Chemicals Limited**		
1	Trade Payables	102	-
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	3	2
II	**NOCIL Employee Trust Funds**		
1	Contributions Payable to Funds	84	329
2	Advance to Post Employment Retirement Funds	11	-

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

41. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

41.1 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd..)

41.2 Categories of financial instruments

The following table provides categorisation of all financial instruments at carrying value.

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Financial assets		
Measured at FVTPL		
Mandatorily measured:		
(a) Mutual Fund Investments	7,497	21,926
Measured at amortised cost		
(a) Cash and cash equivalent	3,601	2,400
(b) Bank balance other than (a) above	289	359
(c) Trade receivables	23,219	24,336
(d) Other financial assets (including Derivate Financial Instruments)	652	436
(e) Inter Corporate Deposits	2,586	526
Measured at FVTOCI		
(a) Investments in equity instruments	2,234	5,197
Total Financial Assets	**40,078**	**55,180**
Financial liabilities		
Measured at amortised cost		
(a) Trade payables	9,878	11,387
(b) Other financial liabilities (including current maturities of borrowings)	4,710	3,653
Total Financial Liabilities	**14,588**	**15,040**

41.3 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.

41.4 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.

41.5 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd..)

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, 2019	As at March 31, 2018
A. USD Currency:		
Financial Liabilities		
In USD million	5.09	7.65
Equivalent in ₹ lakhs	3,522	4,960
Financial Assets		
In USD million	10.83	7.91
Equivalent in ₹ lakhs	7,492	5,127
B. Euro Currency:		
Financial Liabilities		
In Euro million	0.01	0.11
Equivalent in ₹ lakhs	5	92
Financial Assets		
In Euro million	0.09	0.03
Equivalent in ₹ lakhs	70	24

41.5.1 Foreign currency sensitivity analysis in relation to the net foreign exchange exposure as at the balance sheet date

The Company is mainly exposed to the foreign exchange fluctuation in USD.

The following table details the Company's sensitivity to a 5% increase and decrease in the Indian Rupee against USD. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. This is mainly attributable to the exposure outstanding on receivables and payables in the company at the end of the reporting period.The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates an increase in the profit or equity where the Indian Rupee weakens 5% against the relevant currency due to positive net Financial Assets at the end of the current period . For a 5% strengthening of the Rupee against the relevant currency , there would be a comparable reverse impact on the profit or equity.

(₹ in Lakhs)

Particulars	USD Currency Impact	
	Year Ended March 31, 2019	Year Ended March 31, 2018
Impact on Statement of Profit and Loss for the year		
5% strengthening against US Dollar	(198)	(8)
5% weakening against US Dollar	198	8

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.

41.5.2 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.

There are no derivative financial instruments outstanding at the end of the current and previous reporting year.

41.6 Interest rate risk management

The Company does not have interest rate risk exposure as there are no outstanding loans as at the year end.

41.7 Other price risks

The Company is exposed to price risks arising from mutual funds and equity investments other than investments in subsidiary.

Equity price risk is related to change in market reference price of investments in equity securities held by the Company. The fair value of quoted investments held by the Company exposes the Company to equity price risks. In general, these investments are not held for trading purposes.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd..)

The Company manages the surplus funds majorly through combination of investments in debt based / artibrage/equity oriented mutual fund schemes and fixed deposits. The price of investment in these mutual funds is the Net Asset Value (NAV) declared by the Asset Management Company on daily basis as reflected by the movement in the NAV of invested schemes. The Company is exposed to price risk on such Investment schemes.

Mutual fund investments are susceptible to market price risk, mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments. However, due to the very short tenor of the underlying portfolio in the liquid schemes, these do not hold any significant price risks.

41.7.1 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, 2019 would increase/ decrease by ₹ 112 Lakhs (2017-2018: increase / decrease by ₹ 260 Lakhs) as a result of the changes in fair value of equity investments measured at FVTOCI.

41.7.2 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, 2019 would increase / decrease by ₹ 75 lakhs (2017-2018: increase/ decrease by ₹ 219 lakhs) as a result of the changes in fair value of mutual funds.

41.8 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 receivables using independent ratings where available or by assessment of the customer's credit quality based on its financial position, past experience and other factors. The maximum exposure to credit risk in respect of the above at the reporting date is the carrying value of financial assets recorded in the financial statements, net of any allowance for losses. Based on the historical data, loss on collection of receivable is not material, hence no additional provision considered.

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

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

(₹ in Lakhs)

Ageing of trade receivables	As at March 31, 2019	As at March 31, 2018
Within the credit period	18,055	22,215
0 - 180 days past due	5,149	2,053
More than 180 days past due	15	68
Total Trade receivables	**23,219**	**24,336**

Reconciliation of loss allowance provision for Trade Receivables

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Balance as at beginning of the year	**2**	**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**	**2**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd..)

41.9 Liquidity risk management

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

41.9.1 Liquidity risk table

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include principal cash flows along with interest. The contractual maturity is based on the earliest date on which the Group may be required to pay.

(₹ in Lakhs)

Particulars	Upto 1 year	1-5 years	5+years
March 31, 2019			
Trade Payables	9,878	-	-
Other Financial Liabilities	4,710	-	-
Total	**14,588**	-	-
March 31, 2018			
Trade Payables	11,387	-	-
Other Financial Liabilities	3,653	-	-
Total	**15,040**	-	-

NOTE 42: FAIR VALUE MEASUREMENTS

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

42.1 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).

Financial assets/ (Financial liabilities)	March 31, 2019	March 31, 2018	Fair value hierarchy	Valuation technique(s) and key input (s)
a) At FVTPL:				
Investments in Mutual funds	7,497	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:				
Investments in equity instruments(quoted) (see note below)	2,233	5,196	Level 1	Quoted bid prices in an active market

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

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

42.2 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, 2019		As at March 31, 2018	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets held (at amortised cost):				
Cash and cash equivalent	3,601	3,601	2,400	2,400
Other Bank balance	289	289	359	359
Trade receivables	23,219	23,219	24,336	24,336
Other financial assets (incld Derivative Financial Instrument)	652	652	436	436
Inter Corporate Deposits	2,586	2,586	526	526
Financial liabilities held (at amortised cost):				
Trade Payables	9,878	9,878	11,387	11,387
Other financial liabilities	4,710	4,710	3,653	3,653

NOTE 43: DISCLOSURE AS PER SECTION 186 OF THE COMPANIES ACT, 2013

The details of loans, guarantees and investments under Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 are as follows:

(i) Details of Investments made by the company are given in Note 6, 7 & 11 in the financial statement.

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

NOTE 44: SUBSEQUENT EVENTS: There are no significant subsequent events that would require adjustments or disclosures in the financial statement between the Balance Sheet date and the date of signing of accounts.

NOTE 45: 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 46: Previous year's figures have been regrouped wherever necessary, to conform to the current year's classification. Other Current Assets and Other Current Liabilities have been regrouped in the previous year on account of offsetting statewise net position of assets and liabilities of GST.

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
DIN: 00009872

D.N. Mungale
Director & Chairman- Audit Committee
DIN: 00007563

S.R. Deo
Managing Director
DIN: 01122338

Daraius Z. Fraser
Partner
Membership No. 42454

P. Srinivasan
Chief Financial Officer

V. K. Gupte
Company Secretary

Place : Mumbai
Date : May 10, 2019

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NOCIL LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of ***NOCIL LIMITED*** (hereinafter referred to as "the Holding Company") and its subsidiary(Holding Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flow for the year then ended and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information(hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the auditor of the subsidiary referred to below in the Other Matters below, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2019, of the Consolidated Profits, Consolidated Statement of Changes in Equity and its Consolidated Statement of Cash Flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. no.	Key audit matter description	How the scope of our audit addressed the key audit matter
1	**Revenue recognition and measurement** Refer to Note 2 (Accounting policies) for revenue recognition and measurement, Note 24 of the Consolidated Financial Statements for aggregate revenue from sale of goods recognised as required by the applicable Ind AS. For the year ended March 31, 2019, the Group recognised revenues from sale of goods aggregating to ₹ 103,036 lakh. The Group recognises revenue from sale of goods when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and the products have been delivered to the customer. Amounts disclosed as revenue are net of customer returns, trade allowance, rebates, goods and services tax and amount collected on behalf of third parties. **Risk identified:** Revenue is recognised when control of the underlying goods is transferred to the customer. There may be a risk of revenue being overstated due to pressure from Management to achieve performance targets at the reporting period end.	Our procedures included: **Accounting policies:** Assessing the Group's revenue recognition policies, including those related to discounts, rebates and returns by comparing with the applicable Ind AS. **Tests of controls:** Evaluating the design and testing the operating effectiveness of controls over the accuracy of discounts, incentives and rebates and correct timing of revenue recognition. **Tests of details:** - Verifying the supporting documentation for determining that the revenue was recognised in the correct accounting period. - Comparing the discounts, incentives and rebates with the prior year and, where relevant, performed further inquiries and testing. - Verifying the manual journals posted to revenue to identify unusual or irregular items. - To assess the recoverability of trade receivables, our procedures included an assessment of whether the provision against, or write off, impacted our view as to the initial recognition of the related revenue. **Performing substantive analytical procedures:** Developing an expectation of the current year revenue based on trend analysis and recent market conditions and growth of the Group and compared the same with the actuals, accompanied with further inquiries and testing. We also assessed as to whether the disclosures in respect of revenue were adequate.
2	**Property, Plant And Equipment Capitalisation** Refer to Note 2 (Accounting policies) for Property, Plant and Equipment measurement as required by the applicable Ind AS. During the year ending March 31, 2019, the Group has capitalised ₹ 15,363 lakh. **Risk identified:** Capitalisation of costs and the useful lives assigned to assets are areas of judgement by Management. These manifest themselves in the following two audit risks: – the risk that amounts being capitalised do not meet capitalisation criteria; and – the risk that the useful economic lives assigned to assets are inappropriate.	Our procedures included: **Accounting policies:** Assessing the Group's capitalisation process and policies, by comparing with the applicable Ind AS. **Tests of controls:** Evaluating the design and testing the operating effectiveness of controls over the accuracy of amount capitalised, estimation of useful life and correct timing of capitalisation. We determined that the operation of the controls provided to us with audit evidence in respect of the capitalisation of costs.

