ARVIND MAFATLAL GROUP
The ethics of excellence

NOCIL LIMITED

58th Annual Report

2019-20

FIRM STEPS.
FOCUSED APPROACH.

WHAT'S INSIDE...

INVESTOR INFORMATION

Current Market Capitalisation	₹ 1,741 Crores*
BSE Code	500730
NSE Symbol	NOCIL
Bloomberg Code	NOCIL:IN
AGM Date	August 28, 2020
AGM Time	3:00 pm
AGM Mode	Virtual

*As on July 31, 2020

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

Or simply scan to download

Disclaimer:

This document contains statements about expected future events, which are forward-looking. By their nature, forward-looking statements require the Company to make certain assumptions and are subject to inherent risks and uncertainties. Accordingly, these assumptions, may not prove to be accurate. Readers are advised that the actual future results, and events may differ from those expressed in the forward-looking statements.

FIRM STEPS. FOCUSED APPROACH.

CONSISTENT ACTIONS BRING DESIRED RESULTS.

In the landscape of a business, the only certain factor is the uncertainty of the environment it operates within. Under such circumstances, consistency of thought, purpose and actions, is what brings excellence to everything we do.

The year 2019-20 was a challenging year for the end-user and allied industries that we cater. It was also quite tepid with respect to the overall economic scenario. Despite such an adverse environment, we, at NOCIL, continued strengthening the core of our diversified offerings in the rubber chemicals space. Our focused actions towards providing 'Value for Money' products to our customers, some of whom we share decades of relationships with, strengthened our manufacturing capacities further.

OUTCOMES MIRROR ACTIONS.

So, when we targeted garnering higher volumes and reaching more geographies, we persisted on our capacity expansion plans to provide high-quality and readymade shop floor technical solutions to our prestigious customers. And thereby, gain a higher market share in the coming years. Our planning was coupled with important decisions to innovate, build, and operate our plants in a safe and environment-friendly manner, thereby enhancing stakeholder value through optimum resource utilisation.

This report is a story of the firm steps that we have continually undertaken during a tough year, through a well laid-out focused approach.

RIGHT STEPS THAT INSPIRED OUR HISTORY

Part of the eminent Arvind Mafatlal Group, NOCIL Limited is a manufacturer of an extensive variety of rubber chemicals, backed by a proficient 4 decade-rich experience. We are the largest Indian rubber chemical manufacturers.

We enjoy the distinctive quality of being one of the few dependable players in the rubber chemicals space. Our product portfolio encompasses the gamut of all the 22 varieties of rubber chemicals, making us a one-stop-shop for our customers. Our state-of-the-art facilities and technical capabilities contribute majorly towards our global recognition. Hence, giving us an edge over other players while making us reliable.

The tyre industry is the largest end-user consumer for rubber chemicals and the growth in this space largely depends on the auto industry. Against this backdrop, we enjoy the advantage of long-term business relationships with tyre majors not only across India, but also globally.

Vision

We, at NOCIL Limited, are committed to be a world-class, customer-focused, innovative organisation in the field of rubber chemicals and partner of choice to all our customers across the globe.

Wide Product Portfolio to Suit Market Requirements

- Anti-degradants/Anti-oxidants
- Accelerators
- Pre-vulcanisation Inhibitor
- Post-vulcanisation Inhibitor

Industries Catered

- Tyres
- Moulded Components for Vehicles
- Industrial Belts
- Gloves and other latex applications
- Hoses
- Footwear
- Active Pharmaceutical Ingredients

Our Growth over the Years*

REVENUE	EBITDA	OPERATING PBT	DIVIDEND PAYOUT
+8% ↑	+36% ↑	+31% ↑	~30% ↑

(more than 5 years)

*CAGR from 2012-13 to 2019-20

FIRM STEPS. FOCUSED APPROACH.

Consistent actions aligned with long-term goals!

Every action is an opportunity of advancing closer to the ultimate goal. How we grow through the process is what determines our trajectory. This philosophy forms the nucleus of our business. Proactiveness and right timing have always given us a competitive edge. Future has always been the cornerstone of our approach. And we have carefully charted our course taking consistent firm steps to build a foundation supporting our long-term goals. Our focused approach helps us look at each day as a new opportunity of adding value. All the hurdles faced on the way, then become a way of bettering ourselves.

We believe in living in the present while gearing up for the future. This year was quite eventful and plagued by issues ranging from continued slowdown in the auto and auto components industry, to the cessation of the anti-dumping duty, to the unprecedented Covid-19 pandemic-related slowdown.

Despite these and many other industrial issues, we marched ahead on our journey, backed by firm steps and a focused approach. With our sustained growth and vision of partnering customers across the globe as our target, we continued being committed to building a world-class, customer-focused and innovative organisation.

We sustained our upward march through firm steps:

We continued pursuing expansion of our capacities and capabilities through our ₹450 Crore-Capex cycle spread over three years. We have completed the first phase of capacity expansion and the second phase is being done in a staggered manner. Our internal accruals towards the capex funding further enabled us to maintain a debt-free status. Post expansion, our aim is to increase our volume and market share not only in India, but also on the exports front through our state-of-the-art and fully automated plants. Our focused approach even amid the current unprecedented times, will further fortify our position as a dependable supplier of rubber chemicals and provide a strong operating leverage due to the scaling up of the business.

₹450 Crores

COMBINED CAPEX FOR PHASE I AND PHASE II

With our technical capabilities being recognised globally, exports contribute to about 35% to our topline currently. A 6% volume growth was also witnessed during this otherwise dull year. In line with our geographic diversification strategy, we entered newer export markets and are also witnessing higher share of enquiries. Even during the difficult times of the pandemic, we dispatched goods to meet export commitments, embodying our spirit of partnership, responsibility, and commitment towards them.

35%

CONTRIBUTIONS OF EXPORTS TO THE TOPLINE

We have always placed high emphasis on producing products that are not only less harmful to the environment, but also help reduce waste. In line with the same thought and backed by our exceptional R&D capabilities, we continued embarking on a pipeline of niche products. During the year, we maintained our focus on using innovative technologies and green chemistry strategies like 3Rs (Reduce, Reuse & Recycle) for treatment of effluents and other next-generation treatment methods.

3Rs

REDUCE, REUSE & RECYCLE STRATEGY FOR EFFLUENT TREATMENT

We have continued abiding by the principles of 'Responsible Care' for our operations. Our commitment towards supply of high-quality products through cleaner processes in a responsible manner ensures environment protection and prevention of pollution. As part of our overall philosophy, Quality, Environment, Health and Safety are accorded the highest status, which we believe are the fundamental tenets of our sustainable growth.

Responsible Care

RECEIPT OF THE RESPONSIBLE CARE CERTIFICATION BY THE INDIAN CHEMICAL COUNCIL

The year was defined by our focus on actions and firm steps towards pursuing our goal. This could only be achieved through technological innovations, global accreditations, and customer delight. Similarly, our responsible approach towards health, safety, and environment helped us get closer to our objective of fostering sustainability and implementing ethical principles.

The receipt of the environmental award for the Dahej facility by the ICC is a humble encouragement that resonates our ethos and echoes our spirit.

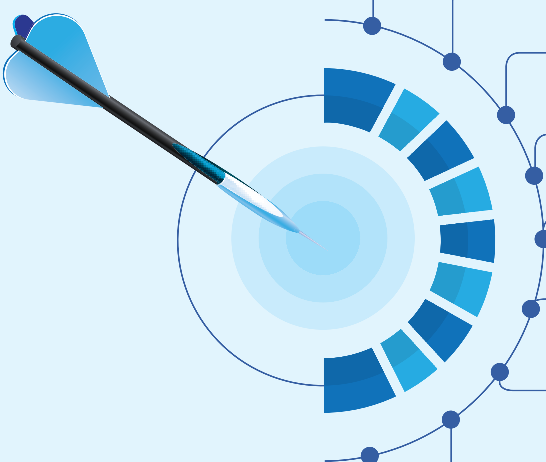
Our high-quality product offerings across the entire spectrum of conventional as well as specialty rubber chemicals provides us the competitive edge. Our capacity expansion towards increasing our volumes for high-value specialty products along with cost rationalisation measures undertaken over the years, will only help increasing margins in the long run.

22

PRESENCE ACROSS THE ENTIRE RANGE OF 22 RUBBER CHEMICALS

PILLARS OF OUR FOCUSED APPROACH

Focus determines results. But the direction of focus determines reality. With this principle at the core of our strategy, we have always built on our strengths that drive us closer to our larger business objective. These strengths are the pillars of our focused approach that help us provide the best 'Value for Money' and world-class rubber chemicals to our customers, at the most competitive prices.



- Extensive product basket with presence across the entire range of rubber chemicals and a strong position in high-value added products
- Preferred supplier with long term customer relationships spread across 40 countries
- Dependable, non-Chinese player
- Market responsive approach with strong MTS team offering technical services
- Experienced, capable and innovative team of scientists to conduct R&D
- Ultra-modern laboratories and pilot plant facilities capable of product testing and validation
- Ministry of Science and Technology, GoI-accredited R&D Centre at Navi Mumbai
- Environment-friendly processes with Responsible Care and several certifications
- Pipeline of new generation niche products

STATE-OF-THE-ART AUTOMATED MANUFACTURING FACILITIES

Navi Mumbai

- Set up in 1976
- Located at Belapur's industrial zone designated for the chemical industry, about 40 kms away from Mumbai
- State-of-the-art technology to manufacture the entire range of rubber chemicals for tyre and other rubber products

Dahej

- Commenced operations in March 2013
- Located about 45 kms from Bharuch, Gujarat
- Enjoys synergistic proximity to chemicals and petrochemicals industries through excellent connectivity with Dahej and Hazira Port
- Fully automated continuous process plant developed indigenously

CERTIFICATIONS

- ISO 9001:2008
- ISO 14001:2004
- BS OHSAS 18001:2007
- ISO/IEC 17025:2005
- ISO/TS 16949:2009
- IATF
- NABL
- Responsible Care by the Indian Chemical Council

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Chairman

Hrishikesh A. Mafatlal (DIN: 00009872)

Rohit Arora (DIN: 00445753)

Vilas R. Gupte (DIN: 00011330)

N. Sankar (DIN: 00007843)

C. L. Jain (DIN: 00102910) [upto June 29, 2019]

D.N. Mungale (DIN: 00007563)

P.V. Bhide (DIN: 03304262)

(Ms.) Dharmishta N. Raval (DIN: 02792246)

Debnarayan Bhattacharya (DIN: 00033553)

Priyavrata H. Mafatlal (DIN: 02433237)

Managing Director

S.R. Deo (DIN: 01122338)

COMPANY SECRETARY

Amit K. Vyas

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

CONTACT DETAILS

Telephone	:	+91 22 6636 4062 / 6657 6100
Fax	:	+91 22 6636 4060
CIN .	:	L99999MH1961PLC012003
E-mail	:	investorcare@nocil.com
Website	:	www.nocil.com

MANUFACTURING FACILITIES

Navi Mumbai

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

Dahej

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

FOR MEMBERS' ATTENTION

1. The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, August 21, 2020 to Friday, August 28, 2020.
2. Pursuant to the provisions of Regulation 40 (1) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 as amended, w. e. f. April 1, 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. KFin Technologies Pvt. Limited at the address given on this page.
4. 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.
5. 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.
6. Annual Report for Financial Year 2019-20 is being uploaded on the website of the Company viz. www.nocil.com for reference of the Members of the Company.
7. 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 2019-20.

REGISTRAR AND SHARE TRANSFER AGENTS

KFin Technologies Pvt. Limited
Selenium Tower B,
Plot 31-32, Gachibowli,
Financial District, Nanakramguda,
Hyderabad – 500 032.

Telephone No.	: +91 40 6716 2222
Fax no.	: +91 40 2343 1551
Email	: einward.ris@kfintech.com
Website	: www.kfintech.com

INVESTORS' RELATION CENTRE

24 B, Rajabahadur Mansion
Ground floor Ambalal Doshi Marg
Fort, Mumbai - 400 023
Tel. No.: +91 22 6623 5454

58TH ANNUAL GENERAL MEETING

Date	: August 28, 2020
Day	: Friday
Time	: 3.00 pm
Mode	: Virtual

Important Communication to Members

The provisions of 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 have other documents by e–mail to the shareholders.Further, due to Covid-19 pandemic and lockdown situation, various circulars have been issued by Ministry of Corporate Affairs (MCA) dated April 08, 2020, April 13, 2020 and May 05, 2020 and by Securities and Exchange Board of India (SEBI) dated May 12, 2020, wherein it is mentioned that owing to the difficulties involved in dispatching physical copies of documents to the members, such documents shall be sent through electronic means only to the registered email addresses of the members. Pursuant to such circulars issued by the authorities and to support the 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. Kfin Technologies Private Limited(formerly Karvy Fintech 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.

As per the MCA Circulars and the SEBI Circular, no physical copies of the Notice of Annual General Meeting and Annual Report will be sent to any Member.

REGISTRATION FORM FOR RECEIVING DOCUMENTS IN ELECTRONIC MODE

M/s. Kfin Technologies Private Limited (formerly Karvy Fintech Private Limited)

Unit: NOCIL Limited

Registered Office :
Selenium Bulding, Tower - B,
Plot 31 -32, Financial District,
Nanakramguda, Serilingampally, Hyderabad,
Rangareddi, Telangana – 500 032.

Investor Relations Centre:
24 B, Rajabahadur Mansion,
Ground Floor, Ambalal Doshi Marg,
Fort, Mumbai, Maharashtra– 400023.

I/We am/ are member/s of 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. --

Note: The registration form can be sent through email to the below mentioned email address:einward.ris@kfintech.com

Notice

NOTICE is hereby given that the FIFTY EIGHTH (58th) Annual General Meeting of the Members of NOCIL Limited **('the Company')** will be held on Friday August 28, 2020 at 03.00 p.m. (IST) through Video Conferencing **('VC')**/ Other Audio Visual Means **('OAVM')** at Mafatlal House, H.T. Parekh Marg, Backbay Reclamation, Churchgate, Mumbai - 400 020 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited (Standalone and Consolidated) Statements of Profit and Loss, Cash Flow Statement of the Company for the Financial Year ended March 31, 2020 and the Balance Sheet as at March 31, 2020 and the Reports of the Directors and the Auditors thereon.

2. To confirm the payment of Interim Dividend of ₹ 2.50/- per Equity share for the Financial Year ended March 31, 2020 declared on March 6, 2020 and to consider the same as final dividend for the Financial Year ended March 31, 2020.

3. To appoint a Director in place of Mr. Priyavrata H. Mafatlal (holding DIN: 02433237), who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS:

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

   RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s), amendment(s) or re-enactment(s) thereof, for the time being in force), payment of Remuneration of ₹ 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 June 29, 2020 for carrying out Cost Audit of the Company for the Financial Year 2020-21, be and is hereby approved and ratified."

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

Amit K. Vyas
Company Secretary

Registered Office:
Mafatlal House,
H.T. Parekh Marg,
Backbay Reclamation,
Churchgate, Mumbai 400 020.
Date: June 29, 2020

Notice (Contd.)

Notes

1. In view of the continuing outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs **('MCA')** followed by Circular No. 20/2020 dated May 05, 2020, physical attendance of the Members to the Annual General Meeting **('AGM')** venue is not required and AGM be held through video conferencing **('VC')** or other audio visual means **('OAVM').** Hence, Members can attend and participate in the ensuing AGM through VC/OAVM. In compliance with the provisions of the Companies Act, 2013 **("Act"),** SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 **("SEBI Listing Regulations")** and abovementioned MCA Circulars, the AGM of the Company is being held through VC / OAVM.

2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

3. Institutional investors, who are members of the Company, are encouraged to attend the 58th AGM of the Company through VC/ OAVM mode and vote electronically. Corporate members are required to send a scanned copy (PDF/JPG Format) of the Board Resolution/ Power of Attorney authorizing its representatives to attend and vote at the AGM through VC / OAVM on its behalf pursuant to Section 113 of the Act. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to scrutinizer@mmjc.in with a copy marked to evoting@nsdl.co.in.

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

5. Details under regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Directors seeking appointment / re-appointment at the Annual General Meeting, forms integral part of the notice.

6. The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, August 21, 2020 to Friday, August 28, 2020 (both days inclusive).

7. All the documents referred to in the accompanying notice and Explanatory Statement, shall be available for inspection through electronic mode, basis the request being sent on investorcare@nocil.com.

8. During the AGM, the Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Act, the Register of Contracts or arrangements in which Directors are interested under Section 189 of the Act and the Certificate from Auditors of the Company certifying that the ESOP Schemes of the Company are being implemented in accordance with, the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 shall be available for inspection upon login at NSDL e-voting system at https://www.evoting.nsdl.com.

9. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1,000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. The detailed instructions for joining the Meeting through VC/OAVM form part of the Notes to this Notice.

10. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.

Notice (Contd.)

11. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.

12. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories and has been uploaded on the website of the Company at www.nocil.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.

13. Members who would like to express their views/ask questions as a speaker at the Meeting may pre-register themselves by sending a request from their registered e-mail address mentioning their names, DP ID and Client ID/folio number, PAN and mobile number at investorcare@nocil.com between Saturday, August 22, 2020 (09.00 a.m. IST) and Tuesday, August 25, 2020 (5.00 p.m. IST). Only those Members who have pre-registered themselves as speakers will be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

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

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

Financial Year ended	Date of declaration of dividend	Due date of transfer of unclaimed & unpaid Dividend
March 31, 2013	July 29, 2013	September 04, 2020
March 31, 2014	June 30, 2014	August 06, 2021
March 31, 2015	July 23, 2015	August 29, 2022
March 31, 2016	July 27, 2016	September 02, 2023
March 31, 2017	July 27, 2017	September 02, 2024
March 31, 2018	July 25, 2018	August 31, 2025
March 31, 2019	July 30, 2019	September 05, 2026
March 31, 2020*	March 06, 2020	April 12, 2027

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

15. 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 2019-20.

INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING: -

1. The remote e-voting period commences on Tuesday, August 25, 2020 at 09:00 am (IST) and ends on Thursday, August 27, 2020 at 05:00 pm (IST). During this period, the members of the Company, holding

Notice (Contd.)

shares either in physical form or in dematerialised form, as on the cut-off date, i.e. Friday, August 21, 2020, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter.

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

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

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

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

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

Step 1: Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

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

3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

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

5. Your password details are given below:

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

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

c) How to retrieve your '**INITIAL PASSWORD**'?

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

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

Notice (Contd.)

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
   a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
   b) **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 are given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1 Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to scrutinizer@mmjc.in with a copy marked to evoting@nsdl.co.in.

2 It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3 In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request to Ms. Sarita Mote at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the Depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode, please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to einward.ris@kfintech.com:sunil.ponugoti@kfintech.com

Notice (Contd.)

2. In case shares are held in demat mode, please provide DPID-CLID (16-digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to evoting@nsdl.co.in

INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER: -

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system at the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

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

1. Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at https://www.evoting.nsdl.com under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ questions may send the same in advance mentioning their name demat account number/folio number, email id, mobile number at investorcare@nocil.com. The same will be replied by the company suitably.

Annexure to the Notice

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

Item No. 4

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 Monday, June 29, 2020 for the Financial Year 2020-21.

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

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

By Order of the Board
For NOCIL Limited

Amit K. Vyas
Company Secretary

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

Date: June 29, 2020

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

Name	**Mr. Priyavrata H. Mafatlal (DIN: 02433237)**
Age	33 years.
Qualification	M.Com. and B.M.S. (with specialization in Marketing) and has attended 3 Tier Management Program at IIM, Ahmedabad.
Date of Appointment / Re-appointment	May 8, 2017
Expertise in Specific Functional Areas	After his graduation in 2008, Mr. Priyavrata Mafatlal spent three years understanding various facets of management in NOCIL Limited and other Arvind Mafatlal group Companies namely Navin Fluorine International Limited and Mafatlal Industries Limited. Over the next decade, he went on to gain valuable experience and exposure by working with different businesses and divisions at Mafatlal Industries Limited and has now been elevated as the Managing Director and CEO of Mafatlal Industries Limited w.e.f. July 01, 2020.
Directorship held in other listed entities	Executive Director - Mafatlal Industries Limited.
Membership / Chairmanship of Committees	NIL
Number of shares held in the Company	5,17,000
Disclosure of relationship	Mr. Priyavrata H. Mafatlal is related to Mr. Hrishikesh A. Mafatlal.

SUMMARISED FINANCIAL DATA

(₹ in Lakhs)

Sr. No.	STATEMENT OF PROFIT AND LOSS	For the year ended March 31						
		2014	2015	2016	2017	2018	2019	2020
1	Total Income	60,690	72,289	71,825	82,740	100,360	105,291	85,599
2	EBITDA	7,168	11,576	14,119	16,709	27,720	30,029	18,615
3	Interest	1,739	1,651	934	222	122	63	132
4	Depreciation	1,756	1,360	1,372	1,869	2,291	2,297	3,242
5	Profit before Exceptional Items	3,674	8,565	11,813	14,618	25,307	27,669	15,241
6	Exceptional Items	(203)	-	-	-	-	-	-
7	Profit before Tax	3,470	8,565	11,813	14,618	25,307	27,669	15,241
8	Profit after Tax	2,362	5,675	7,774	9,683	16,861	18,409	13,098
9	Other Comprehensive Income	-	-	-	6,277	(741)	(2,643)	(1,143)
10	Total Comprehensive Income	2,362	5,675	7,774	15,960	16,120	15,766	11,955
11	Earning per share (EPS)-Basic (in ₹)	1.47	3.53	4.83	5.98	10.27	11.14	7.91
12	Dividend (₹ per Share)	0.60	1.00	1.20	1.80	2.50	2.50	2.50*
	BALANCE SHEET	As At March 31						
		2014	2015	2016	2017	2018	2019	2020
13	Property Plant and Equipments (incl. Investment Property, Capital Work In progress and Intangible Assets)	30,490	29,661	53,096	52,154	54,178	75,961	92,578
14	Investments	4,731	4,731	13,669	20,090	30,153	14,822	7,212
15	Long-term loans and advances (Net)/ Non Current Assets (Net of non-current liabilities)	3,426	2,286	1,275	175	1,759	3,010	1,993
16	Current Assets (Net)	18,110	23,533	19,734	28,839	27,679	32,049	24,683
17	Borrowings (including short term borrowings)	15,223	14,731	1,587	500	-	-	-
18	Equity Share Capital	16,079	16,079	16,079	16,358	16,448	16,542	16,561
19	Free Reserves/ Other Equity	21,558	25,263	60,066	74,146	87,295	98,764	101,040
20	Total Net Worth	37,637	41,342	76,145	90,504	103,743	115,306	117,601
21	Deferred Tax Liabilities (Net)	3,897	4,137	10,042	10,254	10,026	10,536	8,865
22	Book Value per Equity Share (₹) (20/no of shares)	23.41	25.71	47.36	55.33	63.07	69.71	71.01
	(Face value - ₹ 10 per share)							
23	Debt / Equity Ratio (17/20)	40%	36%	2%	1%	0%	0%	0%
24	EBITDA (%) (2/1)	12%	16%	20%	20%	28%	29%	22%
25	Profit after Tax (%) (8/1)	4%	8%	11%	12%	17%	17%	15%
26	Return on Net Worth (%) (8/20)	6%	14%	10%	11%	16%	16%	11%
27	Return on Capital Employed (%) {2/(13+14+15+16)}	13%	19%	16%	17%	24%	24%	15%

* Indicates Interim Dividend for FY 2019-20 to be ratified at the ensuing AGM.

Note: The transition date for the Company for first time adoption of Ind AS is April 01, 2016. Accordingly, the figures are restated wherever necessary.

Directors' Report

Dear Members,

Your Directors are pleased to present their Board Report together with the Audited financial statements for the year ended March 31, 2020.

FINANCIAL SUMMARY

(₹ In Crores)

Particulars	Financial year ended March 31, 2020	Financial year ended March 31, 2019
Total Revenue	855.99	1,052.91
Profit before Interest, Depreciation and Tax	186.15	300.29
Less: Interest	1.32	0.63
Less: Depreciation	32.42	22.97
Profit before tax	**152.41**	**276.69**
Less: Tax Expenses	21.43	92.60
Net Profit after tax	**130.98**	**184.09**
Earning per share of face value of ₹ 10 each - Basic	7.91	11.14
Earning per share of face value of ₹ 10 each - Diluted	7.91	11.08

Performance of the Company

Your Directors wish to inform you that the Company recorded a turnover of ₹ 846 Crores for the year as against ₹ 1,043 Crores, a de-growth of 19%. This was on the back of de-growth in sales volume by 4% as against the domestic automobile sector de-growth of 15%.

Auto sector experienced a recessionary situation from October, 2018 and the trend continued throughout the financial year under review. The US China trade tensions compounded the problem for your company as the Chinese competitors started dumping rubber chemicals into India (third largest market) on account of their exports becoming difficult in US markets. Further, the cessation of anti- dumping duty post end July, 2019 added pressure on margins of six (6) of our products.

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 competetive prices.

Domestic Market

Your Company has recorded a Net Domestic turnover of ₹ 560 Crores for the year under review. In view of the reasons mentioned in the previous para, the domestic sales volume reported a de-growth of 9% as compared to the previous Financial Year 2018-19.

As stated in the previous annual report, the Domestic tire industry got impacted by the slowdown in the OEM industry which started from August 2018 onwards and the trend continued throughout the year. The slowdown led to a drop in capacity utilisation at the major tire companies. In view of the BS VI auto emission introduction, auto sales were expected to witness a growth due to pre-buying which did not materialise on account of COVID-19.

On the other hand, rubber chemicals prices which started softening from October, 2018 in view of the slow down, better availability and drop in corresponding CIF levels marked a drop of 15% for the year under review.

Reductions were also witnessed in the input prices though disproportionate to the finished goods price reductions.

Though China accounts for about 75% of world's rubber chemical production, it only consumes about 35% of the rubber chemicals, resulting in exportable surplus, which makes it possible to dump it into neighboring markets, including India. The Company made necessary applications before the Director General of Trade Remedies (DGTR) for anti-dumping duty in respect of its main product.The matter has been initiated by DGTR in May, 2020. Any positive findings will benefit the company in the form of additional protection which will enable to get a level playing field.

Exports

Despite the above challenges, for the year under review, Exports showed a volume growth of 6%. 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 not likely to experience any major setbacks from the current level of ₹ 286 Crores.

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/USA and pricing unattractive,

Directors' Report (Contd.)

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 slowdown. As a result, some production cuts had to be undertaken to manage the inventories.

On the input front, the reduction in Benzene prices have resulted in some favorable downward movements in prices of all major inputs. Crude Oil witnessed a stable price range in most part of the year in the range of USD 55 - 60 per barrel. 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 a long-term contractual arrangements with its vendors in respect of Aniline at an 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 ₹ 450 Crore in financial year 2017-18. In terms of the said plan, the second leg capex towards finished goods was completed by October, 2019. There is some capex on intermediates and infrastructure which is likely to be commissioned by October, 2020. Currently, the finished products manufactured out of the Dahej expansion projects have started receiving customer approvals and capacity utilisation will be scaled up in line with the commercial orders.

In view of the company's comfortable liquidity position the entire capex got financed through internal accruals.

Finance Rating

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

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

Dividend Policy

Your company forms part of the List of top 500 listed entities based on Market Capitalisation as on March 31, 2018 and top 1000 listed entities as on March 31, 2019. In view thereof, pursuant to the provisions of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 as amended, at its meeting held on May 04, 2018, the Board of Directors have approved the Dividend Distribution Policy effective from the Financial Year 2018-19. The said Policy is attached as Annexure "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.

Dividend Payout

During the year under review, the company discharged dividend obligations to the tune of ₹ 99.56 crores (inclusive of dividend distribution tax) consisting of the final dividend approved by the members in July, 2019 and the interim dividend approved by the Board of Directors at its meeting held on March 06, 2020. On both the occasions, Dividend of ₹ 2.50/- (25%) per Equity share of the face value of ₹ 10/- each was paid to those shareholders whose names appeared in the Register of Members of the Company or in the records of Depositories as beneficial owners of Equity Shares as on the record date.

Your Directors recommend that the Interim Dividend of ₹ 2.50/- per Equity Share declared on March 06, 2020 and already paid to the shareholders, be considered as final dividend for the Financial Year ended March 31, 2020, subject to the approval of the shareholders at the forthcoming Annual General Meeting.

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

Pursuant to the applicable provisions of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("**the IEPF Rules**"), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF; established by the Government of India, after completion of seven years. Further, according

Directors' Report (Contd.)

to the IEPF Rules, the shares on which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account of the IEPF Authority.

The total amount lying in the Unclaimed Dividend Account of the company as on March 31, 2020 in respect of the last seven years from FY 2012-13 to FY 2018-19 is ₹ 3.22 Crores.

During the year, all unclaimed / unpaid dividend up to FY 2011-12 amounting to ₹ 0.21 Crores has been transferred to the Investor Education and Protection Fund and unclaimed / un-encashed dividend for the FY 2012-13 paid on July 29, 2013 is due for transfer to IEPF on September 04, 2020. As per the IEPF Rules, as amended, the due date for transfer of Equity Shares in respect of Dividend pertaining to the Financial Year 2011-12 was September 06, 2019. 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 1,96,711 Equity shares to the designated demat account opened by IEPF Authority with NSDL through Punjab National Bank, belonging to those shareholders holding shares both in dematerialised form as well as physical form, who had not encashed their Dividend for a period of 7 years or more beginning from the Financial Year 2011-12. The shares held in demat / physical mode were transferred in October, 2019.

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

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

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

Fixed Deposits

Since, the Company no longer accepts deposits from public, there are no outstanding/unclaimed deposits as at March 31, 2020.

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"."Safe Attitude Encouragement" is a humane interactive approach, which is initiated by the Senior Management on weekly basis to strengthen the safety culture of your organisation.

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

Directors' Report (Contd.)

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 undertake the mandatory periodical health check ups of employees but also counsel the employees on the life style health hazards. Based on the health statistics of the community, collective counselling by experts is organised 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.

In view of the recent pandemic COVID-19, the company has issued strict work instructions to all its employees, contractors, business associates etc. on the precautions to be followed and the safety protocols including banners, hoardings at its locations. Further, adequate health screenings are conducted at regular intervals and compulsory social distancing norms are followed.

All manufacturing activities came to halt during last week of March, 2020 as per the Government directive of nation-wide lockdown. Closing a chemical plant at a short notice and lack of supervision post stoppage due to restriction on employee movement posed a safety challenge. This was an unprecedented event for which there was no standard operating procedure. Your company quickly sought permission for supervision of the plant by senior technical team and ensured the safety of the site through continuous supervision by senior management team.

Total Quality Management (TQM)

Total Quality Management in your company has ensured harmonisation of business processes and systems across all the locations in the organisation. Total Quality management has increased the customer satisfaction by boosting quality. It does this by motivating the work force and improving the way the company operates. In an increasingly competitive market, your company with a continuous improvement culture and external focus is always on the growth path.

The Company's Plants situated at Navi Mumbai and Dahej and also PIL Chemicals Limited, a wholly owned subsidiary of the Company continue to be certified for ISO 9001:2015, IS0 14001:2015, ISO45001:2018. Navi Mumbai Plant and PIL chemicals continues to be certified for prestigious IATF 16949:2016. Your company is also certified as a member of Responsible Care and enjoys the privilege of using Responsible Care Logo. Quality Assurance laboratory of your company, Navi Mumbai location is accredited in accordance with ISO 17025:2017 standard. A well-equipped ISO 17025:2017 accredited inhouse laboratory of your company reduces external dependency and plays a vital role in achieving quality improvement goals.

TQM has given your company a competitive edge over other manufacturers.

Research and Development

The vision of Research and Development team of your company is to focus towards long-term supplier of Rubber Chemicals in the global arena and maintain sustainable business advantage, R&D team's effort is continued towards manufacturing process optimisation & development of greener manufacturing processes in order to make them cost-effective and environment friendly. In this endeavor, R&D team is regularly strengthened with adequate resources and adding talented manpower to ensure focus in development of innovative process technologies and to meet business challenges in line with company's goal to be world class innovative organisation in the field of Rubber Chemicals. Your Company's R&D's laudable effort towards development of Greener Process technologies and adoption of innovative effluent treatment strategies viz. 3Rs (Reduce, Reuse & Recycle) approaches and new generation treatment methods, was recognised by Indian Chemical Council (ICC), by conferring ICC Award for Excellence in Management of Environment for the year 2018, for newly expanding Dahej site.

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

- Continuous improvement in current manufacturing processes and meeting Customer's quality needs;
- Development of Greener Processes and adoption of 3R strategies for environmental sustainability;
- Pursuing differentiation through development of niche Products and Processes;

Directors' Report (Contd.)

- Continued focus on increase in plant capacities by process/ plant debottlenecking through process optimisation;
- Conservation of natural resources with focus on reduction of Water and carbon footprint.

Research and Development efforts in the above areas resulted in increase in Plant capacities, cost reduction through lower raw material usage and energy consumption, recovery of value-added products from process streams, significant reduction in environmental load and in the development of speciality products. Your Company's R&D center at Navi Mumbai is approved by DSIR (Department of Scientific and Industrial Research), Government of India and some of its outcome is acknowledged by national and international customers. Successful implementation of in-house technologies and continued encouragement from top management, provided enhanced motivation in the research team to perform better in development of innovative technologies and ensure long term business sustainability in rubber chemicals and also explore new business segment.

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.

As mentioned in the Annual Report of the previous Financial Year 2018-19, your company formed part of top 500 listed entities based on market capitalisation calculated as on March 31, 2018. In view of this, in addition to the above, the Board has constituted the Risk Management Committee (RMC) w.e.f. April 01, 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. The composition of the Risk Management Committee, terms of reference and number of committee meetings held during the year are given in the Corporate Governance Report. The Company has also approved a Risk Management Policy in order to mitigate such risk factors.

Internal Control Systems and their Adequacy

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

The Internal Auditors monitor and evaluate the efficacy and adequacy of internal controls in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal auditors, the management undertakes corrective action in the respective areas and thereby further strengthens the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board. The Audit committee of the Board ensures that necessary corrective actions suggested are put in place. In addition,during the year under report, the Audit Committee and the Board have specifically reviewed the Internal Financial Controls with reference to the Financial Statements and process prevalent in the Company. On a case to case basis, the Board also engages the services of professional experts in the said field, to ensure that adequate financial controls and systems are in place. At the end of a period, the 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.

Directors' Report (Contd.)

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. The link of the same is mentioned as below:

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

Policy on Prevention of Sexual Harassment of Women at Workplace

As per the requirement under the provisions made under section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, an appropriate Committee has been formed to attend to the complaints of the sexual harassment at workplace, if any, made by female employees.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 has in place a Policy on the Prevention of Sexual Harassment. During the year under review, no complaints were received.

DIRECTORS

- **Number of Board Meetings**

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

- **Number of Committee Meetings**

- **Audit Committee Meeting**

  The members of Audit Committee met five times during the financial year under review as per the details stated in the Corporate Governance report.

- **Nomination and Remuneration Committee Meeting**

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

- **Stakeholders Relationship and Investors' Grievance Committee**

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

- **Risk Management Committee**

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

- **Corporate Social Responsibility Committee**

  The members of Corporate Social Responsibility Committee met four times during the financial year under review as per the details stated in the Corporate Governance report.