Sr. no.	Key audit matter description	How the scope of our audit addressed the key audit matter
		Tests of details: We tested costs capitalised in the year and considered the ageing of assets in the course of construction. We assessed the nature of costs incurred in capital projects through testing of amounts recorded and considering whether the expenditure met the criteria for capitalisation under accounting standards. We found no material misstatements from our testing. We tested the controls over the annual review of asset lives. In addition, we tested whether Management's views on asset lives are supportable by considering our knowledge of the business. We also tested whether the prior year asset life review has been appropriately applied and assessed the judgements made by Management in the current year review.
3.	**System environment and internal controls** **Risk identified:** The IT and business process controls implemented might not be designed, implemented or operating in a manner conducive to the effective processing and reporting of financial information. The fragmented system environment introduces risks related to system access, change management, and we have accordingly designated this as a focus area in the audit. The risk of end user devices which are used to store or process the Group's information are encrypted to prevent breach of the Group's information. The risk of access to Operating system and SAP codes are given to appropriate persons.	Our procedures included: **Tests conducted:** Our response to the risks related to the system environment includes both the test of IT and business process controls. We also performed sufficient tests of details as part of our audit. We tested the Group's controls around access and change management related to key IT systems through our Information Technology specialist.

Information Other than the Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the Director's Report and Report on Corporate Governance but does not include the Consolidated Financial Statements and our auditor's report thereon which we obtained prior to the date of this auditor's report.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, is traced from their financial statements audited by the other auditor.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in term of the requirements of the Companies Act, 2013, that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the Holding Company included in the Consolidated Financial Statements of which we are the independent auditor, for the other subsidiary company included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditor remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matters

We did not audit the financial statements of one subsidiary included in the Consolidated Financial Statements, whose financial statements reflect the Group's share of total assets of ₹ 3,948 Lakhs as at March 31, 2019, as well as Group's share of total revenue of ₹ 45 Lakhs and net cash inflows amounting to ₹ 64 Lakhs for the year ended on that date, as considered in the Consolidated 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 Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) and (11) of the Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of the other auditor.

Our opinion on the Consolidated Financial Statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor.

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, we report to the extent applicable that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid Consolidated Financial Statements.
   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the report of the other auditor.
   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
   d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under section 133 of the Act.
   e) On the basis of the written representations received from the Directors of the Holding Company as on March 31, 2019 which are taken on record by the Board of Directors of the Holding Company and as certified by an external practising Company Secretary, none of the Directors of the Group Companies are disqualified as on March 31, 2019, from being appointed as a Director in terms of section 164(2) of the Act.
   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Group and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**".
   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on the separate financial statements of the subsidiary company, as noted in 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 35 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 41.5.2 to the Consolidated Financial Statements.
      iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.

For KALYANIWALLA & MISTRY LLP

CHARTERED ACCOUNTANTS

Firm Reg. No.: 104607W / W100166

Daraius Z. Fraser

PARTNER

M. No.: 42454

Mumbai: May10, 2019.

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 Financial Statements for the year ended March 31, 2019.

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

We have audited the internal financial controls with reference to financial statements of ***NOCIL Limited*** (hereinafter referred to as "the Holding Company"), and its subsidiary company, as of March 31, 2019, in conjunction with our audit of the Consolidated 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 with reference to financial statements criteria established by the Holding Company and its subsidiary company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ("the Act" or "the Companies Act").

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the 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 with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

Our audit of internal financial controls system with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated 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 with reference to financial statements of the Holding Company and its subsidiary.

Meaning of Internal Financial Controls with reference to Financial Statements

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

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

In our opinion, the Holding Company and its Subsidiary Company, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2018, based on the internal control with reference to financial statements criteria established by the Holding Company and its Subsidiary Company considering the essential components of internal control stated in the Guidance Note 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 with reference to financial statements 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 Reg. No.: 104607W / W100166

Daraius Z. Fraser
PARTNER
M. No.: 42454

Mumbai: May10, 2019.

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2019

(₹ in Lakhs)

Particulars	Note	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non - Current Assets			
(a) Property, Plant and Equipment	3	65,424	52,447
(b) Capital work-in-progress		13,127	4,247
(c) Investment Property	4	47	48
(d) Intangible assets	5	234	279
(e) Financial Assets			
(i) Other Investments	6	2,275	5,238
(ii) Other financial assets	7	677	459
(f) Non - Current tax assets		650	523
(g) Other non - current assets	8	3,412	2,553
Total Non - Current Assets		**85,846**	**65,794**
Current Assets			
(a) Inventories	9	17,071	15,527
(b) Financial Assets			
(i) Investments	10	10,448	22,882
(ii) Trade receivables	11	23,219	24,336
(iii) Cash and cash equivalent	12	3,704	2,439
(iv) Bank balances other than (iii) above	13	539	765
(v) Other financial assets	14	29	23
(c) Other current assets	15	3,371	1,346
Total Current Assets		**58,381**	**67,318**
Total Assets		**1,44,227**	**1,33,112**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	16	16,542	16,448
(b) Other Equity	17	99,759	88,219
Total Equity		**1,16,301**	**1,04,667**
Liabilities			
Non - current liabilities			
(a) Provisions	18	1,502	1,585
(b) Deferred tax liabilities (Net)	32	10,935	10,410
(c) Other non - current liabilities	19	7	7
Total Non - Current Liabilities		**12,444**	**12,002**
Current Liabilities			
(a) Financial Liabilities			
(i) Trade payables			
(a) Total Outstanding Dues of Micro and Small enterprises	20	223	151
(b) Total Outstanding Dues of Creditors other than Micro and Small enterprises	20	9,611	11,414
(ii) Other financial liabilities	21	4,742	3,653
(b) Other current liabilities	22	247	465
(c) Provisions	23	585	413
(d) Current tax liabilities		74	347
Total Current Liabilities		**15,482**	**16,443**
Total Equity and Liabilities		**1,44,227**	**1,33,112**
Significant accounting policies	2		

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

In terms of our report attached.

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

For and on behalf of the Board of Directors

Hrishikesh A. Mafatlal
Chairman
DIN: 00009872

D.N. Mungale
Director & Chairman- Audit Committee
DIN: 00007563

S.R. Deo
Managing Director
DIN: 01122338

Daraius Z. Fraser
Partner
Membership No. 42454

P. Srinivasan
Chief Financial Officer

V. K. Gupte
Company Secretary

Place : Mumbai
Date : May 10, 2019

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Lakhs)

	Particulars	Note	For the year ended March 31, 2019	For the year ended March 31, 2018
I	Revenue from operations	24	1,04,290	98,927
II	Other Income	25	996	1,455
III	**Total Income (I + II)**		**1,05,286**	**1,00,382**
IV	**EXPENSES**			
	(a) Cost of materials consumed	26	49,556	44,419
	(b) Purchases of Stock-in-trade		229	294
	(c) Changes in stock of finished goods, work-in-progress and stock-in-trade	27	(3,103)	(651)
	(d) Excise duty on sale of goods		-	2,163
	(e) Employee benefit expense	28	7,021	7,119
	(f) Finance costs	29	63	122
	(g) Depreciation and amortisation expense	30	2,431	2,403
	(h) Other expenses	31	21,315	19,043
	Total Expenses (IV)		**77,512**	**74,912**
V	**Profit Before Tax (III - IV)**		**27,774**	**25,470**
VI	**Tax Expense**			
	(a) Current tax	32	8,430	8,603
	(b) Mat Credit Entitlement	32	(17)	(12)
	(c) Deferred tax	32	876	(92)
	(d) Excess Provision for tax relating to earlier years	32	-	(22)
	Total Tax Expense (VI)		**9,289**	**8,477**
VII	**Profit After Tax (V -VI)**		**18,485**	**16,993**
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)		(29)	(34)
	(b) Equity instruments through other comprehensive income		(2,963)	(849)
	(ii) Income tax relating to items that will not be reclassified to profit or loss			
	(a) On Remeasurements of the defined benefit liabilities / (asset)	32	8	(13)
	(b) On Equity instruments through other comprehensive income	32	345	145
	Total Other Comprehensive Income for the year		**(2,639)**	**(751)**
IX	**Total Comprehensive Income for the year (VII+VIII)**		**15,846**	**16,242**
X	**Net Profit attributable to :**			
	(a) Owners of the company		18,485	16,993
	(b) Non-Controlling Interests		-	-
XI	**Other Comprehensive Income attributable to :**			
	(a) Owners of the company		(2,639)	(751)
	(b) Non-Controlling Interests		-	-
XII	**Total Comprehensive Income attributable to :**			
	(a) Owners of the company		15,846	16,242
	(b) Non-Controlling Interests		-	-
XIII	**Earnings Per Equity Share (Face Value ₹ 10/- each)**	33		
	(a) Basic		11.19	10.35
	(b) Diluted		11.13	10.22

Significant accounting policies 2

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

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

For and on behalf of the Board of Directors

Hrishikesh A. Mafatlal
Chairman
DIN: 00009872

D.N. Mungale
Director & Chairman- Audit Committee
DIN: 00007563

S.R. Deo
Managing Director
DIN: 01122338

Daraius Z. Fraser
Partner
Membership No. 42454

P. Srinivasan
Chief Financial Officer

V. K. Gupte
Company Secretary

Place : Mumbai
Date : May 10, 2019

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Lakhs)