- **Composition of Audit Committee:**

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

During the year under review, the following changes took place in the composition of the Audit Committee, upon approval of the Board:

a. Mr. D. N. Mungale has been appointed as the Chairman of the Audit Committee effective from May 10, 2019 in place of Mr. C. L. Jain who continued to be a Member of the Audit Committee up to June 29, 2019.

b. Mr. N. Sankar ceased to be a Member of the Committee effective May 10, 2019.

c. Mr. P. V. Bhide and Mr. Debnarayan Bhattacharya have been appointed as Members of the Committee effective May 10, 2019

The composition of the re-constituted Audit Committee is given below:

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

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

- **Board Evaluation**

  Pursuant to the provisions of the Companies Act, 2013, as amended from time to time and Regulations 17 and 25 of the SEBI (Listing Obligations and Disclosure

Directors' Report (Contd.)

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 and Remuneration and other Committees.The various criteria considered for evaluation of Whole Time / Executive Directors included qualification, experience, knowledge, commitment, integrity, leadership, engagement, transparency, analysis, decision making, governance etc. The Board commended the valuable contributions and the guidance provided by each Director in achieving the desired levels of growth. This is in addition to evaluation of Non-Independent Directors and the Board as a whole by the Independent Directors in their separate meeting being held every year.

- **Declaration by Independent Directors**

  As required under Section 149(7) of the Companies Act, 2013, read with SEBI (Listing Obligations and Disclosure Requirements), (Amendment) Regulations, 2018, the Independent Directors have placed the necessary declaration of their independence in terms of the conditions laid down under Section 149(6) of the Companies Act, 2013, as amended in the Board Meeting held on Monday, June 29, 2020. Further, pursuant to the Companies (Appointment and Qualification of Directors), Rules, 2014 as amended, the said declaration also includes a confirmation to the effect that the Independent Directors have included their names in the Database maintained by the Indian Institute of Corporate Affairs and they have paid the necessary fees for the said registration and will pay the fees for the renewal.

- **Familiarisation Programme to Independent Directors**

  The Company provides suitable familiarisation programme to Independent Directors to help them familiarise 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 familiarisation programme have been disclosed and updated from time to time on the company's website and its web link is:

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

Directors' Responsibility Statement

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

(a) That in the preparation of the annual financial statements for the year ended March 31, 2020, 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 2 forming part of the Financial Statements have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent to give a true and fair view of state of affairs of the Company as at March 31, 2020;

(c) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) That the annual financial statements have been prepared on a going concern basis;

(e) That proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;

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

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

Directors' Report (Contd.)

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 and Remuneration committee, the Board of Directors approved a Policy for selection and appointment of Directors, Senior Management and their remuneration.

There has been no change in the said Policy for the financial year under review. However, the revised remuneration policy has been recommended by the Nomination and Remuneration Committee in their meeting held on June 18, 2020 to the Board of Directors to bring it in line with the amendments in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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. Necessary amendments to the policy have been carried out in line with the regulatory requirements.

The weblink of the Policy is:

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

Scheme of Amalgamation

During the year under review, at its meeting held on January 30, 2020, your Directors, based on the recommendations of the Audit Committee, approved the draft Scheme of Amalgamation of Suremi Trading Private Limited ('Suremi') and Sushripada Investments Private Limited, ('Sushripada') being promoter group companies with the Company under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013. Upon this Scheme becoming effective, existing equity shares held by Suremi and Sushripada in the paid-up share capital of the Company shall stand cancelled. Pursuant to the Scheme, there will no change in the shareholding of Promoter Group and Public Shareholders of NOCIL. The Scheme would be subject to approval of the National Company Law Tribunal (Mumbai Bench) ['NCLT'], and such other competent authority, and various statutory approvals, shareholders and lenders/creditors of each of the companies as may be directed by the NCLT.

The amalgamation will ensure a streamlined group structure by reducing the number of legal entities in the group structure. There will be no adverse effect of the said Scheme on the equity shareholders (the only class of shareholders), key managerial personnel, promoter and non-promoter shareholders of the Company.

Pursuant to the provisions of Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, as amended, your company has obtained 'No Objection' on the draft Scheme of Amalgamation from BSE Limited and National Stock Exchange of India Limited respectively. The Company is in the process of filing the requisite application for approval from NCLT, Mumbai.

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. The Related Party Transactions Policy was revised during the year in view of amendments in Rules.

Particulars of contracts or arrangements with related parties as referred to in Section 188(1) of the Companies Act, 2013 along with the disclosures as mentioned in Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in the prescribed Form AOC-2 for FY 2019-20 are given in **Annexure "G".**

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

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

Directors' Report (Contd.)

Loans, Guarantees or Investments

Particulars of loans, guarantees or investments under Section 186 of the Companies Act, 2013, are given in the Notes forming part of Financial Statements for the year ended March 31, 2020.

Extract of Annual Return

Extract of Annual Return for the Financial Year ended on March 31, 2020 as required by Section 92 (3) of the Companies Act 2013, is annexed as **Annexure "E".** The weblink of the same is http://www.nocil.com/images/fckeditor/file/Extract-of-Annual-Return-2019-20.pdf

Subsidiary Company, Associates and Joint Ventures

PIL Chemicals Limited, (PIL), Wholly Owned Subsidiary (WOS) has recorded a Turnover of ₹ 13.43 Crores and Profit before Tax of ₹ 0.92 Crores, for the year under review. The Board of Directors of PIL declared an Interim Dividend of ₹ 0.60/-per share. (Previous year Final Dividend was ₹ 0.60/- per share).

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

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

A statement containing the salient features of the financial 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 WOS company are placed on the Company's website and the members interested in obtaining copy of annual report of the WOS company are requested to get in touch with the Office of the Company Secretary.

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

Consolidated Financial Statements

Consolidated Financial Statements are prepared by 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 April 06, 2016.

Personnel

The relations, during the year, between the employees and the management of your Company continued to be cordial. After successful negotiations, your company has renewed the Agreement with the Workers' Union during the year under review.

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

Directors

At the previous Annual General Meeting held on July 30, 2019, the Members accorded their approval by passing Special Resolution for appointment of Mr. Debnarayan Bhattacharya as an Independent Director for a period of 5 years.Further, in view of Regulation17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, approval was also obtained to continue the appointment of Mr. Bhattacharya

Directors' Report (Contd.)

as an Independent Director for five consecutive years not withstanding that on September 13, 2023 he would attain the age of 75 years during the said term of 5 years.

Pursuant to Rule 8 of the Companies (Accounts), Rules, 2014, as amended, in the opinion of the Board, Mr. Debnarayan Bhattacharya who was appointed as an Independent Director during the year, has integrity, expertise and experience (including the proficiency).

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

Mr. C. L. Jain did not seek re-appointment as an Independent Director for the second term. Accordingly, in the month of March, 2019, the Company had also obtained Member's approval by passing Special Resolution through conduct of Postal Ballot for continuation of Mr. C. L. Jain as an Independent Director who was above 75 years for his residual term up to June 29, 2019. Therefore, the existing term of Mr. C. L. Jain as an Independent Director ended on June 29, 2019 and consequently, he has ceased to be a Director of the Company and Chairman of the Audit Committee and Member of the Corporate Social Responsibility Committee of the Company.

The Board takes the opportunity to sincerely thank Mr. C. L. Jain for the excellent contribution made as an Independent Director and Chairman of the Audit Committee and Member of the Corporate Social Responsibility and wish him very healthy and peaceful retired life.

The tenure of Ms. Dharmishta Raval as an independent director of the Company shall expire on July 23, 2020. She is aged 64 years and has given her consent for re-appointment for the second term beginning from July 23, 2020 to July 22, 2024. She is enrolled as an Advocate of the Gujarat Bar Association in 1980 and is a Partner of Raval and Raval, Advocates, Ahmedabad and also is in practice as an Advocate at Gujarat High Court since May, 2003. Ms. Raval does not hold any shares in the Company and is not related to any Director or Key Managerial Personnel of the Company. Pursuant to the Companies (Appointment and Qualification of Directors), Rules, 2014 and the amendments made thereto from time to time, Ms. Raval has also registered herself in the Data Bank maintained by the Indian Institute of Corporate Affairs for a period of five years. In the opinion of the Board of Directors of the Company, Ms. Raval continues to fulfill the conditions of independence as specified in the Companies Act, 2013 and Rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and the amendments made thereto, for re-appointment as an Independent Director.

Having regard to her qualifications, knowledge and vast experience, her re-appointment on the Board of the Company as an Independent Director will be in the interest of the Company and hence, the Company had proposed her reappointment for second term of 4 years from July 23, 2020 to July 22, 2024 as an independent director. In this regard, the Company has proposed to pass a special resolution through postal ballot, the notice of which is circulated as on June 08, 2020 with all the shareholders of the Company as on cut-off date, i.e. May 29, 2020. E-voting facility for the same shall be open till July 08, 2020 post which the special resolution shall be deemed to be passed on the basis of results declared by the scrutinisers.

Key Managerial Personnel

During the year under review, Mr. V. K. Gupte superannuated as Company Secretary effective from the close of business hours of December 31, 2019. In view of Mr. Gupte's superannuation, Mr. Amit K. Vyas (holding Membership No. FCS 3766) has been appointed as Assistant Vice President (Legal) and Company Secretary and Compliance Officer of the Company effective from January 01, 2020.

Further, Mr. R. M. Gadgil has superannuated as President Marketing effective from May 15, 2020.

The Board also extends its wishes to Mr. R.M. Gadgil and Mr. V. K. Gupte for their valuable contributions rendered to the Company in their capacity as the Key Managerial Personnel and wishes them very healthy and peaceful retired life.

Other than as stated above, there has not been any change in the Directors and Key Managerial Personnel of the Company.

Auditors

Pursuant to the requirement of Section 139(1) of the Companies Act, 2013, at the Annual General Meeting held on July 27, 2017, the Members had accorded their approval for the appointment of M/s. Kalyaniwalla & Mistry

Directors' Report (Contd.)

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.

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

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

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

Cost Auditors

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

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

The Audit Committee has obtained a certificate from the Cost Auditor certifying their independence and arm's length relationship with the Company. The Cost Audit Report in respect of F.Y. 2018-19 was filed on August 19, 2019 and the Report for the Financial Year 2019-20 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 2020-21 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 2019-20. The Report of the Secretarial Audit is annexed herewith as **Annexure "B".**

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

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

Report on Corporate Governance

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

Report on Management Discussion and Analysis

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

Directors' Report (Contd.)

Business Responsibility Report

The Company forms part of top 1000 listed entities based on market capitalisation calculated as on March 31, 2019. 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 thereunder 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.

Further, the Company shall also send the Annual Report for FY 2019-20 to all the shareholders through electronic means as per the relaxations provided by MCA Circular dated May 05, 2020 and SEBI Circular dated May 12, 2020 due to Covid-19 pandemic which shall also enhance the Green Initiative measures taken by the Company.

GENERAL:

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

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

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

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

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

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

Acknowledgements

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

For and on behalf of the Board of Directors

Place : Mumbai — **Hrishikesh A. Mafatlal**
Date : June 29, 2020 — Chairman

Directors' Report (Contd.)

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 (upto June 29, 2019)
- Mr. Vilas R. Gupte – Non-Executive Director
- Mr. S. R. Deo – Managing Director
- Ms. Dharmishta N. Raval (effective from May 10, 2019)

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

   - ₹ 23,827 Lakhs

4. Prescribed CSR Expenditure (two per cent of the amount as in Item No. 3(above)

   - ₹ 476 Lakhs.

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

a. Total amount to be spent for the financial year. - ₹ 476 Lakhs

b. Amount unspent, if any. - Nil

c. Way 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	Sri Chaitanya Seva Trust	Rural/ Tribal upliftment programmes	Mira Road, Thane Dist.	160.00	160.00	160.00	Direct
2	N.M. Sadguru Water and Development Foundation	Rural/ Tribal poverty reduction programmes	Dahod, Gujarat	56.00	56.00	56.00	Direct
3	Punarvas Education Society	Education	Mumbai	5.00	5.00	5.00	Direct
4	Worli Crematorium ground	Environmental sustainability	Mumbai	30.00	30.00	30.00	Direct

Directors' Report (Contd.)

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
5	Deepstambh Bahuddeshiya Sanstha	Education	Jalgaon	10.00	10.00	10.00	Direct
6	Shushrusha Hospital	Health care	Mumbai	15.00	15.00	15.00	Direct
7	Punarutthan Trust	Education	Ahmedabad	10.00	10.00	10.00	Direct
8	Bombay Medical Aid Foundation	Health care	Mumbai	10.00	10.00	10.00	Direct
9	Pahal Nurturing lives	Employment Enhancement Program	Bharuch, Gujarat	4.80	4.80	4.80	Direct
10	Adruta Children's Home	Rehabilitation of deserted, parentless and abandoned children	Bhubaneswar	15.00	15.00	15.00	Direct
11	Vidya Sagar (Formerly known as The Spastics Society of India, Chennai)	Livelihood enhancement project	Karapakkam, Chennai	10.00	10.00	10.00	Direct
12	Ramakrishna Mission	Health care	Khar, Mumbai	5.00	5.00	5.00	Direct
13	ShabriSeva Samiti	Health services, educational and social initiatives	Thane, Raigad and Nandurbar, Maharashtra	15.00	15.00	15.00	Direct
14	Bombay Community Public Trust	Education	Mumbai	15.00	15.00	15.00	Direct
15	Olympic Gold Quest – NGO	Promotion of Olympic sports	Mumbai	25.00	25.00	25.00	Implementing Agency
16	Aashray Trust	Rehabilitation of children	Navi Mumbai	5.00	5.00	5.00	Direct
17	Suburban Music Circle	Preservation and promotion of Indian Classical Music	Mumbai	5.00	5.00	5.00	Direct
18	Foundation for Democratic Reforms	Civic	Mumbai	10.00	10.00	10.00	Direct

Directors' Report (Contd.)

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
19	Utkarsh Global Foundation	The stray animal welfare activities	Mumbai	2.00	2.00	2.00	Direct
20	MBA Foundation	Rehabilitation of children with varied disabilities	Mumbai	2.00	2.00	2.00	Direct
21	Padariya Village	Promoting education	Dahej, Gujarat	0.64	0.64	0.64	Direct
22	Chief Minister Kanyakelavani Nidhi"	Promoting Girl Education	Gandhinagar, Gujarat	0.50	0.50	0.50	Direct
23	Consumer Education and Research Centre	Educating and empowering the consumers	Ahmedabad	10.00	10.00	10.00	Direct
24	Primary / Upper Primary School, Dahej	Provision for food	Bharuch, Gujarat	0.50	0.50	0.50	Direct
25	Seva Sahyog Foundation	Education	Mumbai	15.00	15.00	15.00	Direct
26	Shree Bhagwan Mahaveer ViklangSahayata Samiti (Jaipur Foot)	Health care	Jaipur, Rajasthan	15.00	15.00	15.00	Direct
27	Vayam, a registered Charitable Trust	Empowerment of tribal communities	Doyapada, Vikramgad Taluka	10.13	10.13	10.13	Direct
28	Bharat Ke Veer Corpus	Armed Forces	New Delhi	15.00	15.00	15.00	Direct
			Total	**476.57**	**476.57**	**476.57**	

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	**H.A. Mafatlal**	**P. Srinivasan**
Managing Director	Chairman CSR Committee	President - Finance & Chief Financial Officer

Place: Mumbai
Date: June 29, 2020

Directors' Report (Contd.)

ANNEXURE "B"

FORM NO. MR.3

SECRETARIAL AUDIT REPORT

For The Financial Year Ended March 31, 2020

[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 authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020 (hereinafter called the 'Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 according to the provisions of:

(i) The Companies Act, 2013 ('the Act') and the rules made thereunder;

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

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

(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, 2018 **(Not Applicable to the Company during the Audit Period);**
   - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
   - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable to the Company during the Audit Period);**
   - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
   - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not Applicable to the Company during the Audit Period)**; and
   - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not Applicable during the audit period).**

Directors' Report (Contd.)

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

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

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

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

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

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

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

We further report that during the audit period the Company;

- Allotted 1,87,125 Equity Shares pursuant to Exercise of the Options granted under Employees Stock Options schemes of the Company.
- Approved scheme of amalgamation of Suremi Trading Private Limited and Sushripada Investments Private Limited with NOCIL Limited vide Board Resolution dated January 30, 2020.

For **Makarand M. Joshi & Co.**
Practicing Company Secretaries

Makarand Joshi
Partner
FCS No. 5533
CP No. 3662
UDIN: F005533B000395661
Peer Review No: P2009MH007000

Place : Mumbai
Date : June 29, 2020

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

Directors' Report (Contd.)

'Annexure A' 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
UDIN: F005533B000395661
Peer Review No: P2009MH007000

Place : Mumbai
Date : June 29, 2020

Directors' Report (Contd.)

ANNEXURE 'C'

Disclosure in the Directors' Report as per SEBI Guidelines:

	Particulars	**Till the year ended March 31, 2020**	
	Options outstanding as at the beginning of the year	23,08,750	
A	Options granted during the year	-	
B	Pricing Formula	Exercise Price shall be the latest available closing market price of the equity shares of the company, prior to the date of grant	
C	Options Vested**	11,49,050	
D	Options Exercised**	1,87,125	
E	Total no. of shares arising as result of exercise of Options	1,87,125	
F	Options lapsed *	17,900	
G	Variation in terms of Options	None	
H	Money realised by exercise of Options (₹ in Lakhs)	97.31	
I	Total number of options in force**	21,03,725	
	*** The number of options have been reported as on 31.03.2020*		
	** Lapsed Options includes options cancelled/lapsed.*		
J	Employee wise details of options granted to:	**For the Grant made in 2019-20**	
		Name of the employee	**No: of options granted**
	- Senior Management	NIL	
	- any other employee who receives a grant in any one year of option amounting to 5% or more of options granted during that year	NOT APPLICABLE	
	- employees who were granted options, during any one year, equal to or exceeding 1% of the issued capital (excluding warrants and conversions) of the company at the time of grant	NOT APPLICABLE	
K	Diluted earnings per share pursuant to issue of shares on exercise of options calculated in accordance with Ind AS 33 'Earnings per Share ₹'	7.91	
L	Impact of employee compensation cost calculated as difference between intrinsic value and fair market value in accordance with SEBI Guidelines on ESOP (₹ in Lakhs)	199	
M (i)	Weighted average exercise price of Options granted during the year whose		
	Exercise price equals market price	NOT APPLICABLE	
M (ii)	Weighted average fair value of options granted during the year whose		
	Exercise price equals market price	NOT APPLICABLE	
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 have been detailed below:	
		Weighted average values for options granted during the year	
	Variables		
	Stock Price	NOT APPLICABLE	
	Volatility	NOT APPLICABLE	
	Riskfree Rate	NOT APPLICABLE	
	Exercise Price	NOT APPLICABLE	
	Time To Maturity	NOT APPLICABLE	
	Dividend yield	NOT APPLICABLE	

Directors' Report (Contd.)