	Particulars	For year ended March 31, 2019	For year ended March 31, 2018
A	**Cash flows from operating activities**		
	Profit before tax	27,774	25,470
	Adjustments for:		
	Finance costs	63	122
	Interest income	(204)	(190)
	Dividend income	(438)	(588)
	Loss on disposal / scrapping / write off of property, plant and equipment	25	350
	Excess provision for earlier years written back	(177)	(109)
	Fair Value (gain)/loss on investments	(57)	(490)
	Depreciation / amortisation expenses	2,431	2,403
	Unrealised foreign exchange revalution	69	10
	Expense recognised in respect of equity-settled share-based payments	254	257
	Rent from Investment Property	(38)	(27)
	Income from Redemption of Mutual Fund	(259)	(48)
	Remeasurement of defined benefit liabilities / (assets) through OCI	(29)	(33)
	Operating profit before working capital changes (i)	**29,414**	**27,127**
	Adjustments for:		
	(Increase)/Decrease in Trade Receivables	1,028	(7,658)
	(Increase)/Decrease in Inventories	(1,545)	(4,069)
	(Increase)/Decrease in Other Assets - Current & Non Current	(1,876)	(607)
	(Increase)/Decrease in Other Financial Assets - Current & Non Current	(217)	90
	Increase/(Decrease) in Trade Payable	(1,429)	3,506
	Increase/(Decrease) in Provisions - Current & Non Current	89	(71)
	Increase/(Decrease) in Other Financial Liabilities - Current	26	216
	Increase/(Decrease) in Other Liabilities - Current	(271)	(241)
	Changes in Working Capital (ii)	**(4,195)**	**(8,834)**
	Cash generated from operations (iii) = (i-ii)	**25,219**	**18,293**
	Income taxes paid (Net of Refund) (iv)	(8,813)	(8,059)
	Net cash generated by operating activities (v)= (iii)-(iv)	**16,406**	**10,234**
B	**Cash flows from investing activities**		
	Payments to acquire financial assets	(33,355)	(29,779)
	Proceeds on redemption of financial assets	46,384	19,947
	Interest received	118	182
	Dividends received	447	179
	Payments for purchase of property, plant and equipment	(23,682)	(4,711)
	Proceeds from disposal of property, plant and equipment	11	9
	Rent from Investment Property	38	27
	Payments for intangible assets	(34)	(7)
	Net cash (used in)/generated by investing activities (vi)	**(10,073)**	**(14,153)**
C	**Cash flows from financing activities**		
	Proceeds from issue of equity instruments of the Company	510	413
	Repayment of borrowings	(500)	(1,000)
	Dividends paid to owners of the Company (including tax)	(4,962)	(3,538)
	Interest paid	(68)	(130)
	Net cash used in financing activities (vii)	**(5,020)**	**(4,255)**
	Net increase in cash and cash equivalents (v+vi+vii)	1,313	(8,174)
	Cash and cash equivalents at the beginning of the year	2,439	10,596
	Unrealised foreign exchange restatement in Cash and cash equivalents	(48)	17
	Cash and cash equivalents at the end of the year	**3,704**	**2,439**
	Reconciliation of cash and cash equivalents with the Balance Sheet:		
	Cash and cash equivalents at end of the year (including other bank balances)	4,243	3,204
	Less: Bank balances held as margin money against guarantees not considered as Cash and cash equivalents	(539)	(765)
	Cash and cash equivalents at end of the year	**3,704**	**2,439**

Note:
The accompanying notes form an integral part of the Consolidated Financial Statements
The above cash flow statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (IND AS - 7) "Statement of Cash Flow".

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

For and on behalf of the Board of Directors

Hrishikesh A. Mafatlal
Chairman
DIN: 00009872

D.N. Mungale
Director & Chairman- Audit Committee
DIN: 00007563

S.R. Deo
Managing Director
DIN: 01122338

Daraius Z. Fraser
Partner
Membership No. 42454

P. Srinivasan
Chief Financial Officer

V. K. Gupte
Company Secretary

Place : Mumbai,
Date : May 10, 2019

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

(a) Equity share capital

(₹ in Lakhs)

Particulars	Amount
Balance as at April 1, 2017	**16,358**
Changes in equity share capital during the year:	
Issue of equity shares under employee stock option plan	90
Balance as at March 31, 2018	**16,448**
Changes in equity share capital during the year:	
Issue of equity shares under employee stock option plan	94
Balance as at March 31, 2019	**16,542**

(b) Other equity

(₹ in Lakhs)

Particulars	Other Equity					Other Comprehensive Income		Total
	Capital reserve	Securities premium	General reserve	ESOP outstanding reserve	Retained earnings	Equity Instrument through OCI	Other Items of OCI	
Balance as at April 1, 2017	**15**	**741**	**4,865**	**268**	**54,227**	**15,367**	**(526)**	**74,957**
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, net of income tax	-	-	-	-	-	-	(47)	(47)
Total Comprehensive Income for the year	-	-	-	-	**16,993**	**(704)**	**(47)**	**16,242**
Premium on shares issued	-	485	-	-	-	-	-	485
Recognition of share based payments	-	-	-	93	-	-	-	93
Payment of dividend and Dividend distribution tax thereon	-	-	-	-	(3,558)	-	-	(3,558)
Transfer to retained earnings on disposal of Non current investments	-	-	-	-	14,282	(14,282)	-	-
Balance as at March 31, 2018	**15**	**1,226**	**4,865**	**361**	**81,944**	**381**	**(573)**	**88,219**
Profit for the year	-	-	-	-	18,485	-	-	18,485
Other Comprehensive Income for the year, net of income tax	-	-	-	-	-	(2,619)	-	(2,619)
Remeasurement of Defined Benefit Obligation, net of income tax	-	-	-	-	-	-	(22)	(22)
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**18,485**	**(2,619)**	**(22)**	**15,844**
Premium on shares issued	-	610	-	-	-	-	-	610
Recognition of share based payments	-	-	-	61	-	-	-	61
Payment of dividend and Dividend distribution tax thereon	-	-	-	-	(4,975)	-	-	(4,975)
Balance as at March 31, 2019	**15**	**1,836**	**4,865**	**422**	**95,454**	**(2,238)**	**(595)**	**99,759**

Refer Note 17 for nature and purpose of Reserve. The accompanying notes form an integral part of the standalone Financial Statements

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

For and on behalf of the Board of Directors

Hrishikesh A. Mafatlal
Chairman
DIN: 00009872

D.N. Mungale
Director & Chairman- Audit Committee
DIN: 00007563

S.R. Deo
Managing Director
DIN: 01122338

Daraius Z. Fraser
Partner
Membership No. 42454
Place : Mumbai,
Date : May 10, 2019

P. Srinivasan
Chief Financial Officer

V. K. Gupte
Company Secretary

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

NOTE 1: GENERAL INFORMATION

a) Corporate information

NOCIL Limited (the Company) having Company Identification No: L99999MH1961PLC012003 was incorporated on May 11, 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 thereunder and other relevant provisions of the Act.

The Consolidated financial statements have been prepared on going concern basis. The accounting policies are applied consistently to all periods presented in the consolidated financial statements. All assets and liabilities have been classified as current or non-current as per the 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 acquisition of assets for proceeding and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle not exceeding 12 months for the purpose of current or non-current classification of assets and liabilities.

The Consolidated financial statements of the Group for the year ended March 31, 2019 have been approved for issue in accordance with the resolution of the Board of Directors on May 10, 2019.

c) Functional and presentational currency

The Consolidated financial statements are presented in Indian Rupees (₹), 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 an investee, including.

- ➢ The Contractual arrangement with the other vote holders of the investee,
- ➢ Rights arising from other contractual arrangements,
- ➢ The Group's voting rights and potential voting rights.

  The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liability, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

  A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

  If the Group loses control over a subsidiary, it de-recognises the related assets (including goodwill), liability, non-controlling interest and other components of equity while any resultant gain or loss is 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, 2019.

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 39).
- Fair valuation of employee share options (Note 2(k) and Note 37).
- 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.

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 ₹ 50,000 or less are fully depreciated in the year of purchase. Leasehold land is amortised on a straight line basis over the period of the lease.

b) Investment Property

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

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

Investment properties are de-recognised either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the Statement of Profit and Loss in the period of de-recognition.

c) Intangible Assets

Intangible assets that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortised over their estimated useful life. The useful life of intangible assets is assessed as either finite or infinite. Amortisation is recognised on a straight line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted on a prospective basis.

Estimated useful lives of finite intangible assets are as follows:

Patents	10 years
Software	3 years

Changes in the expected useful life are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are 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.

Financial Asset

<u>Initial recognition:</u>

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.

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

Financial assets are subsequently classified and measured at:

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

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

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

<u>Debt Instruments:</u>

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

- the Groups's business model for managing the financial assets and

- the contractual cash flow characteristics of the financial asset.

Measured at amortised cost:

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

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

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are 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.

Measured at Fair Value Through Profit and Loss (FVTPL):

A financial asset not classified as either amortised cost or FVTOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'Other Income' in the Statement of Profit and Loss.

Equity Instruments:

Investments in equity instruments at FVTPL:

Investments in equity instruments other than investments in subsidiaries are classified as at FVTPL, unless the Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for equity instruments which are not held for trading.

Investments in equity instruments at FVTOCI:

On initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserve for 'equity instruments through other comprehensive income'. The cumulative gain or loss is reclassified to Statement of Profit and Loss on full disposal of the investments.

Impairment of financial assets:

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

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

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

De-recognition of financial assets:

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

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

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

Financial liabilities

Initial recognition

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss. In case of trade payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised cost, using the effective interest method.

Subsequent Measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss is measured at fair value with all changes in fair value recognised in the Consolidated Statement of Profit and Loss. The interest expenses using the effective interest method is recognised over the relevant period of the financial asset. The same is included under Finance cost in the Statement of Profit and Loss unless it is capitalised as part of cost of an item of Property, Plant and Equipment.

Derecognition

A financial liability is 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

Effective April 1, 2018, the Group has applied Ind AS 115 – Revenue from Contracts with Customers which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognized. Ind AS 115 replaces Ind AS 18 Revenue. The impact of the adoption of the standard on the financial statements of the Group is insignificant.

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, comprise actuarial gains and losses which are recognized immediately in Other Comprehensive Income (OCI). Net interest expense/ (income) on the net defined liability/ (assets) is computed by applying the discount rate, used to measure the net defined liability / (asset). Net interest expense and other expenses related to defined benefit plans are recognized in Statement of Profit and Loss. When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in Statement of Profit and Loss. The 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.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

NOTE 3 : PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars		Land - Leasehold	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
I.	**Gross Carrying Value**							
	Balance as at April 1, 2018	25,413	8,604	34,443	324	197	368	69,349
	Additions	-	3,379	11,736	112	83	53	15,363
	Disposals	-	-	(150)	-	-	(5)	(155)
	Balance as at March 31, 2019	**25,413**	**11,983**	**46,029**	**436**	**280**	**416**	**84,557**
II.	**Accumulated depreciation and impairment for the year 2018-19**							
	Balance as at April 1, 2018	926	1,702	13,896	165	89	123	16,901
	Depreciation expense for the year	464	328	1,404	80	29	46	2,351
	Eliminated on disposal of assets	-	-	(114)	-	-	(5)	(119)
	Balance as at March 31, 2019	**1,390**	**2,030**	**15,186**	**245**	**118**	**164**	**19,133**
III.	**Net Carrying value as at March 31, 2019 (I-II)**	**24,023**	**9,953**	**30,843**	**191**	**162**	**252**	**65,424**

(₹ in Lakhs)

Particulars		Land - Leasehold	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
I.	**Gross Carrying Value**							
	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 2017-18**							
	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 Carrying value as at March 31, 2018 (I-II)**	**24,487**	**6,902**	**20,546**	**159**	**108**	**245**	**52,447**

Notes:

a) Assets charged against borrowing *(₹ in Lakhs)*

Particulars	As at March 31, 2019	As at March 31, 2018
Property Plant & Equipment offered as secured against term loans from banks	-	**27,296**

b) Property, Plant & Equipment relating to approved R & D facility included above is as under: *(₹ in Lakhs)*

Particulars	Gross Block	Depreciation	Net Block
Balance as at April 1, 2018	547	291	256
Additions during the year	35		35
Depreciation expense for the year	-	43	(43)
Disposals / Deletions	(3)	(1)	(2)
Balance as at March 31, 2019	**579**	**333**	**246**

c) Additions during the year includes preoperative expenses of ₹ 977 lakhs incurred during the course of construction.

d) Refer Note 35(b) for disclosure of contractual commitment for acquisition of Property, Plant and Equipment.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd...)

NOTE 4 : INVESTMENT PROPERTY

(₹ in Lakhs)

Particulars		Buildings	Total
I.	**Gross Carrying Value**		
	Balance as at April 1, 2018	83	83
	Additions	-	-
	Disposals	-	-
	Balance as at March 31, 2019	83	83
II.	**Accumulated depreciation and impairment for the year 2018-19**		
	Balance as at April 1, 2018	35	35
	Depreciation expense for the year	1	1
	Eliminated on disposal of assets	-	-
	Balance as at March 31, 2019	36	36
III.	**Net Carrying value as at March 31, 2019 (I-II)**	47	47

Particulars		Buildings	Total
I.	**Gross Carrying Value**		
	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 2017-18**		
	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 Carrying value as at March 31, 2018 (I-II)**	48	48

Note:

a) Fair value disclosures

The fair value of the Group's investment properties as at March 31, 2019 and March 31, 2018 has been arrived at on the basis of a valuation carried out on the respective dates by independent & government certified valuer not related to the Company. The fair value was determined based on the comparable sale and market analysis approach based on recent market prices without any significant adjustments being made to the market observable data. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

Details of the Group's investment properties and information about the fair value hierarchy as at March 31, 2019 and March 31, 2018 are as follows:

(₹ in Lakhs)

Particulars	Amount	Fair value hierarchy
As at March 31, 2019		
Fair value of Investment property - Residential Units located in India	1,297	Level 2
As at March 31, 2018		
Fair value of Investment property - Residential Units located in India	1,224	Level 2

b) The Group has no restriction on the releasability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd...)

c) Information regarding Income and Expenditure of Investment Property

(₹ in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Rental Income derived from Investment Properties	32	26
Less: Direct Operating Expenses	(9)	(5)
Gain arising from Investment properties before depreciation	23	21
Less: Depreciation	(1)	(2)
Net Gain arising from Investment properties	22	19

NOTE 5 : INTANGIBLE ASSETS

(₹ in Lakhs)

Particulars	Patents	Software	Total
I. Gross Carrying Value			
Balance as at April 1, 2018	453	330	783
Additions	-	34	34
Disposals	-	-	-
Balance as at March 31, 2019	**453**	**364**	**817**
II. Accumulated amortisation for the year 2018-19			
Balance as at April 1, 2018	337	167	504
Amortisation expense for the year	42	37	79
Eliminated on disposal of assets	-	-	-
Balance as at March 31, 2019	**379**	**204**	**583**
III. Net Carrying value as at March 31, 2019 (I-II)	**74**	**160**	**234**

Particulars	Patents	Software	Total
I. Gross Carrying Value			
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 2017-18			
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 Carrying value as at March 31, 2018 (I-II)	**116**	**163**	**279**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd...)

NOTE 6 : NON-CURRENT INVESTMENTS

(₹ in Lakhs)

Particulars	As at March 31, 2019		As at March 31, 2018	
	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	2,117	19,54,695	5,102
- HDFC Bank Limited (₹ 2/- each, fully paid-up)	5,000	116	5,000	94
- Bank of India (₹ 10/- each fully paid up)	19,900	21	19,900	21
- Corporation Bank (₹ 2/- each fully paid up)	12,000	4	12,000	4
Total Quoted Investments (A)		**2,258**		**5,221**
(ii) Unquoted Investments				
(at fair value through other comprehensive income (FVTOCI))				
- The Bharat Co-Operative Bank Limited (₹ 10/- each, fully paid-up)	10,000	1	10,000	1
- Shree Balaji Sahakari Sakhar Karkhana Limited * (₹ 2,000/- each, fully paid-up)	1	0	1	0
- Mafatlal Engineering Industries Limited (₹ 100/- each, fully paid-up)	17,101	18	17,101	18
Less: Provision for Impairment		(18)		(18)
		-		-
- Mafatlal UK *	32,000	0	32,000	0
- Mafatlal Services Limited *	22,320	0	22,320	0
Total Unquoted Investments (B)		**1**		**1**
(b) Investments in Mutual Funds (at fair value through profit and loss account (FVTPL))				
- JM Mutual Fund (of ₹ 10/- each)	50,000	13	50,000	13
- UTI Masters Share (of ₹ 10/- each)	10,560	3	10,560	3
Total Investments in Mutual Funds (C)		**16**		**16**
Total Investments (A+ B+C)		**2,275**		**5,238**

Aggregate Amount of Quoted Investments		2,258		5,221
Market Value of Quoted Investments		2,258		5,221
Aggregate Amount of Unquoted Investments (At Cost)		19		19
Aggregate Amount of Impairment in the Value of Investments		18		18

*** Amount less than ₹ 0.50 lakhs**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd...)

NOTE 7 : NON CURRENT - OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Financial Assets (at amortised cost)		
Security Deposits		
- Unsecured, considered good	669	451
- Unsecured, considered doubtful	300	300
Less : Allowance for bad and doubtful deposits	(300)	(300)
	669	**451**
Loans to employees		
- Unsecured, considered good	8	8
Total	**677**	**459**

NOTE 8 : OTHER NON CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with Government Authorities (other than income taxes)		
- CENVAT Credit Receivable	335	335
- VAT Credit Receivable	1,022	1,019
- Service Tax Credit Receivable	6	14
- Others	26	26
	1,389	**1,394**
Less: Provision	(302)	(302)
	1,087	**1,092**
Capital Advances	2,260	1,400
Prepaid Expenses	65	61
Total	**3,412**	**2,553**

NOTE 9 : INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE)

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Raw materials	8,258	9,844
Work-in-progress	1,687	740
Finished goods	6,470	4,307
Stock-in-trade	2	9
Stores and spares	654	627
Total	**17,071**	**15,527**

Included above, goods-in-transit:		
(i) Raw materials	1,079	216
(ii) Finished goods	32	138
Total	**1,111**	**354**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd...)

NOTE 10 : FINANCIAL ASSETS - CURRENT INVESTMENTS

(₹ in Lakhs)

Particulars	As at March 31, 2019		As at March 31, 2018	
	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	2,77,13,003	4,016	1,16,18,106	1,584
ICICI Prudential Ultra Short Term Fund	29,94,478	565	29,94,478	525
ICICI Prudential Equity Savings 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 Credit Risk Fund	-	-	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 Risk Fund	-	-	95,27,076	1,021
HDFC Regular Saving Fund - Regular Plan- Growth	-	-	77,52,963	2,669
HDFC Corporate Bond Fund	-	-	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 Credit Risk Fund	-	-	40,50,190	524
HDFC Liquid Fund	20,357	208		
HDFC Arbitrage Fund - WP- Reg - MD	14,56,318	157		
SBI Mutual Fund	-	-	5,07,722	102
Kotak Equity Arbitrage Fund - Direct Plan - Reinvest	1,36,74,965	1,505	-	-
ABSL Corporate Bond Fund - Direct - Growth	6,98,032	504	-	-
Kotak Corporate Bond Fund - Direct - Growth	19,893	503	-	-
ABSL-FTP-Series SJ-Direct Growth	20,00,000	202	-	-
IDFC Fixed Term Plan Series 177 Direct Plan (1160 Days)	20,00,000	202	-	-
Total (A)		**7,862**		**22,356**
(b) Other Investments (at amortised cost)				
Intercorporate deposits with Bajaj Finance Limited		-		526
Intercorporate deposits with HDFC Ltd		2,586		-
Total (B)		**2,586**		**526**
Total Investments (A+B)		**10,448**		**22,882**
Aggregate Amount of Impairment in the Value of Investments		-		-
Aggregate Amount of Unquoted Investments (At Cost)		10,448		22,882

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd...)

NOTE 11 : CURRENT FINANCIAL ASSETS -TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Trade receivables		
(a) Considered good - Secured	-	-
(b) Considered good - Unsecured	23,219	24,336
(c) Which have significant increase in Credit Risk	-	-
(d) Credit Impaired	2	2
Less: Allowance for doubtful debts	(2)	(2)
Total	**23,219**	**24,336**

NOTE 12 : CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Cash on hand	11	10
Balances with banks	3,693	2,429
Total	**3,704**	**2,439**
Cash and cash equivalents as per statement of cash flows	3,704	2,439

NOTE 13 : CURRENT FINANCIAL ASSETS - OTHER BANK BALANCES

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Earmarked balances with bank		
- Unpaid dividend account	289	225
- Margin money deposit	-	134
Investments in term deposits (with original maturity of more than three months but less than twelve months)	250	406
Total	**539**	**765**

NOTE 14 : CURRENT - OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Financial Assets (at amortised cost)		
Loans to employees		
- Unsecured, considered good	2	2
Interest accrued on Security deposits	27	21
Total	**29**	**23**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd...)

NOTE 15 : OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Advances to suppliers and Others	755	627
Balances with government authorities (other than income taxes)		
- GST Credit Receivable	1,446	142
Prepaid expenses	555	268
Export incentive receivable	613	308
Other Advances	2	1
Total	**3,371**	**1,346**

NOTE 16 : EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at March 31, 2019		As at March 31, 2018	
	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
Issued and subscribed:				
Equity shares of ₹ 10/- each	16,54,18,830	16,542	16,44,77,680	16,448
Issued, Subscribed and Fully Paid:				
Equity shares of ₹ 10/- each	16,54,18,830	16,542	16,44,77,680	16,448

(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 (Refer Note 17 on details of dividend paid / proposed).