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	Chief Financial Officer	2,74,850
5	Dr. C.N. Nandi	Vice President – Research & Development	1,08,600
6	Dr. N.D. Gangal	Vice President – QA, Analytical and Outsourced Research	1,00,225
7	R.M. Desai	Vice President- Operations, Corporate HR and Personnel	99,450
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	45,100
11	Manoj Shah	Assistant Vice President-Materials	45,250
12	Vikas Gupte	Former Assistant Vice President-Legal & Company Secretary	39,900
13	D S Desai	Assistant Vice President-MTS	37,200
14	Suresh Shetty	Assistant Vice President-Operations	41,900
15	Milind Shevte	Assistant Vice President-National Sales	20,600
16	Nitin Shastri	Assistant Vice President- Project Execution & Purchase	19,200
17	K R Subramanian	General Manager Financial and Cost Accounts	17,700
18	Amol Pradhan	General Manager Information Technology	13,500
19	Uttam Khatri#	General Manager- Production (Accelerators)	7,200
			21,03,725

Note:

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

 # Forfeited upon resignation in April, 2020

Directors' Report (Contd.)

ANNEXURE "D"

Statement pursuant to Section 134(3)(m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the year ended March 31, 2020.

A. CONSERVATION OF ENERGY

a) The steps taken or impact on conservation of energy

- Modified design of new boiler to achieve higher efficiency at partial load.
- Variable Speed drive for high KW chillers and compressors to achieve optimum energy consumption
- Installation of LED lights in plants and internal roads.
- Combining low pressure network of old and new plants to achieve maximum power generation by Turbine and utilisation of laid down steam.

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

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

c) The capital investment on energy conservation equipment

- VFD provided on all chillers (5 nos.) compressors to get better part load efficiencies: ₹ 10 Lakhs
- Design of 2nd boiler was modified to get higher efficiency at part load conditions: ₹ 50 Lakhs
- Process cooling tower pumps are provided with VFDs to conserve energy: ₹ 3 Lakhs

  Installation of LED lights in plants and internal roads: ₹ 10 Lakhs
- Installation of energy efficient boiler feed water pump: ₹ 6 Lakhs

B. TECHNOLOGY ABSORPTION:

Efforts in brief made towards technology absorption:

- Installation of new generation Pastillator in new Antidegradant plant at Dahej.
- Installation of Adsorption columns for recovering organics from Aqueous plant discharge streams for effluent load reduction in various plants as well as in ETP.
- Implementation of new generation separation technology to produce high purity Product for Pharma Market.
- Capacity increase by Process de-bottlenecking of two Accelerator Products

Benefits derived as a result of above efforts:

- Various Power savings measures have attributed to cost reduction.
- Better Boiler capacity utilisation and maximise Turbine capacity for Power generation.
- Increase in Plant capacity to meet Market demand.
- Supply of high purity niche products in Pharma sector
- Pollution abatement with Recovery and Recycle of valuable raw material and product

Directors' Report (Contd.)

Expenditure on R & D

(₹ In Lakhs)

	FY 2019-20	FY 2018-19
Capital	33	35
Recurring	518	465
Total	551	500
Total R & D Expenditure as % to total turnover	0.65	0.48

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ In Lakhs)

Foreign exchange used	
i) Raw materials, stores and spare parts, Capital goods and other products	14,983
ii) Expenditure in foreign currency	225
Foreign exchange earned	
iii) Export of goods on FOB basis, Commission and Service Charges.	28,652

For and on behalf of Board of Directors

Place: Mumbai
Date: June 29, 2020

Hrishikesh A. Mafatlal
Chairman

Directors' Report (Contd.)

ANNEXURE 'E'

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2020

[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	:	May 11, 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	:	KFin Technologies Private Limited* 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@kfintech.com Website: www.kfintech.com

* Formerly known as Karvy Fintech 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

Directors' Report (Contd.)

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the company	CIN/GLN	Holding/ subsidiary / associate	% of shares held	Applicable section
1.	PIL Chemicals Limited 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	8,60,160	-	8,60,160	0.52	-
Central Govt	-	-	-	-	-	-	-	-	-
State Govt	-	-	-	-	-	-	-	-	-
Bodies Corporate	5,49,92,329	-	5,49,92,329	33.26	5,49,92,329	-	5,49,92,329	33.21	(0.05)
Banks/ FI									
Any other									
Sub-total (A) (1):	**5,58,51,989**	**-**	**5,58,51,989**	**33.78**	**5,58,52,489**	**-**	**5,58,52,489**	**33.73**	**(0.05)**
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)	**5,58,51,989**	**-**	**5,58,51,989**	**33.78**	**5,58,52,489**	**-**	**5,58,52,489**	**33.73**	**(0.05)**
B. Public Shareholding									
1. Institutions									
Mutual Funds	57,76,297	2,850	57,79,147	3.49	21,20,711	2,850	21,23,561	1.28	(2.21)
Banks/FI	4,44,329	37,460	4,81,789	0.29	7,23,669	36,360	7,60,029	0.46	0.17
Central Govt	-	-	-	-	-	-	-	-	-
State Govt	400	-	400	0.00	400	-	400	0.00	-
Venture Capital Funds	-	-	-	-	-	-	-	-	-
Insurance Companies Funds	21,46,859	1,160	21,48,019	1.30	21,46,859	1,160	21,48,019	1.30	-
Others (specify) FIIs, FPIs, Alternate Investment Funds	70,40,784	-	70,40,784	4.26	44,87,225	-	44,87,225	2.71	(1.55)
Sub-total (B) (1):	**1,54,08,669**	**41,470**	**1,54,50,139**	**9.34**	**94,78,864**	**40,370**	**95,19,234**	**5.75**	**(3.59)**

Directors' Report (Contd.)

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	
2. Non- Institutions									
Bodies Corporate									
i) Indian incl. Trusts, NBFCs	1,09,22,357	35,461	1,09,57,818	6.63	99,88,568	33,661	1,00,22,229	6.05	(0.58)
ii) Overseas	-	-	-	-		-	-	-	-
Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 Lakh	4,57,45,805	25,54,698	4,83,00,503	29.21	5,24,37,747	22,76,988	5,47,14,735	33.04	3.83
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh	2,97,70,020	1,33,940	2,99,03,960	18.08	2,97,41,125	50,620	2,97,91,745	17.99	(0.09)
IEPF	13,38,600	-	13,38,600	0.81	15,18,861	-	15,18,861	0.91	0.10
Others (specify) NRI, Clearing Members	34,71,011	87, 560	35,58,571	2.15	41,00,742	85,920	41,86,662	2.53	0.38
Sub-total (B)(2):	**9,12,47,793**	**28,11,659**	**9,40,59,452**	**56.88**	**9,77,87,043**	**24,47,189**	**10,02,34,232**	**60.52**	**3.64**
Total Public shareholding (B) = (B) (1)+(B) (2)	**10,66,56,462**	**28,53,129**	**10,95,09,591**	**66.22**	**10,72,65,907**	**24,87,559**	**10,97,53,466**	**66.27**	**0.05**
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**16,25,08,451**	**28,53,129**	**16,53,61,580**	**100.00**	**16,31,18,396**	**24,87,559**	**16,56,05,955**	**100.00**	**0.00**

ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding 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	0.00
2.	Hrishikesh A Mafatlal as Trustee of Hrishikesh A. Mafatlal Family Trust No. 1*	10,260	0.01	0.00	0	0.00	0	(0.01)
3.	Rekha Hrishikesh Mafatlal*	1,54,500	0.09	0.00	1,64,760	0.10	0	0.01
4.	Priyavrata Hrishikesh Mafatlal	5,17,000	0.31	0.00	5,17,000	0.31	0.00	0.00
5.	Mafatlal Industries Limited	2,52,59,059	15.28	35.71	2,52,59,059	15.25	26.41	(0.03)
6.	Arvi Associates Pvt Limited#	26	0.00	0.00	0	0	0	0.00
7.	Suremi Trading Pvt. Limited. #	2,03,69,204	12.32	6.48	2,07,72,170	12.54	0	0.22
8.	Krishnadeep Engineers Pvt Ltd#	4,02,720	0.24	0.00	0	0	0	(0.24)
9.	Shamir TexchemPvt.Limited. #	220	0.00	0.00	0	0	0	0.00
10.	Sumil Holdings Pvt. Limited.	220	0.00	0.00	0	0	0	0.00
11.	Sushripada Investments Pvt. Ltd.	89,60,880	5.41	27.40	89,60,880	5.41		0.00
12.	Hrishikesh Arvind Mafatlal (as a trustee of the Gurukripa trust)	0	0	0	100	0	0	0.00

Directors' Report (Contd.)

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding 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	
13	Hrishikesh Arvind Mafatlal (as a Trustee of Karuna Trust)	0	0	0	100	0	0	0.00
14	Hrishikesh Arvind Mafatlal (as a Trustee of Narsingha Trust)	0	0	0	100	0	0	0.00
15	Hrishikesh Arvind Mafatlal (as a Trustee of Shrija Trust)	0	0	0	100	0	0	0.00
16	Rekha Hrishikesh Mafatlal (as a Trustee of Radha Raman Trust)	0	0	0	100	0	0	0.00
Total		**5,58,51,989**	**33.78**	**22.91****	**5,58,52,489**	**33.73**	**15.17****	**(0.05)**

* Transfer of shares from Hrishikesh A. Mafatlal (as a trustee of the Hrishikesh A. Mafatlal family trust) to Rekha Hrishikesh Mafatlal, pursuant to devolvement of assets, consequent to the dissolution of the Private Family Trust in favour of its beneficiary.

A Composite Scheme of Arrangement was approved by National Company Law Tribunal, Mumbai Bench. In accordance with the said Scheme, the promoter group companies viz., Arvi Associates Private Limited, Krishnadeep Engineers Private Limited ('Krishnadeep') and Shamir Texchem Private Limited ('Shamir') have transferred their entire holdings in the Company to Suremi Trading Private Limited.

** Percentage of Total shares pledged calculated as a percentage of total holding of 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	5,58,51,989	33.78*	5,58,51,989	33.78*
2	Additions during the year	-	-	500#	0.00
3	Deletions during the year	-	-	-	-
4	At the End of the year	5,58,51,989	33.78*	5,58,52,489	33.73**

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

** Total Equity Share Capital at the end of the year comprised of 16,56,05,955 Equity Shares of the face value of ₹ 10/- each.

\# During the FY 2019-20, Hrishikesh Arvind Mafatlal (as a trustee of the Gurukripa trust), Hrishikesh Arvind Mafatlal (as a Trustee of Karuna Trust),Hrishikesh Arvind Mafatlal (as a Trustee of Narsingha Trust), Hrishikesh Arvind Mafatlal (as a Trustee of Shrija Trust) and Rekha Hrishikesh Mafatlal (as a Trustee of Radha Raman Trust) acquired 100 shares each.

Directors' Report (Contd.)

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

Sr. No.	For each of the Top10 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	71,12,010	4.30	47,12,010	2.85
2	Dolly B Khanna	35,40,025	2.14	28,45,625	1.72
3	The New India Assurance Company Limited.	20,61,039	1.25	20,61,039	1.24
4	Adhigam Investments Pvt Limited	0	0	19,25,084	1.16
5	Investor Education and Protection Fund	13,38,600	0.81	15,18,861	0.92
6	IDFC Emerging Businesses Fund	0	0	11,14,504	0.67
7	C. R. Gupte	10,56,575	0.64	10,21,266	0.62
8	Artek Surfin Chemicals Limited	0	0	9,43,221	0.57
9	Emerging Markets Core Equity Portfolio (The Portfolio) of Dfa Investment Dimensions Group Inc. (Dfaidg)	8,73,270	0.53	6,95,347	0.42
10	L&T Mutual Fund Trustee Limited- L&T Emerging Businesses Fund	28,08,679	1.70	6,72,900	0.41
11	Principal Trustee Co. Pvt Ltd A/C Principal Mutual fund - Principal Dividend Yield Fund	20,17,800	1.22	0	0
12	Aahvan Agencies Limited	14,50,059	0.88	0	0
13	Suresh Kumar Agarwal	10,00,000	0.60	0	0
14	Acadian Emerging Markets Small Cap Equity Fund LLC	9,80,882	0.59	0	0

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	1,77,900	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 (upto June 29, 2019)	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	Dharmishta N. Raval, Independent Director	0	0.00	0	0.00
9	Debnarayan Bhattacharya, Independent Director (effective May 10, 2019)	0	0.00	0	0.00
10	Priyavrata H. Mafatlal, Non-Executive Director	5,17,000	0.31	5,17,000	0.31
11	S.R. Deo, Managing Director	6,73,310	0.41	6,73,310	0.41

Directors' Report (Contd.)

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
B.	**Key Managerial Personnel**				
1	R.M. Gadgil, President Marketing	4,07,452	0.25	4,07,452	0.25
2	P. Srinivasan, President-Finance & Chief Financial Officer	3,41,650	0.20	3,41,650	0.21
3.	V. K. Gupte, Company Secretary (superannuated on December 31, 2019)	9,250	0.01	0	0
	- Shares credited in April 2019 on exercise of ESOP.	9,250	0.01	18,500	0.01
4	Amit K. Vyas, Company Secretary (effective January 1, 2020)	0	0	0	0

@ Shares held as Joint Holder.

V. INDEBTEDNESS

(₹ In Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the year				
i) Principal Amount	0	0	376	376
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i + ii + iii)	**0**	**0**	**376**	**376**
Change in Indebtedness during the year				
Addition	0	0	104	104
Reduction	0	0	0	0
Net Change	0	0	104	104
Indebtedness at the end of the financial year				
i) Principal Amount	0	0	444	444
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due (*)	0	0	36	36
Total (i + ii + iii)	**0**	**0**	**480**	**480**

* Since paid

Directors' Report (Contd.)

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	171.60	139.80	311.40
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.40	0.97	1.36
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Options*	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	-- as % of profit	-	-	-
	Others, please specify	-	-	-
5	Others, (Includes retirement benefits and variable pay)	208.60	171.32	379.38
	Total (A)	380.06	312.09	692.15
	Ceiling as per the Act			**1,613.41**

** 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**	**DB^**	
• Fee for attending Board / Committee meetings	2.25	3.75	5.25	10.50	11.25	6.75	11.25	51.00
• Commission		16.00	16.00	16.00	16.00	16.00	16.00	96.00
• Others, please specify	-		-	-	-	-	-	-
Sub-Total(1)								147.00
2. Other Non-Executive Directors	**VRG**	**PHM**						
• Fee for attending Board / Committee meetings	12.00	4.50						16.50
• Commission	16.00	16.00						32.00
• Others, please specify	-		-		-	-	-	-
							Sub-Total(2)	**48.50**
							Total(B)=(1+2)	**195.50**
							Total Managerial Remuneration (A+B)	**887.50**
							Overall Ceiling as per the Act	**1,774.76**

* upto June 29, 2019. ^Effective May 10, 2019.

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

Directors' Report (Contd.)

C. Remuneration to Key Managerial Personnel Other than MD/Manager/WTD

(₹ In Lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel				Total
		R. M. Gadgil President - Marketing	P. Srinivasan President Finance & CFO	V. K. Gupte Company Secretary# (upto December 31, 2019)	Amit K. Vyas Company Secretary (effective January 1, 2020)	
1	Gross Salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	136.77	137.94	43.68	11.26	329.65
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	7.00	4.80	1.26	-	13.06
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-
2	Stock Options*	25.62	23.87	6.92	-	56.41
3	SweatEquity	-	-	-	-	-
4	Commission					
	- as % of profit	-	-	-	-	-
	others, specify…			-	-	-
5.	Others (Includes retirement benefits and variable pay)	19.23	15.29	11.55	0.49	46.56
	Total	**188.62**	**181.90**	**63.41**	**11.75**	**445.68**

** 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

Directors' Report (Contd.)

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 March 31, 2020

Sr. No.	Director	Remuneration (₹ in Lakhs)	Ratio
1	Mr. H. A. Mafatlal - Executive Chairman	380.06	46
2	Mr. V. R. Gupte	28.00	3
3	Mr. N. Sankar	19.75	2
4	Mr. Rohit Arora	21.25	3
5	Mr. C. L. Jain *	2.25	0
6	Mr. Debnarayan Bhattacharya **	27.25	3
7	Mr. D. N. Mungale	26.50	3
8	Mr. P. V. Bhide	27.25	3
9	Ms. Dharmistha Raval	22.75	3
10	Mr. Priyavrata Mafatlal	20.50	2
11	Mr. S. R. Deo - Managing Director	312.09	38

** On the Board of Directors of the company up to June 30, 2019*

***On the Board of Directors of the company w.e.f. May 10, 2019*

2. The Percentage increase in remuneration of each Director and Key Managerial Personnel:

Sr. No.	Director	Percentage increase/(decrease)
1	Mr. H. A. Mafatlal - Executive Chairman	(17)
2	Mr. V. R. Gupte	(20)
3	Mr. N. Sankar	(20)
4	Mr. Rohit Arora	(20)
5	Mr. C. L. Jain	*
6	Mr. Debnarayan Bhattacharya	**
7	Mr. D. N. Mungale	(20)
8	Mr. P. V. Bhide	(20)
9	Ms. Dharmistha Raval	(20)
10	Mr. Priyavrata Mafatlal	(20)
11	Mr. S. R. Deo - Managing Director	(10)
12	Mr. R. M. Gadgil - President Marketing	(6)
13	Mr. P. Srinivasan - President Finance & CFO	(2)
14	Mr. Vikas Gupte - Former Company Secretary	#
15	Mr. Amit Vyas - Company Secretary	##

** Not comparable with previous year as ceased to be on the Board of Directors w.e.f. June 30, 2019.*

*** Not comparable with previous year as appointed to be on the Board of Directors w.e.f. May 10, 2019.*

 # Not comparable with previous year since ceased to be the Company Secretary w.e.f. January 01, 2020.

Not comparable with previous year since appointed to be the Company Secretary w.e.f. January 01, 2020.