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, 2019		As at March 31, 2018	
	No. of shares	Amount	No. of shares	Amount
Equity Shares Outstanding at the beginning of the year	16,44,77,680	16,448	16,35,83,180	16,358
Add: Allotment pursuant to exercise of stock options granted under Group's employee stock option plan (refer Note 37)	9,41,150	94	8,94,500	90
Equity Shares Outstanding at the end of the year	**16,54,18,830**	**16,542**	**16,44,77,680**	**16,448**

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

Name of shareholders	As at March 31, 2019		As at March 31, 2018	
	No. of shares	Percentage	No. of shares	Percentage
Mafatlal Industries Limited	2,52,59,059	15.27%	2,60,07,919	15.81%
Suremi Trading Private Limited	2,03,69,204	12.31%	2,03,69,204	12.38%
Sushripada Investments Private Limited	89,60,880	5.42%	89,60,880	5.45%

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

Share options granted but not exercised under Group's share option plan carry no rights to dividend and no voting rights. Further details of the employee share option plan are provided in Note 37.

As at March 31, 2019, 23,08,750 equity shares (as at March 31, 2018, 28,95,000 equity shares) of ₹ 10 each were reserved for outstanding employee share option granted.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd...)

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

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

(vi) There are no calls unpaid.

(vii) There are no forfeited shares.

NOTE 17 : OTHER EQUITY

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Capital reserve	15	15
Securities premium	1,836	1,226
General reserve	4,865	4,865
Share options outstanding account	422	361
Retained earnings	95,454	81,944
Equity Instrument Through Other Comprehensive Income	(2,238)	381
Other Items of Other Comprehensive Income		
- Remeasurements of Defined Benefit Obligation	(595)	(573)
Total	**99,759**	**88,219**

(i) Nature and purpose of each reserve within Other equity

Securities premium account:

Where Group issues shares at a premium, a sum equal to the aggregate amount of the premium received on those shares shall be transferred to a "securities premium account" as per the provisions of applicable Companies Act. It can be utilised in accordance with the provisions of the Act, to issue bonus shares, to provide for premium on redemption of shares or debentures, write-off equity related expenses like underwriting costs, etc.

General reserve:

The general reserve comprises of transfer of profits from retained earnings for appropriation purposes. The reserve can be distributed/ utilised by the Group in accordance with the Companies Act, 2013.

Share option outstanding account:

This reserve relates to share options granted by the Group to its employees under its employee share option plan. Further information about share based payments to employees is set out in Note 37

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 18 : NON CURRENT PROVISIONS

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits (Refer Note 39)	**1,502**	1,585
Total	**1,502**	**1,585**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd...)

NOTE 19 : OTHER NON CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for customs duty	7	7
Total	**7**	**7**

NOTE 20 : CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Trade payables:		
(a) Payable to Micro and Small enterprises (Refer Note below)	**223**	**151**
(b) Payable to Others		
i) Acceptances	2,417	5,111
ii) Other than Acceptances	7,194	6,303
	9,611	**11,414**
Total	**9,834**	**11,565**

Note:

Disclosures as required under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act)

The amounts due to Micro and Small Enterprises as defined in the 'The Micro, Small and Medium Enterprises Development Act, 2006' has been determined to the extent such parties have been identified on the basis of information available with the Group. This has been relied upon by the auditors.

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
a) The principal amount remaining unpaid to any supplier at the end of the year	223	151
b) Interest due remaining unpaid to any supplier at the end of the year (*)	0	-
c) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act,2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
d) The amount of interest due and payable for the delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act,2006	-	-
e) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
f) The amount of further interest remaining due and payable even in the succeeding years until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act ,2006	-	-

(*) Amount less than ₹ 0.50 lakhs

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd...)

NOTE 21 : CURRENT FINANCIAL LIABILITIES - OTHERS

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Financial liabilities (at amortised cost):		
Current maturities of long term loans from banks (Refer Note (a) below)	-	500
Security Deposits	376	277
Interest accrued but not due on borrowings	-	5
Unclaimed dividends (Refer Note (b) below)	289	225
Payables for capital supplies	2,922	1,450
Salary,wages and bonus payable	910	736
Contribution payable towards employee benefits	84	329
Other payables	161	131
Total	**4,742**	**3,653**

Notes:

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

b) There are no amounts due for payment to the Investor Education and Protection Fund under section 125 of the Companies Act, 2013 at the end of the current financial year.

NOTE 22 : OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Advances received from customers	76	108
Statutory remittances	170	354
Other liabilities	1	3
Total	**247**	**465**

NOTE 23 : CURRENT PROVISIONS

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits (Refer Note 39)	585	413
Total	**585**	**413**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd...)

NOTE 24 : REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Sale of goods (including Excise Duty) *	1,03,036	97,684
Other operating revenues		
Sale of scrap	148	271
Profit on Sale of Raw Material	39	-
Duty drawback and other export incentives	841	418
VAT Refund	-	368
Cash Discounts Received	31	32
Excess provision for earlier years written back	177	109
Miscellaneous income	18	45
Total	**1,04,290**	**98,927**

* Sales for the year ended March 31,2019 is net of Goods and Service Tax (GST), however sales for the year ended March 31, 2018 is inclusive of Excise Duty (up to June 30, 2017). Excise duty expense amounting to ₹ Nil (previous year ₹ 2,163 lakhs) is presented separately on the face of the Statement of Profit and Loss for the year ended March 31, 2019.

NOTE 25 : OTHER INCOME

(₹ in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
a) **Interest Income on**		
- Bank deposits	29	76
- Staff Loan*	1	0
- Income Tax/VAT Refund	7	-
- Intercorporate Deposits	135	86
- Other Deposits	32	28
	204	**190**
b) **Dividend income from**		
- Dividend reinvestment of Mutual Fund	437	487
- Equity investments	1	101
	438	**588**
c) **Other gains and losses**		
- Net gain arising on short term financial investments mandatorily measured at FVTPL	57	490
- Net foreign exchange gain	-	112
	57	**602**
d) **Other non-operating income**		
- Rent from investment property	38	27
- Income from Redemption of Mutual Fund	259	48
	297	**75**
Total	**996**	**1,455**

*** Amount Less than ₹ 0.50 Lakhs**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd...)

NOTE 26 : COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Opening stock	9,844	5,476
Add: Purchases (Net)	47,970	48,787
	57,814	54,263
Less: Closing stock	8,258	9,844
Total	**49,556**	**44,419**

NOTE 27 : CHANGES IN STOCK OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

(₹ in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Closing stock		
- Finished goods	6,470	4,307
- Work in progress	1,687	740
-Stock-in-trade	2	9
	8,159	**5,056**
Opening stock		
- Finished goods	4,307	4,358
- Work in progress	740	856
-Stock-in-trade	9	21
	5,056	**5,235**
Decrease in excise duty on closing stock of finished products	-	(830)
Net Increase in Inventories	**(3,103)**	**(651)**

NOTE 28 : EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries, wages and bonus	5,740	5,686
Contribution to provident and other funds	355	602
Employee Share based payment (Refer Note 37)	254	257
Staff welfare expenses	672	574
Total	**7,021**	**7,119**

NOTE 29 : FINANCE COST

(₹ in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest cost - on financial liability (at amortised cost)		
a) Borrowings from banks	16	100
b) Security deposits and others	47	22
Total	**63**	**122**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd...)

NOTE 30 : DEPRECIATION AND AMORTISATION EXPENSES

(₹ in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Depreciation of Property, Plant and Equipment (Refer Note 3)	2,351	2,320
Depreciation of Investment Properties (Refer Note 4)	1	2
Amortisation of Intangible Assets (Refer Note 5)	79	81
Total	**2,431**	**2,403**

NOTE 31 : OTHER EXPENSES

(₹ in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Power & Fuel oil consumed	7,552	6,574
Processing charges	2,065	1,861
Selling and Distribution expenses	3,219	2,926
Consumption of packing materials	1,454	1,372
Stores and spares consumed	1,062	1,110
Rent including lease rentals	286	278
Repairs and maintenance:		
- Plant & machinery	968	895
- Buildings	338	187
- Others	28	22
Insurance charges	145	100
Rates and taxes	149	189
Loss on fixed assets sold/scrapped/written off	25	350
Expenses on corporate social responsibility	370	251
Net Foreign Exchange Loss	422	-
Provision for Doubtful Debt	-	2
Other General Expenses	3,232	2,926
Total	**21,315**	**19,043**

NOTE 32 : CURRENT TAX AND DEFERRED TAX

(a) Income Tax Expense recognised in Statement of Profit and Loss

(₹ in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Current Tax:		
Current Income Tax Charge	8,430	8,603
MAT Credit Entitlement	(17)	(12)
Adjustments in respect of prior years	-	(22)
Total	**8,413**	**8,569**
Deferred Tax		
In respect of current year	876	(92)
Total	**876**	**(92)**
Total tax expense recognised in Statement of Profit and Loss	**9,289**	**8,477**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd...)

(b) Income Tax recognised in other Comprehensive Income

(₹ in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Deferred Tax (Liabilities)/Assets:		
Remeasurement of Defined Benefit Obligations	8	(13)
Net fair value (gain)/loss on investments in equity shares at FVTOCI	345	145
Total	**353**	**132**

(c) Reconciliation of income tax expense and the accounting profit multiplied by Group's domestic tax rate:

(₹ in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Profit before tax	**27,776**	**25,470**
Less: Income taxed at different tax rate	5	(48)
Profit before tax	**27,771**	**25,422**
Income Tax using the Company's domestic Tax rate #	9,692	8,796
Effect of expenses that are not deductible in determining taxable profit	443	314
Effect of income that is not taxable in determining taxable profit	(163)	(626)
Effect of expenditure eligible for weighted deduction / expenditure not debited to Profit and Loss but allowed as deduction	(582)	-
Effect of reversal of deferred tax liability (Net)	(87)	-
Effect on deferred tax balances due to the change in income tax rate (effective 01.04.2018)	(15)	6
Effect of income taxed at different rate	1	9
Adjustments in respect of prior years	-	(22)
Income tax expense recognised in Statement of Profit and Loss	**9,289**	**8,477**

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, 2019

(₹ in Lakhs)

Particulars	Opening Balance	Recognised in statement of Profit and Loss	Recognised in OCI	Closing Balance
Property, Plant and Equipment, Investment properties and Intangible assets	10,237	776	-	11,013
Financial asset measured at FVTOCI	(145)	(1)	(347)	(493)
Financial asset measured at FVTPL	10	10	-	20
Defined benefit obligation	(670)	(13)	(6)	(689)
Provision for doubtful debts / advances	(212)	106	-	(106)
Payment for voluntary retirement scheme	(1)	-	-	(1)
Other non financial assets	1,192	-	-	1,192
Provision for Bonus	(1)	-	-	(1)
Unabsorbed Depreciation	-	-	-	-
Net Tax (Assets)/Liabilities	**10,410**	**878**	**(353)**	**10,935**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd...)

Deferred tax (assets)/liabilities in relation to the Year Ended March 31, 2018

(₹ in Lakhs)

Particulars	Opening Balance	Recognised in statement of Profit and Loss	Recognised in OCI	Closing Balance
Property, Plant and Equipment, Investment properties and Intangible assets	10,220	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)	-	(212)
Payment for voluntary retirement scheme	(15)	14	-	(1)
Other non financial assets	1,261	(69)	-	1,192
Provision for Bonus	(2)	1	-	(1)
Unabsorbed Depreciation	(20)	20		-
Net Tax (Assets)/Liabilities	**10,634**	**(92)**	**(132)**	**10,410**

NOTE 33 : EARNINGS PER SHARE

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
1. Calculation of weighted average number of equity shares - Basic		
(a) Number of equity shares at the beginning of the year (in units)	16,44,77,680	16,35,83,180
(b) Number of equity shares issued during the year (in units)	9,41,150	8,94,500
(c) Number of equity shares outstanding at the end of the year (in units)	16,54,18,830	16,44,77,680
(d) Weighted number of equity shares outstanding during the year (in units)	16,52,50,999	16,42,30,111
2. Calculation of weighted average number of equity shares - Diluted		
(a) Number of potential equity shares at the beginning of the year (in units)	16,73,72,680	16,70,33,580
(b) Number of potential equity shares outstanding at the end of the year (in units)	16,77,27,580	16,73,72,680
(c) Weighted number of potential equity shares outstanding during the year (in units)	16,61,14,870	16,61,98,277
3. Profit for the year (₹ in lakhs)	**18,485**	**16,993**
(a) Basic Earnings per share of ₹ 10/- each (3/1(d))	11.19	10.35
(b) Diluted Earnings per share of ₹ 10/- each (3/2(c))	11.13	10.22

NOTE 34 : 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	Year ended March 31, 2019	Year ended March 31, 2018
Charged to Statement of Profit and Loss	**286**	**278**
Future Minimum Lease rentals Payable under non-cancellable operating leases are as follows:		
Within one year	89	29
After one year but not more than five years	17	32
More than five years	-	-

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd...)

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 ₹ 38 lakhs (2017-18 : ₹ 27 lakhs) on such lease is included in Other Income.

NOTE 35 : CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(₹ in Lakhs)

Particulars		As at March 31, 2019	As at March 31, 2018
(a)	**Contingent liabilities :**		
	(i) Claims against the Group not acknowledged as debts (including Direct and Indirect Taxes)	1,208	968
(b)	**Commitments :**		
	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	10,103	7,869
	The Group did not have any long-term contracts including derivative contracts for which any provision was required for foreseeable losses.		

NOTE 36 : 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, 2019	Year ended March 31, 2018
(i)	**Capital expenditure**		
	(a) Capital equipments	35	20
(ii)	**Revenue expenditure**		
	(a) Salaries / wages	306	428
	(b) Travelling & Conveyance Expenses	20	21
	(c) Repairs & Maintenance	53	30
	(d) Communication Expenses	1	1
	(e) Materials / Consumables	23	23
	(f) Housekeeping	2	2
	(g) Others	14	12
	(h) Depreciation	46	37
	Total revenue expenditure (a) to (h)	**465**	**554**
(iii)	**Total R & D expenditure (i+ii)**	**500**	**574**
(iv)	**Amount received by R & D facilities**	**-**	**-**
(v)	**Net amount of R & D expenditure**	**500**	**574**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd...)

NOTE 37 : SHARE BASED PAYMENTS

37.1 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 company on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. These options vest 25% every year ('graded vesting'). The options granted can be exercised at any time until completion of ten years from the date of grant, subject to the vesting schedule. Any options remaining unexercised at the end of the exercise period shall lapse.

The number of options granted is calculated in accordance with the performance-based formula approved by the shareholders at a previous annual general meeting and is subject to approval by the nomination and remuneration committee.

The share-based payments to employees being equity-settled are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest with a corresponding increase in equity.

Share options outstanding at the end of the year have the following expiry dates, exercise prices and fair value:

Grant series and grant year	Expiry Year	Exercise price ₹	Fair value ₹	March 31, 2019	March 31, 2018
				Number of options	Number of options
Grant 1 - 2007-08	2017-18	23.40	15.72	-	-
Grant 2 - 2009-10	2019-20	25.35	16.06	-	-
Grant 3 - 2010-11	2020-21	20.60	10.59	-	-
Grant 4 - 2011-12	2021-22	16.65	9.02	-	-
Grant 5 - 2015-16	2025-26	37.65	16.27	3,43,250	7,76,000
Grant 6 - 2016-17	2026-27	52.85	19.44	4,58,600	7,15,925
Grant 7 - 2016-17	2026-27	84.05	28.74	8,12,900	10,63,975
Grant 8 - 2017-18	2027-28	188.35	69.28	3,39,100	3,39,100
Grant 8 - 2018-19	2028-29	142.45	46.27	3,54,900	-
Total				**23,08,750**	**28,95,000**
Weighted average remaining contractual life of options outstanding at the end of year				8.31	8.85

<u>Fair value of share options granted in the year:</u>

The weighted average fair value of the share options granted during the financial year is ₹ 46.27 (Previous year: ₹ 69.28). 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, 2019	March 31, 2018
	Grant 9	Grant 8
Grant date share price (₹)	142.45	188.35
Exercise price (₹)	142.45	188.35
Expected volatility (%)	38%	41.30%
Expected life of the options	4 years	4 years
Expected dividend (%)	1.93%	2.50%
Risk free interest rate (%)	6.97%	7.41%
Expiry Year	2028-29	2027-28

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd...)

Basis of assumptions:

1. The risk free interest rates are determined based on the zero-coupon sovereign bond yields with maturity equal to the expected term of the option.
2. The expected volatility was determined based on the volatility of the equity share for the period of one year prior to the issue of options. Volatility calculation is based on historical stock prices using standard deviation of daily change in stock price. The historical period is taken into account to match the expected life of the option.
3. Dividend yield has been calculated taking into account expected rate of dividend on equity share price as on grant date.

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

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Balance at beginning of period not exercised	28,95,000	76.11	34,50,400	57.29
Granted during the period	3,54,900	142.45	3,39,100	188.35
Exercised during the period	(9,41,150)	54.18	(8,94,500)	46.06
Balance at end of period	**23,08,750**	**95.25**	**28,95,000**	**76.11**
Exercisable at the end of the year	3,17,575		3,11,350	

The weighted average share price at the dates of exercise of options exercised during the year ended March 31, 2019 was ₹ 152.20 (year ended March 31, 2018 : ₹ 187.33)

NOTE 38 : SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Group. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director and CFO of the Group. The Group operates only in one Business Segment i.e. rubber chemicals, hence does not have any reportable Segments as per Ind AS 108 "Operating Segments".

Segment information for Secondary segment reporting (by geographical segment).

The Group has two reportable geographical segments based on location of customers.

(i) Revenue from customers within India - Domestic

(ii) Revenue from customers outside India - Foreign

I. Revenue by Geographical Markets

(₹ in Lakhs)

Particulars	Revenue from operations		Non-Current Assets	
	For the year ended 31 March 2019	For the year ended 31 March 2018	As at March 31, 2019	As at March 31, 2018
India	72,656	73,436	85,846	65,794
Outside India	31,634	25,491	-	-
Total	**1,04,290**	**98,927**	**85,846**	**65,794**

II. Revenue from Major products:

(₹ in Lakhs)

Particulars	Revenue from operations	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Rubber Chemicals	1,02,452	97,184
Others	1,838	1,743
Total	**1,04,290**	**98,927**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd...)

NOTE 39 : EMPLOYEE BENEFIT PLANS

1) Defined contribution plans :

The Group participates in a number of defined contribution plans on behalf of relevant personnel. Any expense recognised in relation to these schemes represents the value of contributions payable during the period by the Group at rates specified by the rules of those plans. The only amounts included in the balance sheet are those relating to the prior months contributions that were not due to be paid until after the end of the reporting period.

The major defined contribution plans operated by the Group are as below:

a) Provident fund and Pension

In accordance with the Employee's Provident Fund and Miscellaneous Provisions Act, 1952, eligible employees of the Group are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Group make monthly contributions at a specified percentage of the covered employees' salary. The contributions, as specified under the law, are made to the provident fund administered and managed by Government of India. The Group has no further obligations under the fund managed by the GOI beyond its monthly contributions which are charged to the Statement of Profit and Loss in the period in which they are incurred. The benefits are paid to employees on their retirement or resignation from the Group.

b) Superannuation fund

The Group holds two in-house superannuation funds which appropriates funds to Life Insurance Corporation of India (the insurer) at the time of retirement/resignation of employee. The pension annuity is met by the Insurer as required, taking into consideration the contributions made. The Group has no further obligations under the scheme beyond its monthly contributions which are charged to the Statement of Profit and Loss in the period in which they are incurred.