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 March 31, 2020: 645

Directors' Report (Contd.)

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

   Average increase in salaries of employees other than the managerial personnel is 10%.

   Remuneration of KMP is duly approved by NRC of the board which is in line with the 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 Board of Directors

Place: Mumbai
Date: June 29, 2020

Hrishikesh A. Mafatlal
Chairman

Directors' Report (Contd.)

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

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

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

Sr.	Particulars
1	Mr. H. A. Mafatlal (65) Executive Chairman, ₹ 380.06 Lakhs, B.Com. (Hons.), (4), 19.08.2016, Navin Fluorine International Limited (14).
2	Mr. S. R. Deo (65), Managing Director, ₹ 312.09 Lakhs, M.Tech - Chemical Engineering from I.I.T. Kanpur (40), 01.11.1979, None.
3	Mr. R.M. Gadgil (67), President -Marketing, ₹ 188.62 Lakhs, B. Tech Chemical Engineering from I.I.T. Mumbai (38), 01.11.1982, None.
4	Mr. P. Srinivasan (54), Chief Financial Officer, ₹ 181.90 Lakhs, B.Com. and A.C.A, (15), 24.01.2005, Flamingo Pharmaceuticals Limited, (3)
5	Dr. C.N. Nandi (61), Vice President- Research and Development, ₹ 129.98 Lakhs, M.Sc. and PhD. In Chemistry, (39), 08.09.1981, Bhabha Atomic Research Centre (0.5)
6	Dr. N.D. Gangal (54), Vice President- Analytical Research and Quality Assurance, ₹ 124.54 Lakhs, M.Sc. and PhD. In Chemistry, (13), 01.10.2007, Dow Chemicals, (0.5)
7	Mr. R.M. Desai (59), Vice President- Production and Personnel, ₹ 86.86 Lakhs, B.E. Chemical Engineering (38),15.06.1982, None
8	Mr. A. B. Bhende (52), Assistant Vice President- Technology, ₹ 87.15 Lakhs, Bsc. Tech. DBM.(19) 02.04.2001, Gharda Chemicals Limited,(10)
9	Mr. Padam Bahal (56), Assistant Vice President- Financial and Cost Accounts, ₹ 83.11 Lakhs, B.Com & A.I.C.W.A, (12), 01.01.2008, Hikal Limited, (2)
10	Mr. M. J. Shah (60), Assistant Vice President- Materials, ₹82.02 Lakhs, Diploma in Material management and Mechanical Engineering, (8), 09.02.2012, Ashapura Minechem Limited (13).

B. Names of the employees employed for the part of the year and were in receipt of remuneration of not less than ₹ 8.5 Lakhs per month - **None**

C. The percentage of equity shares held by the employee in the Company within the meaning of Clause (iii) of sub rule (2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014. - **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, monetary value of perquisites calculated in accordance with provision of Income Tax Act 1961and rules made thereunder in respect of Housing, Company's furniture and equipments, etc. which are considered on accrual basis.
2. The nature of employment is contractual for all the above employees.
3. None of the employees of the Company are related to any Director of the Company, except:

   Mr. Hrishikesh A. Mafatlal - Executive Chairman of the company and Mr. Priyavrata Mafatlal - Director of the company.

For and on behalf of Board of Directors

Place: Mumbai
Date: June 29, 2020

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

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

2 Details of material contracts or arrangements or transactions at arm's length basis (₹ In Lakhs)

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board	Amount paid as advances, if any
1	Mafatlal Industries Limited (Promoter)	Reimbursement of Miscellaneous expenses	Continuing arrangement	9	NA#	Nil
2	PIL Chemicals Limited (Wholly-owned subsidiary)	Processing charges	Continuing arrangement	1,343	NA#	Nil
3	Chaitanya Seva Trust*	Donation under CSR	Donation is as per CSR Policy	160	NA#	Nil
4	N. M. Sadguru Water and Development Foundation*	Donation under CSR	Donation is as per CSR Policy	56	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

Place : Mumbai
Date : June 29, 2020

H. A. Mafatlal
Chairman

ANNEXURE 'H'

Dividend Distribution Policy

Preamble

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

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

Effective Date

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

Guidelines pertaining to Dividend

i. The Company shall comply with relevant statutory provisions under the Companies Act, 2013. The Company 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:

- for payment of dividend
- for funding its major expansion,/ diversification
- to plan for domestic or overseas acquisitions
- to meet any contingent liabilities/ unforeseen expenses etc. and.

Parameters with regards to various classes of shares

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

Amendments / Review of the Policy

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

Disclosure

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

Management Discussion and Analysis

Economic Overview prior to COVID-19

The fiscal 2019-20 witnessed a steady decline in Gross Domestic Product (GDP) growth of USA, EU and China whereas Japan recorded higher growth over previous year. Indian GDP declined sharply to around 5% resulting into challenging business environment. Depleted economic activity in the country affected businesses which normally follow GDP growth. Crude oil prices remained in the range of USD 55-60 per barrel till February, 2020.

The Indian economy experienced serious challenges on account of trade deficit, lower GDP growth, higher inflation, unemployment issues and other economic factors. INR continued to devalue from levels of 69 per USD to 74 per USD levels owing to the negative sentiments on the Asian markets and now on the back of depressing conditions and weaker growth forecasts.

The Indian Auto and auto component Industry witnessed a steep decline in demand right from second half of financial year 2018-19. This was largely on account of liquidity issues on the back of NBFC crisis, weak rural demand, higher insurance and fuel costs, new axle norms, transition phase on BS-VI norms, etc.

COVID-19 and its impact

In January 2020, China locked down Wuhan province due to Corona-Virus epidemic creating a panic in the world market to secure supply chain. However, most of the countries assumed it to be a China problem till it spread in EU, USA, and all over the world. WHO declared it as a pandemic and all countries including India resorted to partial/ complete lock downs to curb the spread of COVID-19.Not only did the economic activities in the world come to a grinding halt from March 2020, but also burdened the health services of all the countries.

Amidst this, while the demand was lowest due to COVID-19 pandemic, an unprecedented move by one of the OPEC members to pump in higher crude in the market, resulted into sharp decline in oil prices with WTI quoting at negative price for an unfulfilled derivative contract on April 20, 2020.

Though most of countries have lifted lock down in May /June 2020, the world is left with an unpleasant choice between life and livelihood. World economy has never faced such unprecedented challenge and each country is trying to boost its economic activity, while the threat of COVID-19 persists.

On the domestic front, the nation- wide lock down for around three (3) months has thrown up many challenges for domestic business. Lockdown in the country to reduce the spread of COVID-19 affected all sectors including automobile, real estate, textile, hotel, aviation, entertainment etc. Unemployment, pay cuts, lack of demand, liquidity concerns, debt servicing and inadequate health care systems will be key monitorable if one is to look at the economic growth prospects. The chemical industry too is no exception to the above and resolving the complex matrix will be a major challenge and is likely to take few quarters before it stabilises.

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

If the threat of COVID-19 continues or escalates, it could be detrimental to the business which is trying to come out of pandemic challenge.

The Indian government, to start with has announced several measures including support to the borrowers in the form of moratorium, financial sectors, support to MSME and other businesses. All businesses are asked to look at “self-reliant strategy”. If all these aspects are dovetailed in businesses with right spirit and if there is a decline in COVID-19 spread, Indian economy could show a substantial positive trend.

To summarise, the global economy, particularly the manufacturing sector which looked buoyant up to the first half of financial year 2018-19, experienced a prolonged recessionary situation for about six (6) quarters and is further expected to continue for few more quarters. Global growth is expected to be negative in financial year 2020-21. Global financing conditions have tightened, industrial production is subdued, trade tensions remain elevated, and health scare on account of COVID-19 continues to be a major issue. Faced with these headwinds, the recovery in emerging market and developing economies have lost momentum. However, the domestic business could show a positive trend after few quarters if spread of COVID-19 is arrested and business activities normalise.

Rubber Chemical Industry:

Global rubber consumption witnessed a de-growth of 1% for the calendar year 2019. Rubber chemicals demand essentially follow the trend of global rubber consumption. Rubber Chemicals are used by manufacturers to process Natural Rubber and / or Synthetic Rubber into finished products, like Tyres, Moulded Components for vehicles, Industrial Belts, Gloves and other latex applications, Hoses, Footwear, Active Pharmaceutical Ingredients etc. of these, the Tyre industry is clearly the single largest consuming industry for Rubber Chemicals.

The demand for automobiles which started slowing down in the second half of financial year 2018-19 due to higher fuel prices, interest rates and the NBFC crisis, continued to be impacted for the whole of financial year 2019-20. Demand of Radial truck and bus tyres segment is a direct reflection of the demand in the automobile sector.

Management Discussion and Analysis (Contd.)

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

With declining demand and coupled with surplus availability of Rubber chemicals resulted into vertical drop in prices globally which were disproportionate with raw material price reduction.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 generate cash profits.

Industry Structure and Developments

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

Tire industry, largest consumer of rubber witnessed weak demand pattern in line with the prolonged slowdown in the auto sector.The domestic auto industry witnessed a de-growth of around 15% for financial year 2019-20.

The tire customers despite indicating larger pick up rate at the beginning of each quarter were not able to lift the agreed schedules as production cuts were experienced across the board in the domestic tire companies (degree of cuts varying across different plants/customers). Tire companies in line with the auto industry took regular shut down ranging between 5 to 7 days especially in the first nine months of the year to control high inventory.

Prolonged decline in demand as against the surplus capacities significantly impacted the international pricing parameters.

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

The cessation of anti-dumping duty post July, 2019 compounded the problems for the domestic player. NOCIL being the largest domestic player was impacted by cessation of anti-dumping duty. It is understood that in this industry China with its large capacities and numerous direct and indirect export subsidies supported by currency management, continues to be the major supplier of rubber chemicals to the world.

Business Outlook: Opportunities & Threats

Opportunities:

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

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

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

During last three (3) years there were instances of pollution, explosion in chemical plants and the recent COVID-19 pandemic in China which raised a question on sustainability of supply chain.

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

It may be noted, that 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 tire majors.

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

Management Discussion and Analysis (Contd.)

In line with the future trend of rubber growth over the next 7 to 10 years, auto sector growth and tyre industry growth, your company has invested ₹ 450 Crores to augment its capacities. It is expected that the entire expansion will be commissioned by October, 2020.

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

Threats:

The Rupee traded in the wide range of ₹ 69–76 per USD. The Company largely continued to mitigate the risk of this volatility by effecting payments towards our imports out of our Export Earnings in Foreign Currency and by taking adequate cover through forward/ option contracts.

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

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

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

Risks and Concerns:

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

Any delay in normalisation of economic activities in the automobile and tire industry can impact the business prospects.

Recent findings of DGTR on some of the inputs may impact our input cost parameters if these recommendations get notified.

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

The Company’s performance about the domestic sales volumes, registered a de-growth of 9% for the year as against the automobile de-growth of 15%. On the export business front, despite stiff competition, especially from China, your company successfully exported to strategic accounts with wide range of products and thus achieved a growth of 6% as against the global rubber consumption de-growth of 1%.The Company had to sacrifice operating margins in the quest for maintaining volumes consistently quarter over quarter. The EBIDTA margins dropped on account of international price reductions, cessation of anti-dumping duty and operating at sub optimal capacities.

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

(₹ In Crores)

Particulars	F.Y. 2019-20	F.Y. 2018-19
Revenue from Operations	846.29	1,042.90
Other Income	9.70	10.01
Total Income	855.99	1,052.91
Operating EBIDTA	176.45	290.28

During the year under review, the Company achieved a profit before tax of ₹ 152.41 Crores as compared to ₹ 276.69 Crores in 2018-19.

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

Internal control systems

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

Management Discussion and Analysis (Contd.)

- 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 lists the compliances part with respect to the Companies Act, 2013 and SEBI (Listing Obligations and 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, behavioral / general, health safety and environment and ISO standards.'Managerial Skill Development' training programs are conducted to enhance the soft skills of potential managers.

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

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

Cautionary statement

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

Report on Corporate Governance

1. Company's philosophy on Corporate Governance

The Company's policy on Corporate Governance is based on the principles of full disclosure, fairness, equity, transparency, and accountability in the various aspects of its functioning, leading to the protection of the stakeholders' interest and an enduring relationship with stakeholders. The Management's commitment to these principles is reinforced through the adherence of all Corporate Governance practices which forms part of the Regulation Nos. 17 to 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ['Listing Regulations']. The Company has also adopted the Code of Conduct for the Directors and senior management personnel. The Company has in place a Code for Fair Disclosure and Conduct as required under the SEBI (Prohibition of Insider Trading) Regulations, 2015 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. C. L. Jain had not sought re-appointment as an Independent Director for the second term. Therefore, the existing term of Mr. C. L. Jain as an Independent Director ended on June 29, 2019 and consequently, he has ceased to be a Director of the Company. The Company had taken the requisite approval for his continuation after having completed 75 years beyond April 01, 2019 for residual term up to June 29, 2019.

At the 57th Annual General Meeting of the Company held on July 30, 2019, the Members accorded their approval for the appointment of Mr. Debnarayan Bhattacharya (holding DIN: 00033553)as an Independent Director.

None of the Independent Directors have any other material pecuniary relationship or transaction with the Company, its Promoters, or Directors, or Senior Management which, in their judgment, would affect their independence. The Board confirms that based on the written affirmations from each Independent Director, all Independent Directors fulfill the conditions specified for independence as stipulated in the Regulation 16 (1)(b) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment), Regulations, 2018 ("Listing Regulations) w. e.f . October 01, 2018 and are independent of the Management. Further, the Independent Directors have also registered their names in the Data bank maintained by the Indian Institute of Corporate Affairs as mandated in the Companies (Appointment and Qualification of Directors), Rules, 2014 as amended.

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

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

Composition of Board of Directors as on March 31, 2020:

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

Report on Corporate Governance (Contd.)

b. Board meetings held and Directors' attendance record

Sr. No.	Name of Director	Category of Director	No of Shares held as on March 31, 2020	No. of Board meetings attended during FY 2019-20	No. of Directorships in Public Companies as on March 31, 2020*	No. of Board Committee Membership held in Public Companies as on March 31, 2020**		Attendance at last AGM held on July 30, 2019
						Chairman	Member	
1.	Mr. Hrishikesh A. Mafatlal	Executive Chairman – Promoter Group	1,77,900	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	-	1	-	-	-	No
4	Mr. N. Sankar	Independent Director	-	3	1	-	1	No
5	Mr. Rohit Arora	Independent Director	-	3	1	-	1	No
6	Mr. Vilas. R. Gupte	Non-Executive Director	600 $	6	2	1	2	Yes
7	Mr. D. N. Mungale	Independent Director	-	6	6	2	5	Yes
8	Mr. P. V. Bhide	Independent Director	-	6	8	3	6	Yes
9	Ms. Dharmishta N. Raval	Independent Director	-	5	7	2	2	Yes
10	Mr. Debnarayan Bhattacharya	Independent Director	-	6	3	1	2	Yes
11	Mr. S.R. Deo	Managing Director	6,73,310#	6	1	0	1	Yes

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

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

^ Mr. C. L. Jain ceased to be an Independent Director effective June 29, 2019 on account of his desire for non-renewal of second term as an Independent Director.

$ 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 Directorships held	Category of Directorship
1.	Mr. Hrishikesh A. Mafatlal	Mafatlal Industries Limited	Promoter - Executive Chairman
2	Mr. Priyavrata H. Mafatlal	Mafatlal Industries Limited	Promoter - Executive Director
3	Mr. N. Sankar	-	-
4	Mr. Rohit Arora	-	-
5	Mr. Vilas. R. Gupte	Mafatlal Industries Limited	Non - Executive Independent Director
6	Mr. D. N. Mungale	a. Tamilnadu Petroproducts Limited	Non - Executive Independent Director
		b. Mahindra CIE Automotive Limited	Non - Executive Independent Director
		c. Mahindra and Mahindra Financial Services Limited	Non - Executive Independent Director

Report on Corporate Governance (Contd.)

Sr. No.	Name of Director	Names of listed entities in which Directorships held	Category of Directorship
7	Mr. P. V. Bhide	a. GlaxoSmithKline Pharmaceuticals Limited	Non - Executive Independent Director
		b. GlaxoSmithKline Consumer Healthcare Limited*	Non - Executive Independent Director
		c. Tube Investments of India Limited	Non - Executive Independent Director
		d. L & T Finance Holdings Limited	Non - Executive Independent Director
		e. Borosil Renewables Limited	Additional Director
8	Ms. Dharmishta N. Raval	a. Zydus Wellness Limited	Non - Executive Independent Director
		b. Cadila Healthcare Limited	Non - Executive Independent Director
		c. Torrent Power Limited	Non - Executive Independent Director
9	Mr. Debnarayan Bhattacharya	a. Hindalco Industries Limited	Non - Executive Vice Chairman
		b. Vodafone Idea Limited	Non - Executive Director
10	Mr. S.R. Deo	-	-

* Effective April 01, 2020, GlaxoSmithKline Consumer Healthcare Limited has been amalgamated with Hindustan Unilever Limited. In view thereof, Mr. P. V. Bhide has ceased to be a Director with effect from that date in GlaxoSmithKline Consumer Healthcare Limited.