Contribution to Defined Contribution Plans, recognised in the Statement of Profit and Loss for the year under employee benefits expense, are as under :

(₹ in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
i) Employer's Contribution to Provident Fund and Pension	231	218
ii) Employer's Contribution to Superannuation Fund	59	61
Total	**290**	**279**

2) Defined Benefit Plans:

a) Gratuity (Funded)

The Group has an obligation towards gratuity, a funded defined benefit retirement plan covering all employees. The plan provides for lump sum payment to vested employees at retirement, death while in employment or on termination of the employment of an amount equivalent to 15 days salary, as applicable, payable for each completed year of service. Vesting occurs upon completion of five years of service. The Group makes annual contributions to gratuity funds established by various in-house funds managed by NOCIL Employees Trust Funds as disclosed in related party transaction (Refer Note 40). The Group accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation using Projected Unit Credit method determined in accordance with the terms of The Payment of Gratuity Act, 1972.

b) Gratuity (Unfunded)

The Group has an obligation towards gratuity, an unfunded defined benefit retirement plan covering eligible employees. The plan provides for lump sum payment to vested employees at retirement, death while in employment or on termination of the employment of an amount equivalent to 15 days salary, as applicable, payable for each completed year of service, without any payment ceiling. Vesting occurs upon completion of five years of service. The Group accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation.

The most recent actuarial valuation of the present value of the defined benefit obligation was carried out on March 31, 2019 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, 2019 (Contd...)

A. Principal actuarial assumptions used:

The principal assumptions used for the purposes of the actuarial valuations were as follows.

Particulars	Gratuity (Funded)	
	As at March 31, 2019	As at March 31, 2018
1. Discount rate	7.47%	7.56% - 7.82%
2. Salary escalation	6.00%	6.00%
3. Rate of Employee Turnover	6.00%	6.00%
4. Mortality rate	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

B. Expenses recognised in the Statement of Profit and Loss *(₹ in Lakhs)*

Particulars	Gratuity (Funded)	
	Year ended March 31, 2019	Year ended March 31, 2018
Service cost:		
Current service cost	91	101
Past service cost	-	1
Net Interest cost	77	78
Components of defined benefit costs recognised in the Statement of Profit and Loss	**168**	**180**

The current service cost and the net interest expenses for the year are included in the 'Employee benefits expenses' line item in the Statement of Profit and Loss.

Net Interest Cost recognised in the Statement of Profit and Loss: *(₹ in Lakhs)*

Particulars	Gratuity (Funded)	
	Year ended March 31, 2019	Year ended March 31, 2018
Interest Cost	205	206
Interest Income	(128)	(128)
Net interest cost recognised in the Statement of Profit and Loss	**77**	**78**

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

(₹ in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
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	7	(38)
Actuarial (Gains)/Losses on Obligation For the Period - Due to experience adjustment	5	67
Return on Plan Assets, excluding Interest Income	17	5
Change in Asset Ceiling	-	-
Net (Income)/Expense recognised in OCI	**29**	**34**

D. Amount recognised in the Balance Sheet

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Present Value of Defined Benefit Obligation as at the end of the year	2,811	(2,714)
Fair Value of plan assets	1,867	1,695
Net Asset/(Liability) recognised in the Balance Sheet	**944**	**(1,019)**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd...)

E. Movements in the present value of defined benefit obligation are as follows: *(₹ in Lakhs)*

Particulars	As at March 31, 2019	As at March 31, 2018
Opening defined benefit obligation	2,714	2,888
Current Service Cost	90	101
Past Service Cost	-	1
Interest cost	202	206
Actuarial (gains) / losses	12	29
Benefits Paid (From the Fund)	(135)	(437)
Benefit Paid (Directly by the Employer)	(103)	(74)
Net Liability transferred in	31	-
Closing defined benefit obligation	**2,811**	**2,714**

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

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening fair value of the plan assets	1,695	1,794
Contributions by the Employer	156	215
Return on Plan Assets, excluding Interest Income	(17)	(5)
Interest income	128	128
Benefits paid	(135)	(437)
Assets transferred in	40	-
Closing fair value of plan assets	**1,867**	**1,695**

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, 2019	Estimated for the year ended March 31, 2018
1st Following Year	1,075	880
2nd Following Year	276	325
3rd Following Year	329	323
4th Following Year	325	300
5th Following Year	277	300
Sum of Years 6 To 10	823	906
Sum of Years 11 and above	568	575

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, 2019	As at March 31, 2018
Projected Benefit Obligation on Current Assumptions		
Impact of +0.5% Change in Rate of Discounting	(40)	(42)
Impact of -0.5% Change in Rate of Discounting	41	44
Impact of +0.5% Change in Rate of Salary Increase	42	44
Impact of -0.5% Change in Rate of Salary Increase	(40)	(42)
Impact of +0.5% Change in Rate of Employee Turnover	3	3
Impact of -0.5% Change in Rate of Employee Turnover	(3)	(3)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd...)

NOTE 40 : RELATED PARTY DISCLOSURES

A. Details of related parties

Description of relationship	Name of the Related Party
Key Management Personnel	
- Chairman	Mr. H. A. Mafatlal
- Former Managing Director	Mr. C. R. Gupte (upto 31st July, 2017)
- Managing Director	Mr. S. R. Deo (from 1st August, 2017)
Enterprises over which Key Management Personnel is able to exercise significant influence	Mafatlal Industries Limited Sri Chaitanya Seva Trust N. M. Sadguru Water and Development Foundation NOCIL Employee Trust Funds

B. Nature of Transactions/ Names of Related Parties

(₹ in Lakhs)

S. No.	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
A	**Enterprises over which Key Management Personnel is able to exercise significant influence***		
I	**Mafatlal Industries Limited**		
1	Purchase of Investments	-	1,874
2	Reimbursement of Expenses	10	16
3	Dividend Received	-	39
4	Dividend Paid	650	468
II	**Sri Chaitanya Seva Trust**		
1	Expenditure on CSR Activities	120	100
III	**N. M. Sadguru Water and Development Foundation**		
1	Expenditure on CSR Activities	50	30
IV	**NOCIL Employee Trust Funds**		
1	Contributions paid to funds	388	521
2	Post Employement Benefits paid on behalf of Trust	11	35
B	**Key Management Personnel #**		
1	Short-term employee benefits	702	782
2	Post-employment benefits	59	70
3	Share-based payment	46	101

* 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 Group, in accordance with shareholders' approval, wherever necessary.

C. Amounts outstanding with related parties

(₹ in Lakhs)

S. No.	Particulars	As at March 31, 2019	As at March 31, 2018
A	**Enterprises over which Key Management Personnel is able to exercise significant influence**		
I	**Mafatlal Industries Limited**		
1	Trade Payables	3	2

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd...)

(₹ in Lakhs)

S. No.	Particulars	As at March 31, 2019	As at March 31, 2018
II	**NOCIL Employee Trust Funds**		
1	Contributions Payable to Funds	84	329
2	Advance to Post Employment Retirement Funds	11	-

Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

No guarantees have been given or received.

NOTE 41 : FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

41.1 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.

41.2 Categories of financial instruments

The following table provides categorisation of all financial instruments at carrying value.

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Financial assets		
Measured at FVTPL		
(a) Mutual Fund Investments	7,878	22,372
Measured at amortised cost		
(a) Cash and cash equivalent	3,704	2,439
(b) Bank balance other than (a) above	539	765
(c) Trade receivables	23,219	24,336
(d) Other financial assets (including Derivative Financial Instruments)	706	482
(e) Inter Corporate Deposits	2,586	526
Measured at FVTOCI		
(a) Investments in equity instruments	2,259	5,222
Total Financial Assets	**40,891**	**56,142**
Financial liabilities		
Measured at amortised cost		
(a) Trade payables	9,834	11,565
(b) Other financial liabilities (including current maturities of borrowings)	4,742	3,653
Total Financial Liabilities	**14,576**	**15,218**

41.3 Financial risk management objectives

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

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd...)

41.4 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.

41.5 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, 2019	As at March 31, 2018
A. USD Currency:		
Financial Liabilities		
In USD million	5.09	7.65
Equivalent in ₹ lakhs	3,522	4,960
Financial Assets		
In USD million	10.83	7.91
Equivalent in ₹ lakhs	7,492	5,127
B. Euro Currency:		
Financial Liabilities		
In Euro million	0.01	0.11
Equivalent in ₹ lakhs	5	92
Financial Assets		
In Euro million	0.09	0.03
Equivalent in ₹ lakhs	70	24

41.5.1 Foreign currency sensitivity analysis in relation to the net foreign exchange exposure as at the balance sheet date

The Group is mainly exposed to the foreign exchange fluctuation in USD.

The following table details the Group's sensitivity to a 5% increase and decrease in the Indian Rupee against USD. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. This is mainly attributable to the exposure outstanding on receivables and payables in the Group at the end of the reporting period. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates an increase in the profit or equity where the Indian Rupee weakens 5% against the relevant currency due to positive net Financial Assets at the end of the current period. For a 5% strengthening of the Rupee against the relevant currency, there would be a comparable reverse impact on the profit or equity.

(₹ in Lakhs)

Particulars	USD Currency Impact	
	Year Ended March 31, 2019	Year Ended March 31, 2018
Impact on Statement of Profit and Loss for the year		
5% strengthening against US Dollar	(198)	(8)
5% weakening against US Dollar	198	8

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 FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd...)

41.5.2 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.

There are no derivative financial instruments outstanding at the end of the current and previous reporting year.

41.6 Interest rate risk management

The Group does not have interest rate risk exposure as there are no outstanding loans as at the year end.

41.7 Other price risks

The Group is exposed to price risks arising from mutual funds and equity investments other than investments in subsidiary.

Equity price risk is related to change in market reference price of investments in equity securities held by the Group. The fair value of quoted investments held by the Group exposes the Group to equity price risks. In general, these investments are not held for trading purposes.

The Group manages the surplus funds majorly through combination of investments in debt based / arbitrage / equity oriented mutual fund schemes and fixed deposits. The price of investment in these mutual funds is the Net Asset Value (NAV) declared by the Asset Management Company on daily basis as reflected by the movement in the NAV of invested schemes. The Group is exposed to price risk on such Investment schemes.

Mutual fund investments are susceptible to market price risk, mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments. However, due to the very short tenor of the underlying portfolio in the liquid schemes, these do not hold any significant price risks.

41.7.1 Equity price sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 5% higher / lower, the other comprehensive income for the year ended March 31, 2019 would increase / decrease by ₹ 113 Lakhs (2017-18: ₹ 260 Lakhs) as a result of the changes in fair value of equity investments measured at FVTOCI.

41.7.2 Mutual fund price sensitivity analysis

The sensitivity analysis below has been determined based on Mutual Fund Investment at the end of the reporting period. If NAV had been 1% higher / lower, the profit for year ended March 31, 2019 would increase / decrease by ₹ 79 lakhs (2017-18: ₹ 224 lakhs) as a result of the changes in fair value of mutual funds.