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.	May 10, 2019	11	11
2.	July 30, 2019	10	10
3.	November 4, 2019	10	8
4.	December 19, 2019	10	8
5.	January 30, 2020	10	8
6.	March 6, 2020	10	9

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

Dates for the Board Meetings in the ensuing year are decided well in advance and communicated to the Directors. Board Meetings are held at the Registered Office of the Company. The Agenda along with the Notes are sent in advance to the Directors. Additional Meetings of the Board are held when deemed necessary by the Board. The Board members attend the meetings through Audio-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 Seventh Annual General Meeting was held on July 30, 2019.

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

Report on Corporate Governance (Contd.)

d. Major functions of the Board

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

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

e. Familiarisation Programme

Periodically, the Company provides familiarisation programme to the Independent Directors to enable them to understand the business of the Company. At the meetings of the Board held on periodic basis, presentations on the Manufacturing and technical operations, financials and Marketing are made. The Management also endeavors to apprise the Directors regarding their responsibilities in case of change / amendment to the Rules and Regulations. The details of the familiarisation programme 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, 2019, inter alia to discuss:

- Overall operations
- Business Strategy
- Medium / Long term plans including diversification plans
- Overall performance of the Senior Management and their succession plan

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

3. Audit Committee

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

During the year under review, the following changes took place in the composition of the Audit Committee, upon approval of the Board:

a. Mr. D. N. Mungale has been appointed as the Chairman of the Audit Committee effective from May 10, 2019 in place of Mr. C. L. Jain who continued to be a Member of the Audit Committee up to June 29, 2019.

b. Mr. N. Sankar ceased to be a Member of the Committee effective May 10, 2019.

c. Mr. P. V. Bhide and Mr. Debnarayan Bhattacharya have been appointed as Members of the Committee effective May 10, 2019

Report on Corporate Governance (Contd.)

The composition of the re-constituted 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 financial year 2019-20
Mr. D.N. Mungale, Chairman	Independent Director	5
Mr. C.L. Jain	Independent Director	1
Mr. Rohit Arora	Independent Director	3
Mr. Vilas R. Gupte	Non-Executive Director	5
Mr. P. V. Bhide	Independent Director	5
Mr. Debnarayan Bhattacharya	Independent Director	5

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

May 10, 2019; July 30, 2019; November 04, 2019; December 19, 2019, January 30, 2020

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 SEBI (LODR) 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 controls are adequate and operating effectively.

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

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 discontinued the approval of the share transfers in physical form after March 31, 2019. The Committee, however, has approved those transfers lodged prior to March 31, 2019 which were earlier rejected on the grounds of certain deficiencies and subsequently, after rectification were re-lodged with the Company / RTA. The Committee also makes note of the cases wherein the equity shares have been transferred to IEPF and the legal heirs of such shareholders have approached the Company, after completion of the requisite formalities, for re-claiming their shares from IEPF. The Committee meets periodically to approve the share transfers and other related matters and reports 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 1,96,711 Equity shares belonging to those shareholders holding shares both in dematerialised form as well as physical form, who had not encashed their Dividend for a period of 7 years or more beginning from the Financial Year 2011-12 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 2019-20 under the heading 'Transfer of Unpaid Dividend and corresponding Equity Shares to the Investor Education and Protection Fund (IEPF)'. Out of 15,35,711 equity shares transferred by the Company to IEPF from the Financial Years 2017-18 to 2019-20, the Authority has credited 16,850 equity shares to the demat account of the claimants on completion of requisite formalities. As on March 31, 2020, the balance number of shares lying with IEPF is 15,18,861.

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.

Report on Corporate Governance (Contd.)

During the year under review, following changes took place in the composition of the Committee, upon approval of the Board:

a. Mr. Rohit Arora has ceased to be the Chairman and Member of the Committee effective May 10, 2019.

b. Ms. Dharmishta N. Raval has been appointed as a Chairperson of the Committee effective May 10, 2019.

Ms. Raval was present at the Company's Annual General Meeting held on July 30, 2019.

The Composition of the re-constituted Committee is as follows and all members attended the meeting held on July 30, 2019:

Name of Members	Category
Ms. Dharmishta N. Raval, Chairperson	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 two pending complaints during the year under review. The Company received eight (8) complaints from shareholders in Financial Year 2019-20 and the same have been resolved.

During the year under review, Mr. V. K. Gupte superannuated as the Company Secretary of the Company effective from the close of the business hours on December 31, 2019 and Mr. Amit K. Vyas has been appointed as the Company Secretary of the Company effective January 1, 2020.

The Company Secretary acts as the Secretary of the Committee.

Name, designation, and address of the Compliance Officer:
Mr. Amit K. Vyas,
Assistant Vice President (Legal)
& Company Secretary.
Mafatlal House, 3rd Floor,
H. T. Parekh Marg,
Backbay Reclamation,
Churchgate, Mumbai – 400 020

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 financial year 2019-20
Mr. Rohit Arora, Chairman	Independent Director	1
Mr. H. A. Mafatlal	Executive Chairman	2
Mr. N. Sankar	Independent Director	1
Mr. D.N. Mungale	Independent Director	2

Report on Corporate Governance (Contd.)

During the year, two NRC Meetings were held on May 10, 2019 and December 19, 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 amended Rules and Regulations, 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;

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

Report on Corporate Governance (Contd.)

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

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

C. Remuneration of Directors (₹ in Lakhs)

Name of the Director	Salary, Allowances / Perquisites & Performance Bonus, ESOPs	Contribution to Funds	Total
Mr. H. A. Mafatlal, Executive Chairman	352.00	28.06	380.06
Mr. S.R. Deo, Managing Director	271.91	40.18	312.09

The Nomination and Remuneration Committee in its meetings held on various dates granted 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 01-04-2019	No. of ESOPs exercised during the FY 2019-20	No. of Equity Shares sold during the FY 2019-20	No. of Equity Shares held as on 31-03-2020
Mr. S. R. Deo, Managing Director	6,73,300	-	-	6,73,300

Commission / Sitting Fees to Non-Executive Directors for the financial year 2019-20 for attending Board and Committee Meetings. (₹ In Lakhs)

Name of the Director	Sitting Fees	Commission*	Total
Mr. Rohit Arora	5.25	16.00	21.25
Mr. Vilas R. Gupte	12.00	16.00	28.00
Mr. N. Sankar	3.75	16.00	19.75
Mr. C.L. Jain**	2.25	-	2.25
Mr. D. N. Mungale	10.50	16.00	26.50
Mr. P.V. Bhide	11.25	16.00	27.25
Ms. Dharmishta N. Raval	6.75	16.00	22.75
Mr. Debnarayan Bhattacharya	11.25	16.00	27.25
Mr. Priyavrata H. Mafatlal	4.50	16.00	20.50
Total	**67.50**	**128.00**	**195.50**

* On accrual basis

** up to June 29, 2019.

Report on Corporate Governance (Contd.)

7. Corporate Social Responsibility (CSR) Committee

During the year under review, following changes took place in the composition of Corporate Social Responsibility Committee, upon approval of the Board:

- Ms. Dharmishta N. Raval was appointed as a Member of the Committee effective May 10, 2019.
- Mr. C.L. Jain ceased to be a Member effective June 29, 2019

The composition of the re-constituted 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)	4
Mr. C.L. Jain*	Independent Director	1
Ms. Dharmishta N. Raval	Independent Director	3
Mr. Vilas R. Gupte	Non-Executive Director	4
Mr. S. R. Deo	Managing Director	4

* Member up to June 29, 2019.

During the year 2019-20, four Committee meetings were held on April 23, 2019, July 30, 2019, November 04, 2019, and March 06, 2020.

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. Risk Management Committee

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

As per Regulation 21(4) of LODR, applicable from April 1, 2019, top 500 listed companies as per the market capitalisation as at the end of the immediate previous financial year, were required to constitute the Risk Management Committee. Considering that the Company formed a part of top 500 listed entities based on the market capitalisation as at March 31, 2018, the Board constituted Risk Management Committee effective April 1, 2019.

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

Name of Members	Category	No. of meetings attended during the Year
Mr. P. V. Bhide	Independent Director	3
Mr. H. A. Mafatlal	Executive Chairman (Promoter Group)	3
Mr. N. Sankar	Independent Director	1
Mr. S.R. Deo	Managing Director	3
Mr. Debnarayan Bhattacharya	Independent Director	3
Mr. P. Srinivasan	President Finance & CFO	3

Report on Corporate Governance (Contd.)

During the year, three RMC Meetings were held on July 30, 2019, December 19, 2019, and January 30, 2020.

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

a. To review Enterprise Risk.

b. To periodically review the process technology updates.

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

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

e. To review the foreign exchange policy.

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

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

h. To review periodically programme of investment proposals under implementation.

i. To review Legal and Statutory Compliances

j. To insure all assets adequately.

k. Formulation of Risk Policy and its periodic review

9. General Body Meetings

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

Financial year	Date	Location	Time
2016-17	July 27, 2017	Rama & Sundri Watumull Auditorium, Mumbai	2.30 p.m.
2017-18	July 25, 2018		
2018-19	July 30, 2019		

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, 2017	Appointment of Mr. S. R. Deo as the Managing Director effective August 01, 2017
July 25, 2018	No special resolutions were passed.
July 30, 2019	a. Continuation of Mr. Debnarayan Bhattacharya as an Independent Director notwithstanding he attains the age of 75 years during the tenure of 5 years.
	b. Continuation of Mr. Vilas R. Gupte as a Non-Executive Non- Independent Director notwithstanding he attains the age of 75 years.

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.

10. Means of communication

The Board takes on record the audited / unaudited yearly / quarterly financial results prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind-AS Rules) in the format prescribed under Regulation 33 of the Listing Regulations read with Circular Ref No. CIR/CFD/FAC/62/2016 dated July 05, 2016 issued by SEBI within prescribed time limit from the closure of the quarter / year and announces the results to all the stock exchanges where the shares of the Company are listed. The Company has been publishing the results in the format as prescribed by SEBI in the Economic Times and Maharashtra Times within 48 hours of the conclusion of the meeting of the Board in which they are approved.

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

Report on Corporate Governance (Contd.)

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.

11. General Shareholder Information

i)	**Annual General Meeting:**		
	Date and time	:	August 28, 2020 at 3 PM
	Venue	:	Mafatlal House, 4th Floor, Backbay Reclamation, Mumbai - 400 020 (through Video Conferencing)
ii)	**Financial Year of the Company**		
	The financial year covers the period April 1, to March 31.		
	Financial reporting for FY 2020-21(Indicative)	:	
	Quarter ending on June, 2020	:	August, 2020
	Half year ending on September, 2020	:	November, 2020
	Quarter ending on December, 2020	:	end of January 2021
	Year ending on March, 2021	:	end of April / May 2021
	Annual General Meeting (2020-21)	:	end of July, 2021

iii) Dividend Payment Date

During the year under review, the Company on receipt of the consent from the members at the Annual General Meeting held on July 30, 2019 distributed the final dividend at ₹ 2.50/- (25%) per Equity Share of the face value of ₹ 10/- each. Further, the Board of Directors at its meeting held on March 6, 2020 declared an Interim Dividend at ₹ 2.50/- (25%) per Equity Share of the face value of ₹ 10/- each. The said Dividend would be confirmed at the ensuing Annual General Meeting. The Company has paid the Dividend on March 24, 2020.

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

Equity shares of the Company are listed on:

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

The Company has paid the Listing Fees to Bombay Stock Exchange Limited and National Stock Exchange of India Ltd for FY 2020-21.

Report on Corporate Governance (Contd.)

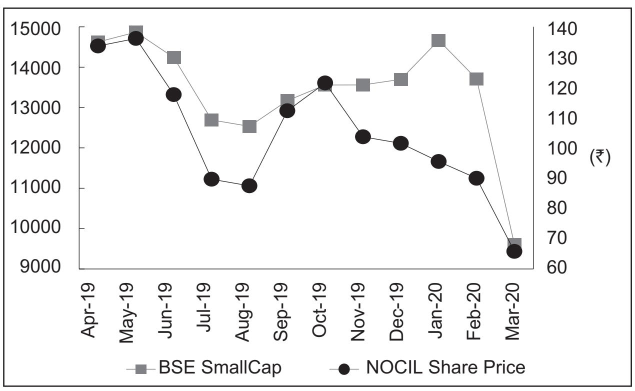
v. Stock market data

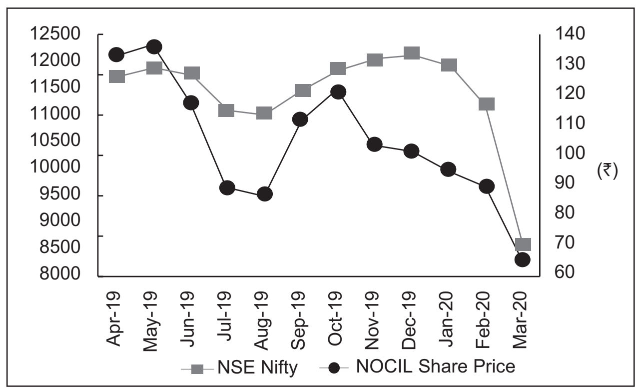
The monthly high / low quotation of shares traded on the Bombay Stock Exchange and the National Stock Exchange of India is as follows:

(Figures in ₹)

Bombay Stock Exchange Limited. (BSE)			National Stock Exchange of India Limited. (NSE)		
Month	High	Low	Month	High	Low
April, 2019	149.70	133.00	April, 2019	148.95	133.00
May, 2019	141.85	111.65	May, 2019	141.90	113.60
June, 2019	137.90	113.50	June, 2019	138.00	113.25
July, 2019	119.95	82.20	July, 2019	119.00	82.10
August, 2019	94.00	73.90	August, 2019	93.50	74.00
September 2019	118.00	84.85	September 2019	118.75	84.90
October, 2019	124.50	95.00	October, 2019	124.50	95.00
November, 2019	122.80	101.35	November, 2019	122.80	101.25
December, 2019	104.50	94.70	December, 2019	104.40	94.65
January, 2020	127.50	94.30	January, 2020	127.50	94.20
February, 2020	103.45	84.90	February, 2020	103.50	84.90
March, 2020	99.45	44.70	March, 2020	99.70	45.00

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





vii) Registrar and Share Transfer Agents (RTA):

The Company had appointed Karvy Fintech Private Limited ('Karvy') as the RTA. Karvy is one of the largest and reputed RTA operating in the Country for the last three decades with a wide network spanning across different states. Karvy, with their very high technology driven process, has been servicing a very large investor base and has an extensive internal / external audit oversight for their operations. During the year under review, Karvy has changed its name to KFin Technologies Private Limited ('FinTech') with effect from December 5, 2019 is the Registrar and Share Transfer Agent of the Company. The requisite information w. r. t. change of name was intimated to the Stock Exchanges and also updated on the Company's website viz., **www.nocil.com.**

Report on Corporate Governance (Contd.)

Address for Investor correspondence

KFin Technologies Pvt. Limited.	
Selenium Tower B,	Investors' Relation Centre
Plot 31-32, Gachibowli,	24 B, Rajabahadur Mansion,
Financial District, Nanakramguda, Hyderabad – 500 032.	Ground Floor,
Telephone No. : +91 40 6716 2222	Ambalal Doshi Marg,
Fax no. : +91 40 2343 1551	Mumbai, Maharashtra 400 023.
Email : einward.ris@kfintech.com	Telephone No.: +91 22 6623 5454

viii) Share Transfer system

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

ix) Distribution of shareholding

a. Distribution of shareholding by size as on March 31, 2020

Sr. No	No. of shares	No. of shareholders	% of Shareholders	No. of shares held	% of shareholding
1	Up to 1 - 5000	1,33,733	84.77	1,88,53,669	11.38
2	5001 - 10000	12,557	7.96	1,02,82,296	6.21
3	10001 - 20000	5,870	3.72	90,34,837	5.46
4	20001 - 30000	1,912	1.21	49,37,567	2.98
5	30001 - 40000	936	0.59	33,87,739	2.05
6	40001 - 50000	775	0.49	36,95,632	2.23
7	50001 - 100000	1,109	0.70	82,40,895	4.98
8	100001 & ABOVE	863	0.55	10,71,73,320	64.72
	Total:	**1,57,755**	**100.00**	**16,56,05,955**	**100.00**

b. Shareholding pattern by Ownership as on March 31, 2020

Sr No.	Ownership	No. of shares held	% of shareholding
1	Indian Promoters	5,58,52,489	33.73
2	Mutual funds	21,23,561	1.28
3	Banks, financial institutions, insurance companies, etc.	29,08,048	1.76
4	NRI's / OCBs / FIIs	77,78,392	4.70
5	Private corporate bodies	1,09,17,724	6.59
6	IEPF	15,18,861	0.92
7	Indian public	8,45,06,880	51.03
	Total	**16,56,05,955**	**100.00**

x Demat information

The shares of the Company were held in dematerialized form with effect from May 29, 1999. As on March 31, 2020 about 98.50% shareholding representing 16,31,18,396 shares of the Company have been dematerialized. 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

Report on Corporate Governance (Contd.)

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

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

xii) Foreign Exchange Risk and Hedging activities:

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

xiii) Plant locations

Navi Mumbai	:	C-37, Trans Thane Creek Industrial Area Off Thane Belapur Road, Navi Mumbai - 400 705 - Maharashtra Tel. Nos.: 022 – 66730551 – 4
Dahej	:	Plot No. 12/A/1 and 13/B/1, G.I.D.C. Dahej, Village-Ambheta, Tal. Vagra, Dist. Bharuch - Gujarat Tel. Nos.: 02642 – 392130

xiv) Address for Correspondence

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

xv) List of credit ratings obtained

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

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

12. Others

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

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

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

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

C. Vigil Mechanism / Whistle Blower Policy

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

Report on Corporate Governance (Contd.)

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 victimisation, who notice and report any unethical or improper practices and
- To appropriately communicate the existence of such mechanism, within the organisation and to outsiders.

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

The Policy has been posted on the website of the Company viz., 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 Limited is not falling under the category of Materially Unlisted Subsidiary Company in terms of the definition under Regulation 24 of the Listing Regulations. The Policy for determining the material subsidiaries is available at http://www.nocil.com/images/fckeditor/file/Policy-on-Material-Subsidiaries.pdf.

F. Policy on Related Party Transactions

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

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

G. Policy on Board Diversity

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

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

H. Details of Utilisation of funds

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

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

The Company has obtained a Certificate dated June 25, 2020 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.

Report on Corporate Governance (Contd.)

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 a consolidated basis to the Statutory Auditors and all entities in their network / firm / network entity of which they are a part, is ₹ 36 Lakhs.

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

The disclosures for the Financial Year 2019-20 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

13. Discretionary Disclosures

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

a. Shareholders' Rights:

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

b. Audit Qualifications

The Company's financial statements for the financial year 2019-20 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.

14. Management Discussion and Analysis:

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

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

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

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

ANNEXURE TO CORPORATE GOVERNANCE REPORT

Declaration regarding affirmation of Code of Conduct

In terms of the requirements of Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, this is to confirm that all the members of the Board and the Senior Management personnel have affirmed compliance with the Code of Conduct for the financial year ended March 31, 2020.

Place : Mumbai
Date : June 29, 2020

S. R. Deo
Managing Director

MAKARAND M. JOSHI & CO.
Company Secretaries
Ecstasy, 803-804, 8th Floor, City of Joy, JSD Road, Mulund (W), Mumbai- 400080, (T) 022-21678136

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To
The Members,
NOCIL Limited

We have examined the compliance of conditions of Corporate Governance by NOCIL Limited ("the Company") for the financial year ended on March 31, 2020, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

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

For **Makarand M. Joshi & Co.**

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

Place: Mumbai
Date: June 29, 2020

Business Responsibility Report

Section A: General Information about the Company

1	Corporate Identity Number	L99999MH1961PLC012003
2	Name of the Company	NOCIL Limited (NOCIL)
3	Registered Office Address	3rd Floor, Mafatlal House, H. T. Parekh Marg, Backbay Reclamation, Churchgate, Mumbai- 400 020.
4	Website	www.nocil.com
5	Email id	investorcare@nocil.com
6	Financial Year reported	2019-20
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 (40) countries across the world

Section B : Financial Details of the Company

1	Paid up capital (₹)	₹ 1,65,60,59,550/- divided into 16,56,05,955 Equity shares of ₹ 10/- each fully paid-up.
2	Total Turnover	₹855.99 Crores
3	Total Profit after taxes	₹ 130.98 Crores
4	Total spending on Corporate Social Responsibility (CSR) as a percentage of profit after tax (%)	3.63%
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 March 31, 2020 on CSR)

Business Responsibility Report (Contd.)

Section C: Other details

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

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

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

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

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

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

Section D

1. Details of Director/ Directors responsible for BR

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

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

b. Details of BR Head

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

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

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

P1 Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

P2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

P3 Businesses should promote the wellbeing of all employees.

P4 Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

P5 Businesses should respect and promote human rights.

P6 Business should respect, protect, and make efforts to restore the environment.

P7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

P8 Businesses should support inclusive growth and equitable development.

P9 Businesses should engage with and provide value to their customers and consumers in a responsible manner.

Business Responsibility Report (Contd.)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy /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								

Business Responsibility Report (Contd.)

3. **Governance related to BR**

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

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

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

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

Section E: Principle -wise performance

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

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(s) 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) PILNOX TDQ

   c) PILCURE CBS

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

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

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

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

   For the above mentioned products, there is no explicit tracking mechanism in respect of resource use. However, the usage of each of the resources 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.

Business Responsibility Report (Contd.)

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 and 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	28
Company's Plant at Navi Mumbai	380
Company's Plant at Dahej	237
Total	**645**

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 – 1

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

   Yes. It is NOCIL RCD Employees Union.

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

   20%

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

Business Responsibility Report (Contd.)

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 marginalised

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 marginalised stakeholders?**

   Yes.

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

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

Principle 5 –Business should respect and promote human rights

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 well being 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 and its dedicated ancillary units.

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.

Business Responsibility Report (Contd.)

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 organisation?**

   The Company evaluates the projects as per the CSR policy.

Business Responsibility Report (Contd.)

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

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

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

   The Company directly contributes to the various community development projects. The details have been given in Annexure A to the Directors' Report for the Financial Year ended March 31, 2020.

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 organisations in turn ensure that the amount is utilised for the right cause and it reaches the intended beneficiaries. The Company also receives updates / progress from the NGOs.

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

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

For and on behalf of Board of Directors

Place: Mumbai
Date: June 29, 2020

Hrishikesh A. Mafatlal
Chairman

Form AOC - 1

(Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

Part A: Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Indian ₹ in Lakhs)

Sl.No.	**1**
Name of the subsidiary	PIL Chemicals Limited
The date since when subsidiary was acquired	February 22, 2007
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	April 1, 2019 to March 31, 2020
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not Applicable
Share capital	835
Reserves and surplus	2,592
Total assets	3,982
Total Liabilities	3,982
Investments	732
Turnover	1,343
Profit before tax	93
Provision for tax	24
Profit after tax	69
Extent of shareholding (in percentage)	100%

Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations : None
2. Names of subsidiaries which have been liquidated or sold during the year : None

Part B: Associates and Joint Ventures : None

For and on behalf of the Board of Directors

Hrishikesh A. Mafatlal
Chairman
DIN: 00009872

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

S. R. Deo
Managing Director
DIN: 01122338

P. Srinivasan
Chief Financial Officer

Amit K. Vyas
Company Secretary

Place : Mumbai
Date : June 29, 2020

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, 2020, 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 Standalone 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, 2020, 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 26 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, 2020, the Company recognised revenues from sale of goods aggregating to ₹ 83,775 Lakhs (previous year ₹ 103,036 Lakhs). The Company recognises revenue from sale of goods when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and the products have been delivered to the customer. 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 commission discounts, rebates and returns by comparing with the applicable Ind AS. **Tests of controls:** Evaluating the design and testing the operating effectiveness of controls over the accuracy of commission discounts, incentives and rebates and correct timing of revenue recognition. **Tests of details:** - Verifying the supporting documentation for determining that the revenue was recognised in the correct accounting period. - Comparing the commission discounts, incentives and rebates with the prior year and, where relevant, performed further inquiries and testing. - Verifying the manual journals posted to revenue to identify unusual or irregular items. - To assess the recoverability of trade receivables, our procedures included an assessment of whether the provision against, or write off, impacted our view as to the initial recognition of the related revenue.

Independent Auditor's Report (Contd.)

Sr. no.	Key audit matter description	How the scope of our audit addressed the key audit matter
		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, 2020, the Company has capitalised ₹ 17,257 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 Standalone 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 there on 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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

Independent Auditor’s Report (Contd.)

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 StandaloneFinancial 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of the users of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

Independent Auditor's Report (Contd.)

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone 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 specifiedin paragraphs 3 and 4 of the said Order, to the extent applicable.

2. As required by section143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss, 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, 2020 and taken on record by the Board of Directors, none of the Directors of the Company are disqualified as on March 31, 2020, from being appointed as a Director in terms of section 164(2) of the Act.

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

   g) According to information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act.

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

   i) The Standalone Financial Statements disclose the impact of pending litigations on the financial position of the Company. Refer Note 37 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 42.5.2 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
UDIN: 20042454AAAACH6144
Mumbai: June 29, 2020.

Annexure to the Independent Auditor's Report

Annexure A

The Annexure referred to in paragraph 1 'Report on Other Legal and Regulatory Requirements' in our Independent Auditors' Report to the members of the Company on the Standalone Financial Statements for the year ended March 31, 2020:

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 had planned to conduct physical verification of fixed assets for the year based on the program mentioned above in the month of March 2020, however, due to shutdown of its plants following the nationwide lockdown imposed by the Government of India in view of the COVID-19 pandemic, the same could not be conducted. Consequently, in the absence of physical verification being conducted during the year, We have carried out alternative procedures to assess the accuracy of fixed assets as reported in the financial statements taking into account the internal control followed by management in the area of fixed assets.

   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. We were not in a position to phsically to attend the inventory verification which was planned at the year end due to shut down of its plant following the nation wide lockdown imposed by the Govt. of India in view of the Covid 19 Pandemic. Consequently, we have conducted alternative analytical review procedures including roll forward procedures and relied on other internal controls for drawing comfort on the inventory as reported in the financial statements as the year end.

3. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013.Therefore, the provisions of sub-clause (a), (b) and (c) of paragraph 3 (iii) of the Order are not applicable.

4. According to the information and explanations given to us, the Company has not advanced any loans or given guarantee or provided any security to parties covered under section 185 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us and records examined by us, the provisions of section 186 of the Companies Act, 2013, in respect of investments made have been complied with by the Company. The Company has not given any loans or guarantees.

5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of sections 73 to 76, or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder. No order has been passed by the Company Law Board, or National Company Law Tribunal, or Reserve Bank of India, or any Court, or any other Tribunal.

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

7. Statutory Dues:

   a) According to the information and explanations given to us and on the basis of the records examined by us, the Company is regular in depositing undisputed statutory dues, including dues pertaining to Investor Education and Protection Fund, Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, Duty of Customs, Cess, Sales tax, Service tax, Excise duty, Value added tax 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, Duty of Customs or Cess outstanding on account of any dispute, other than the following :

Annexure to the Independent Auditor’s Report (Contd.)

Name of Statute	Nature of Dues	Amount (₹ in Lakhs)	Period to which the amount relates	Forum where dispute is pending
The Central Excise Act, 1944	Excise Duty / Service Tax demands relating to disputed classification, assessable values, etc., which the Company has contested and is in appeals	8.39	1991-1996, 1997-1999	Commissioner
The Customs Tariff Act, 1962	Custom Duty demands relating to classifications, etc. Net of amount paid under protest ₹ 4.69 Lakhs	Nil	2011-2013	CESTAT
Central Sales Tax Act 1956 and various State Sales Tax Acts	Sales Tax demands. Net of amount paid under protest ₹ 13.37 Lakhs	358.71	1995-1999, 2003-2004	Appellate Tribunal
		5.65	2001-2002, 2004-2005	Commissioner (Appeals)
		1,306.45	2008-09 2011-16	Commissioner (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 ₹ 5.99 Lakhs	190.90	2010-2016	CESTAT
		1.81	2015-2018	Superintendent Customs & CEX
Income-tax Act, 1961	Income-tax demands against which the Company has preferred appeals. (Net of amount paid under protest ₹ 237.87 Lakhs)	43.34	2011-12, 2012-13, 2016-17	Commissioner of income tax appeals
Employees Provident Funds & Miscellaneous Provisions Act, 1952	Provident Fund Contribution Case (PPD and PCD)	9.92	2002-2004	Assistant PF Commissioner

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

9. According to the information and explanations given to us, the Company has neither raised money through initial public offer or further public offer nor taken any term loans, hence the provisions of paragraph 3 (ix) of the Order are not applicable.

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

11. According to the information and explanations given to us and on the basis of the records examined by us, the Company has paid or provided managerial remuneration in accordance with the provisions of section 197 read with Schedule V to the Act.

12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company.

13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and details of such transactions have been disclosed in the Standalone Financial Statements as required by the applicable accounting standards.

14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

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

16. In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Daraius Z. Fraser
PARTNER
M. No.: 42454
UDIN: 20042454AAAACH6144
Mumbai: June 29, 2020.

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

Annexure B

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

We have audited the internal financial controls with reference to financial statements of **NOCIL LIMITED** ("the Company") as of March 31, 2020, 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 on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the Institute of Chartered Accountants of India ("the ICAI") and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with reference to financial statements

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

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

2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone 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 Standalone Financial Statements.

Annexure to the Independent Auditor’s Report (Contd.)

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

Daraius Z. Fraser
PARTNER
M. No.: 42454
UDIN:20042454AAAACH6144
Mumbai: June 29, 2020.

Standalone Balance Sheet as at March 31, 2020

(₹ in Lakhs)

Particulars	Note	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	3	76,780	62,632
(b) Capital work-in-progress		15,630	13,051
(c) Investment Property	4	46	47
(d) Intangible assets	5	122	231
(e) Investments in Wholly Owned Subsidiary	6	2,504	2,504
(f) Financial Assets			
(i) Other Investments	7	2,388	2,638
(ii) Other financial assets	8	622	626
(g) Non - Current tax assets		1,621	460
(h) Other non-current assets	9	1,390	3,396
Total Non - Current Assets		**101,103**	**85,585**
Current Assets			
(a) Inventories	10	13,612	17,042
(b) Financial Assets			
(i) Investments	11	2,320	9,679
(ii) Trade receivables	12	20,321	23,219
(iii) Cash and cash equivalent	13	837	3,601
(iv) Bank balances other than (iii) above	14	443	289
(v) Other financial assets	15	103	26
(c) Other current assets	16	4,048	3,341
Total Current Assets		**41,684**	**57,197**
Total Assets		**142,787**	**142,782**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	17	16,561	16,542
(b) Other Equity	18	101,040	98,764
Total Equity		**117,601**	**115,306**
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Financial Lease Liability	19	687	-
(b) Provisions	20	1,633	1,464
(c) Deferred tax liabilities (Net)	34	8,865	10,536
(d) Other non-current liabilities	21	7	7
Total Non - Current Liabilities		**11,192**	**12,007**
Current Liabilities			
(a) Financial Liabilities			
(i) Trade payables			
(a) Total outstanding dues of micro and small enterprises	22	615	215
(b) Total outstanding dues to creditors other than micro and small enterprises	22	8,308	9,663
(ii) Other financial liabilities	23	4,040	4,710
(b) Other current liabilities	24	368	229
(c) Provisions	25	662	578
(d) Current tax liabilities		1	74
Total Current Liabilities		**13,994**	**15,469**
Total Equity and Liabilities		**142,787**	**142,782**

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

Daraius Z. Fraser
Partner
Membership No. 42454

Place : Mumbai
Date : June 29, 2020

For and on behalf of the Board of Directors

Hrishikesh A. Mafatlal
Chairman
DIN: 00009872

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

S. R. Deo
Managing Director
DIN: 01122338

P. Srinivasan
Chief Financial Officer

Amit K. Vyas
Company Secretary

Standalone Statement of Profit & Loss for the year ended March 31, 2020

(₹ in Lakhs)

Sr. No.	Particulars	Note	For the year ended March 31, 2020	For the year ended March 31, 2019
I	Revenue from operations	26	84,629	104,290
II	Other Income	27	970	1,001
III	**Total Income (I + II)**		**85,599**	**105,291**
IV	**EXPENSES**			
	(a) Cost of materials consumed	28	36,719	49,556
	(b) Purchases of Stock-in-trade		260	229
	(c) Changes in stock of finished goods, work-in-progress and stock-in-trade	29	1,805	(3,103)
	(d) Employee benefit expense	30	7,413	6,809
	(e) Finance costs	31	132	63
	(f) Depreciation and amortisation expense	32	3,242	2,297
	(g) Other expenses	33	20,787	21,771
	Total Expenses (IV)		**70,358**	**77,622**
V	**Profit Before Tax (III - IV)**		**15,241**	**27,669**
VI	**Tax Expense**			
	(a) Current tax	34	3,866	8,398
	(b) Deferred tax	34	(1,723)	862
	Total Tax Expense (VI)		**2,143**	**9,260**
VII	**Profit After Tax (V - VI)**		**13,098**	**18,409**
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)		(160)	(32)
	(b) Equity instruments through other comprehensive income		(930)	(2,963)
	(ii) Income tax relating to items that will not be reclassified to profit or loss			
	(a) On Remeasurements of the defined benefit liabilities / (asset)	34	(2)	7
	(b) On Equity instruments through other comprehensive income	34	(51)	345
	Total Other Comprehensive Income for the year		**(1,143)**	**(2,643)**
IX	**Total Comprehensive Income for the year (VII+VIII)**		**11,955**	**15,766**
X	**Earnings Per Equity Share (Face Value ₹ 10/- each)**	**35**		
	(a) Basic		7.91	11.14
	(b) Diluted		7.91	11.08

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

Daraius Z. Fraser
Partner
Membership No. 42454

Place : Mumbai
Date : June 29, 2020

For and on behalf of the Board of Directors

Hrishikesh A. Mafatlal
Chairman
DIN: 00009872

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

S. R. Deo
Managing Director
DIN: 01122338

P. Srinivasan
Chief Financial Officer

Amit K. Vyas
Company Secretary

Standalone Statement of Cash Flows for the year ended March 31, 2020

(₹ in Lakhs)

Sr. No.	Particulars	For year ended March 31, 2020	For year ended March 31, 2019
A	**Cash flows from operating activities**		
	Profit before tax	15,241	27,669
	Adjustments for:		
	Finance costs	132	63
	Interest income	(90)	(181)
	Dividend income	(332)	(484)
	Loss on disposal / scrapping / write off of property, plant and equipment	6	25
	Excess provision for earlier years written back	(58)	(177)
	Fair Value (gain)/loss on investments	(224)	(56)
	Depreciation / amortisation expenses	3,242	2,297
	Unrealised foreign exchange revalution	(126)	69
	Expense recognised in respect of equity-settled share-based payments	199	254
	Rent from Investment Property	(43)	(38)
	Income from Redemption of Mutual Fund	(121)	(242)
	Remeasurement of defined benefit liabilities / (assets) through OCI	(160)	(32)
	Operating profit before working capital changes (i)	**17,666**	**29,167**
	Adjustments for:		
	(Increase)/Decrease in Trade Receivables	3,076	1,028
	(Increase)/Decrease in Inventories	3,430	(1,544)
	(Increase)/Decrease in Other Assets - Current and Non Current	(794)	(1,943)
	(Increase)/Decrease in Other Financial Assets - Current and Non Current	(69)	(209)
	Increase/(Decrease) in Trade Payable	(969)	(1,272)
	Increase/(Decrease) in Provisions - Current and Non Current	253	109
	Increase/(Decrease) in Other Financial Liabilities - Current / Non Current	84	58
	Increase/(Decrease) in Other Liabilities - Current	139	(226)
	Changes in Working Capital (ii)	**5,150**	**(3,999)**
	Cash generated from operations (iii) = (i+ii)	**22,816**	**25,168**
	Income taxes paid (Net of Refund) (iv)	(5,100)	(8,781)
	Net cash generated by operating activities (v)= (iii)+(iv)	**17,716**	**16,387**
B	**Cash flows from investing activities**		
	Payments to acquire financial assets	(23,744)	(33,100)
	Proceeds on redemption of financial assets	30,694	45,895
	Interest received	161	89
	Dividends received	332	443
	Payments for purchase of property, plant and equipment	(17,900)	(23,510)
	Proceeds from disposal of property, plant and equipment*	0	1
	Rent from Investment Property	43	38
	Payments for intangible assets	(29)	(34)
	Net cash (used in)/generated by investing activities (vi)	**(10,443)**	**(10,178)**
C	**Cash flows from financing activities**		
	Proceeds from issue of equity instruments of the Company	97	510
	Repayment of borrowings	-	(500)
	Dividends paid to owners of the Company (including tax)	(9,804)	(4,902)

Standalone Statement of Cash Flows for the year ended March 31, 2020 (Contd.)