41.8 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 receivables using independent ratings where available or by assessment of the customer's credit quality based on its financial position, past experience and other factors. The maximum exposure to credit risk in respect of the above at the reporting date is the carrying value of financial assets recorded in the financial statements, net of any allowance for losses. Based on the historical data since loss on collection of receivable is not material, no additional provision is considered.

Trade receivables consist of a large number of customers, spread across the country comprising primarily dealers and manufacturers.

The average credit period on sales of goods is 60 days. The Group's trade and other receivables consists of a large number of customers, hence the Group is not exposed to concentration risk.

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

(₹ in Lakhs)

Ageing of trade receivables	As at March 31, 2019	As at March 31, 2018
Within the credit period	18,055	22,215
0 - 180 days past due	5,149	2,053
More than 180 days past due	15	68
Total Trade receivables	**23,219**	**24,336**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd...)

Reconciliation of loss allowance provision for Trade Receivables

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Balance as at beginning of the year	**2**	**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**	**2**

41.9 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.

41.9.1 Liquidity risk table

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table include principal cash flows along with interest. The contractual maturity is based on the earliest date on which the Group may be required to pay.

(₹ in Lakhs)

Particulars	Upto 1 year	1-5 years	5+years
March 31, 2019			
Trade Payables	9,834	-	-
Other Financial Liabilities	4,742	-	-
Total	**14,576**	-	-
March 31, 2018			
Trade Payables	11,565	-	-
Other Financial Liabilities	3,653	-	-
Total	**15,218**	-	-

NOTE 42 : FAIR VALUE MEASUREMENTS

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

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

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

(₹ in Lakhs)

Financial assets/ (Financial liabilities)	March 31, 2019	March 31, 2018	Fair value hierarchy	Valuation technique(s) and key input(s)
a) At FVTPL:				
Investments in Mutual funds	7,878	22,372	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:				
Investments in equity instruments(quoted) (see note below)	2,259	5,222	Level 1	Quoted bid prices in an active market

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd...)

Note: These investments in equity instruments are not held for trading. Instead, they are held for medium or long-term strategic purpose. Upon the application of Ind AS 109, the Group has chosen to designate these investments in equity instruments as at FVTOCI as the Management believes 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.

42.2 Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

Except as detailed in the following table, the Group considers that the carrying amounts of financial instruments recognised in the financial statements approximate their fair values.

(₹ in Lakhs)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets held at amortised cost:				
Cash and cash equivalent	3,704	3,704	2,439	2,439
Other Bank balance	539	539	765	765
Trade receivables	23,219	23,219	24,336	24,336
Other financial assets (incl. Derivative Financial Instrument)	706	706	482	482
Inter Corporate Deposits	2,586	2,586	526	526
Financial liabilities held at amortised cost:				
Trade Payables	9,834	9,834	11,565	11,565
Other financial liabilities	4,742	4,742	3,653	3,653

NOTE 43 : DISCLOSURE AS PER SECTION 186 OF THE COMPANIES ACT, 2013

The details of loans, guarantees and investments under Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 are as follows:

(i) Details of Investments made by the Group are given in Note 6 and 10 in the financial statement.

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

NOTE 44: SUBSEQUENT EVENTS: There are no significant subsequent events that would require adjustments or disclosures in the financial statement between the Balance Sheet date and the date of signing of accounts.

NOTE 45 : Previous year's figures have been regrouped wherever necessary, to conform to the current year's classification. Other Current Assets and Other Current Liabilities have been regrouped in the previous year on account of offsetting state wise net position of assets and liabilities of GST.

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
DIN: 00009872

D.N. Mungale
Director & Chairman- Audit Committee
DIN: 00007563

S.R. Deo
Managing Director
DIN: 01122338

Daraius Z. Fraser
Partner
Membership No. 42454

P. Srinivasan
Chief Financial Officer

V. K. Gupte
Company Secretary

Place : Mumbai,
Date : May 10, 2019

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

Part A Subsidiaries

(Currency: Indian Rupees in lacs)

1	Sl. No.	1
2	Name of the subsidiary:	PIL Chemicals Limited
3	Date since when the subsidiary was acquired	February 22, 2007
4	Reporting period for the subsidiary concerned, if different	April 01, 2018
	from the holding company's reporting period:	to
		March 31, 2019
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	2,664
8	Total assets	4,051
9	Total Liabilities	4,051
10	Investments	406
11	Turnover	1,316
12	Profit before taxation	155
13	Provision for taxation	29
14	Profit after taxation	126
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

D. N. Mungale
Director & Chairman- Audit Committee

S.R. Deo
Managing Director

P. Srinivasan
Chief Financial Officer

V. K. Gupte
Company Secretary

Place : Mumbai,
Dated : May 10, 2019

NOCIL LIMITED

Regd. Office: Mafatlal House, H.T. Parekh Marg, Backbay Reclamation, Churchgate Mumbai-400 020
Tel. 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 57th Annual General Meeting of the Company, to be held on Tuesday, 30 July 2019 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 2018-19 etc.
2	To declare dividend on equity shares.
3	Re-Appointment of Mr. Vilas R. Gupte as a Director.
Special business	
4	ORDINARY RESOLUTION: Appointment of Mr. Debnarayan Bhattacharya (holding DIN: 00033553) as an Independent Director for five consecutive years
5	SPECIAL RESOLUTION: Continuation of Mr. Debnarayan Bhattacharya as an Independent Director after he attains the age of 75 years during the tenure of 5 years
6	SPECIAL RESOLUTION : Continuation of Mr. Vilas R. Gupte as a Non-Executive Non-Independent Director after he attains the age of 75 years.
7	ORDINARY RESOLUTION : Payment of Commission to the Non-Executive Directors for a further period of five years from 1 September, 2019
8	ORDINARY RESOLUTION: Ratification of payment of remuneration to M/s Kishore Bhatia & Associates, Cost Auditors, Mumbai, for FY 2019-20

Signed this .... day of July, 2019.

Affix
Re. 1
revenue
stamp

....

Signature of the proxy holder(s) Signature of the member

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 Fintech Private Limited (formerly 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 Fintech Private Limited
(formerly Karvy Computershare Private Limited)

Unit: NOCIL Limited
Registered Office :
Karvy Selenium Tower B,
Plot 31-32, Gachibowli,
Financial District, Nanakramguda,
Hyderabad – 500 032

Investor Relations Centre:
24 B, Rajabahadur Mansion,
Ground Floor, Ambalal Doshi Marg,
Fort, Mumbai, Maharashtra 400023.

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..

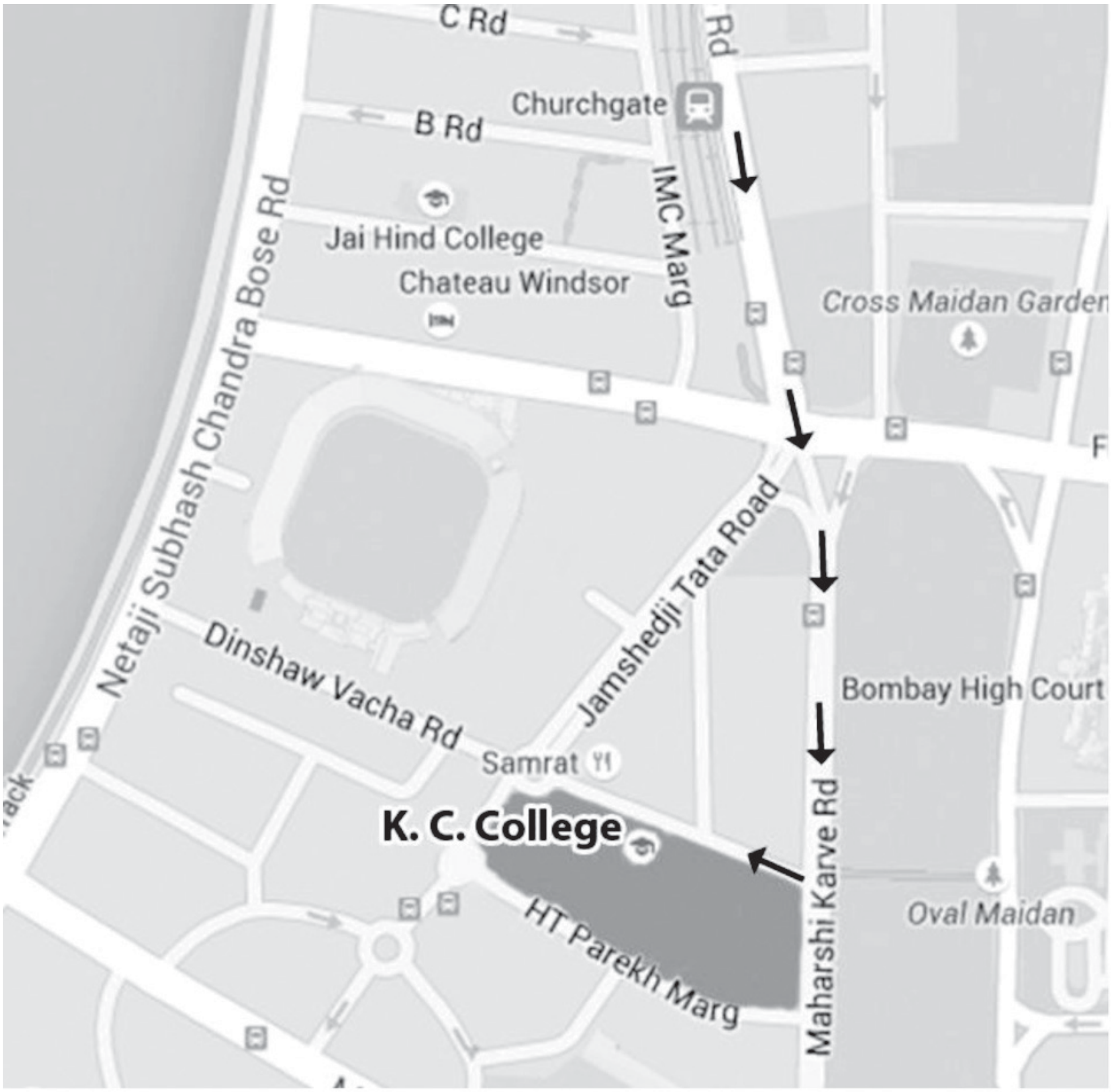
Notes

Notes

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



NOCIL LIMITED

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