(₹ in Lakhs)

Sr. No.	Particulars	For year ended March 31, 2020	For year ended March 31, 2019
	Interest paid on lease liability	(88)	-
	Principal payment of Lease Liability	(218)	-
	Interest paid	(44)	(68)
	Net cash used in financing activities (vii)	**(10,057)**	**(4,960)**
	Net increase in cash and cash equivalents (v+vi+vii)	**(2,784)**	**1,249**
	Cash and cash equivalents at the beginning of the year	3,601	2,400
	Unrealised foreign exchange restatement in Cash and cash equivalents	20	(48)
	Cash and cash equivalents at the end of the year	**837**	**3,601**
	Reconciliation of cash and cash equivalents with the Balance Sheet:		
	Cash and cash equivalents at end of the year (including other bank balances)	**1,280**	**3,890**
	Less: Bank balances held as margin money against guarantees not considered as Cash and cash equivalents	(443)	(289)
	Cash and cash equivalents at end of the year	**837**	**3,601**

* Amount Less than ₹. 0.50 Lakhs

Note:

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

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

In terms of our report attached

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

Daraius Z. Fraser
Partner
Membership No. 42454

Place : Mumbai
Date : June 29, 2020

For and on behalf of the Board of Directors

Hrishikesh A. Mafatlal
Chairman
DIN: 00009872

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

S. R. Deo
Managing Director
DIN: 01122338

P. Srinivasan
Chief Financial Officer

Amit K. Vyas
Company Secretary

Statement of Changes in Equity for the year ended March 31, 2020

(a) Equity share capital (₹ in Lakhs)

Particulars	Amount
Balance as at April 1, 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**
Changes in equity share capital during the year:	
Issue of equity shares under employee stock option plan	19
Balance as at March 31, 2020	**16,561**

(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, 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 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**
Profit for the year	**-**	**-**	**-**	**-**	**13,098**	**-**	**-**	**13,098**
Other Comprehensive Income for the year, net of income tax	-	-	-	-	-	(981)	-	(981)
Remeasurement of Defined Benefit Obligation, net of income tax	-	-	-	-	-	-	(162)	(162)
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**13,098**	**(981)**	**(162)**	**11,955**
Premium on shares issued	-	116		-	-	-	-	116
Recognition of share based payments	-	-	-	162	-	-	-	162
Payment of dividend and Dividend distribution tax thereon	-	-	-	-	(9,957)	-	-	(9,957)
Balance as at March 31, 2020	**15**	**1,952**	**4,865**	**584**	**97,609**	**(3,233)**	**(752)**	**101,040**

Refer Note 18 for nature & 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

Daraius Z. Fraser
Partner
Membership No. 42454

Place : Mumbai
Date : June 29, 2020

For and on behalf of the Board of Directors

Hrishikesh A. Mafatlal
Chairman
DIN: 00009872

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

S. R. Deo
Managing Director
DIN: 01122338

P. Srinivasan
Chief Financial Officer

Amit K. Vyas
Company Secretary

Notes to the Standalone Ind AS Financial Statement as at and for the year ended March 31, 2020

NOTE 1: GENERAL INFORMATION

a) Corporate information

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

b) Basis of preparation and presentation

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

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

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

The financial statements have been prepared on going concern basis. The accounting policies are applied consistently to all periods presented in the financial statements. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III of the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for proceeding and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as not exceeding12 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, 2020 have been approved for issue in accordance with the resolution of the Board of Directors on June 29, 2020.

c) Functional and presentational currency

The financial statements are presented in Indian Rupees (₹), which is the Company's functional and presentation currency. All amounts have been rounded to the nearest lakhsas per the requirement of Schedule III, unless otherwise indicated.

d) Key estimates and assumptions

The preparation of financial statements requires Management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant.Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods of the revision if it affects both current and future periods.

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

- Determination of the estimated useful lives of tangible assets and the assessment as to which components of the cost may be capitalised (Note 2(a)).
- Determination of the estimated useful lives of intangible assets (Note 2(c)).
- Impairment of Property, Plant and Equipment (Note 2(d)).
- Recognition and measurement of defined benefit obligations (Note 2(k)and Note 40).
- Fair valuation of employee share options (Note 2(l) and Note 39).

Notes to the Standalone Ind AS Financial Statement as at and for the year ended March 31, 2020 (Contd.)

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

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

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

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

a) Property, Plant and Equipment

Property, Plant and Equipment (PPE) are stated at cost of acquisition, including any attributable cost for bringing the asset to its working condition for its intended use less accumulated depreciation and less accumulated impairment, if any. Cost includes expenses related directly to acquisition and installation of the concerned assets, borrowing cost during the construction period and excludes any duties / taxes recoverable.

Advances paid towards the acquisition of PPE outstanding at each reporting date is classified as Capital Advances under "Other Non-Current Assets" and assets which are not ready for intended use as on the date of balance Sheet are disclosed as "Capital Work in Progress".

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes all costs incurred to bring the assets to their present location and condition. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted and depreciated for as separate items (major components) of property, plant and equipment.

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

The estimated residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future

Notes to the Standalone Ind AS Financial Statement as at and for the year ended March 31, 2020 (Contd.)

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

AAn Intangible asset is recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably.Intangible assets that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortised over their estimated useful life. The useful life of intangible assets are assessed as either finite or infinite. Amortisation is recognised on a straight line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate beingaccounted for on a prospective basis. Estimated useful lives of finite intangible assets are as follows:

Patents	10 years
Software	3 years

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

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

d) Impairment of Non-Financial Assets

At the end of each reporting period, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication of an impairment loss. If any such indication exists, the recoverable amounts are estimated in orderto determine the extent of the impairment loss (if any). An impairment loss is recognised whenever the carrying amount of an assetor a cash-generating unit exceeds its recoverable amount. The impairment loss, if any, is recognised in the Statement of Profit and Loss in the period in which impairment takes place.

Recoverable amount is higher of an assets net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an assets and from its disposal at the end of its useful life. Where an impairment loss subsequently reverses, the carrying amount of the assets is increased to the revised estimate of its recoverable amount, however subject to the increased carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior accounting periods.

e) Inventories

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

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

Provision is made for cost of obsolescence and other anticipated losses, whenever considered necessary by Managementbased on the best judgement and estimates.

f) Cash and Cash Equivalents

Cash and Cash Equivalents in the Balance Sheet comprises cash on hand, bank balances and short term deposits with banks with an original maturity of three months or less which are readily convertible into cash and which are subject to insignificant risk of changes in value.

For the purpose of the Statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

g) 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 Assets**

<u>Initial recognition:</u>

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

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

Financial assets are subsequently classified and measured at:

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

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

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

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

For investments in mutual fund, the Company has opted to account for the fair value through profit or loss.

Notes to the Standalone Ind AS Financial Statement as at and for the year ended March 31, 2020 (Contd.)

➢ **Debt Instruments:**

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

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

• **Measured at amortised cost:**

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

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

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

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

A financial asset not classified as either amortised cost or FVTOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'Other Income' in the Statement of Profit and Loss.

➢ **Equity Instruments:**

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

Investments in equity instruments other than investments in subsidiaries are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for equity instruments which are not held for trading.

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

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs.

Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserve for 'equity instruments through other comprehensive income'. The cumulative gain or loss is reclassified to Statement of Profit and Loss on full disposal of theinvestments.

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 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 derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of the new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

➢ **Derivative financial instruments**

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

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

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

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

i) Foreign Exchange Transactions

In preparing the financial statements of the Company, transactions in currencies other than the Company's

Notes to the Standalone Ind AS Financial Statement as at and for the year ended March 31, 2020 (Contd.)

functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are restated at the rates prevailing at the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated. Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise.

j) Revenue recognition

Revenue from sale of products is recognised when the products are dispatched to customers, all significant contractual obligations have been satisfied and the collection of the resulting receivable is reasonably expected. Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of customer returns, trade allowance, rebates, goods and services tax and amount collected on behalf of third parties.

Accumulated experience is used to estimate and provide for the discounts and returns. No element of financing is deemed present as the sales are made with normal credit days consistent with market practice.

Export incentives are recognised as income as per the termsof the scheme in respect of the exports made and included as part of “Other Operating Revenue”.

Dividend and interest income

Dividend income from investments is recognised when the shareholder’s right to receive payment has been established.

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

k) Employee benefits

Short-term Employee Benefits:

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

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 recognised immediately in Other Comprehensive Income (OCI). Net interest expense/ (income) on the net defined liability/ (assets) is computed by applying the discount rate used to measure the net defined liability/ (asset). Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss. When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in Statement of Profit and Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Notes to the Standalone Ind AS Financial Statement as at and for the year ended March 31, 2020 (Contd.)

(c) Other Long-Term Employee Benefits

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

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.

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019, except those which are exempted under this standard, using the modified retrospective approachandtherefore the comparative information has not been restated and continues to be reportedunder Ind AS 17.

<u>As a Lessee</u>

The Company's lease assets classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

(i) The contract involves the use of an identified asset

(ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and

(iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The estimated useful lives of right-of-use assets are determinedon the same basis as those of property and equipment. In addition, the right-of-use asset isperiodically reduced by impairment losses, if any, and adjusted for certain re-measurementsof the lease liability.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Notes to the Standalone Ind AS Financial Statement as at and for the year ended March 31, 2020 (Contd.)

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

As a Lessor

Lease payments under operating leases is generally recognised as an expense on a straight-line basis over the term of the relevant lease.Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the underlying asset and recognised as an expense over the lease term on the same basis as the lease income..

n) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

o) Taxes on Income

Income tax expense comprises current tax expense and the deferred tax during the year. Current and deferred taxes are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current tax

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year and any adjustments to the tax payable or receivable in respect of previous years as determined in accordance with the provisions of the Income Tax Act,1961 that have been enacted or subsequently enacted at the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

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 recognised when the Company has a present obligation as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date. The expenses relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected

Notes to the Standalone Ind AS Financial Statement as at and for the year ended March 31, 2020 (Contd.)

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 the Standalone Ind AS Financial Statement as at and for the year ended March 31, 2020 (Contd.)

Note 3 : Property, Plant and Equipment (₹ in Lakhs)

Particulars	Land - Leasehold	Buildings	Right of Use Assets#	Plant and Equipment	Office Equipment	Furniture & Fixtures	Vehicles	Total
I. Gross Carrying Value								
Balance as at April 1, 2019	**24,413**	**11,582**	**-**	**43,381**	**434**	**278**	**416**	**80,504**
Additions	-	7,413	1,136	8,491	122	95		17,257
Disposals	-	-	-	(15)	-	-	-	(15)
Balance as at March 31, 2020	**24,413**	**18,995**	**1,136**	**51,857**	**556**	**373**	**416**	**97,746**
II. Accumulated depreciation and impairment for the year 2019-20								
Balance as at April 1, 2019	**1,342**	**1,909**	**-**	**14,097**	**243**	**117**	**164**	**17,872**
Depreciation expense for the year	447	438	271	1,685	92	126	44	3,103
Eliminated on disposal of assets	-	-	-	(9)	-	-	-	(9)
Balance as at March 31, 2020	**1,789**	**2,347**	**271**	**15,773**	**335**	**243**	**208**	**20,966**
III. Net Carrying value as at March 31, 2020 (I-II)	**22,624**	**16,648**	**865**	**36,084**	**221**	**130**	**208**	**76,780**

Refer note (d) below.

(₹ in Lakhs)

Particulars	Land - Leasehold	Buildings	Right of Use Assets	Plant and Equipment	Office Equipment	Furniture & Fixtures	Vehicles	Total
I. Gross Block								
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 Block Balance as on March 31, 2019 (I-II)	**23,071**	**9,673**	**-**	**29,284**	**191**	**161**	**252**	**62,632**

Notes:

a) Property, Plant & Equipment relating to approved R & D facility included above is as under: (₹ in Lakhs)

Particulars	Gross Block	Depreciation	Net Block
Balance as at April, 1, 2019	579	333	246
Additions during the year (Refer Note 38)	33	-	33
Depreciation expense for the year	-	32	(32)
Disposals / Deletions*	(0)	(0)	(0)
Balance as at March 31, 2020	**612**	**365**	**247**

* Amount less than ₹ 0.50 lakh

b) Additions during the year includes pre-operative expenses of ₹ 1,133 lakhs incurred during the course of construction.

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

d) Right of Use Assets:

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019, except those which are exempted under this standard, using the modified retrospective approach. Accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted. The Company has elected to measure the right-of-use asset equal to the lease liability, with the result of no net impact on retained earnings and no restatement of prior period comparatives.

Right of use assets and lease liabilities consists of buildings of ₹ 1,136 Lakhs have been recognised as on the transition date i.e. April 1, 2019. In the statement of profit and loss for the current year, operating lease expenses which were recognised as other expenses in previous periods is now recognised as depreciation expense for the right-of-use asset and finance cost for interest accrued on lease liability. The adoption of this standard did not have any significant impact on the profit for the year and earnings per share.

The weighted average incremental borrowing rate of 8.7% has been applied to lease liabilities recognised in the Balance Sheet at the date of initial application. Interest on lease liabilities is ₹ 88 Lakhs for the year.

Note 4 : Investment Property

(₹ in Lakhs)

Particulars	Buildings	Total
I. Gross Carrying Value		
Balance as at April 1, 2019	**83**	**83**
Additions	-	-
Disposals	-	-
Balance as at March 31, 2020	**83**	**83**
II. Accumulated depreciation and impairment for the year 2019-20		
Balance as at April 1, 2019	**36**	**36**
Depreciation expense for the year	1	1
Eliminated on disposal of assets	-	-
Balance as at March 31, 2020	**37**	**37**
III. Net Carrying value as at March 31, 2020 (I-II)	**46**	**46**

(₹ 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

Note:

a) Fair value disclosures

The fair value of the Company's investment properties as at March 31, 2020 and March 31, 2019 has been arrived at on the basis of a valuation carried out on the respective dates by independent and 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, 2020 and March 31, 2019 are as follows:

(₹ in Lakhs)

Particulars	Amount	Fair value hierarchy
As at March 31, 2020		
Fair value of Investment property - Residential Units located in India	1,297	Level 2
As at March 31, 2019		
Fair value of Investment property - Residential Units located in India	1,297	Level 2

Notes to the Standalone Ind AS Financial Statement as at and for the year ended March 31, 2020 (Contd.)

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

c) Information regarding Income and Expenditure of Investment Property

(₹ in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Rental Income derived from Investment Properties	33	32
Less: Direct Operating Expenses	(8)	(9)
Gain arising from Investment properties before depreciation	25	23
Less: Depreciation	(1)	(1)
Net Gain arising from Investment properties	**24**	**22**

Note 5 : Intangible Assests

(₹ in Lakhs)

Particulars	Patents	Software	Total
I. Gross Carrying Value			
Balance as at April 1, 2019	**453**	**359**	**812**
Additions	29	-	29
Disposals	-	-	-
Balance as at March 31, 2020	**482**	**359**	**841**
II. Accumulated amortisation for the year 2019-20	**-**	**-**	**-**
Balance as at April 1, 2019	**379**	**202**	**581**
Amortisation expense for the year	101	37	138
Eliminated on disposal of assets	-	-	-
Balance as at March 31, 2020	**480**	**239**	**719**
III. Net Carrying value as at March 31, 2020 (I-II)	**2**	**120**	**122**

(₹ in Lakhs)

Particulars	Patents	Software	Total
I. Gross Block			
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**

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, 2019	30	6	24
Additions during the year	-	-	-
Amortisation expense for the year	-	3	3
Balance as at March 31, 2020	**30**	**9**	**21**

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

Notes to the Standalone Ind AS Financial Statement as at and for the year ended March 31, 2020 (Contd.)

Note 6 : Investment in wholly owned subsidiary

(₹ in Lakhs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of shares/units	Amount	No. of shares/units	Amount
Unquoted Investments in equity shares				
In Wholly owned Subsidiary (at cost)				
PIL Chemicals Limited (₹ 10/- each, fully paid-up)	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, 2020		As at March 31, 2019	
	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	1,217	19,54,695	2,117
HDFC Bank Limited (₹ 2/- each, fully paid-up)	5,000	86	5,000	116
Total Quoted Investments (A)		**1,303**		**2,233**
(ii) Unquoted Investments				
(at fair value through other comprehensive income (FVTOCI))				
The Bharat Co-Operative Bank Limited (₹ 10/- each, fully paid-up)	10,000	1	10,000	1
Shree Balaji Sahakari Sakhar Karkhana Limited * (₹ 2,000/- each, fully paid-up)	1	0	1	0
Mafatlal Engineering Industries Limited (₹ 100/- each, fully paid-up)	17,101	18	17,101	18
Less: Provision for Impairment		(18)		(18)
Total Unquoted Investments (B)		**1**		**1**
(b) Investments in Mutual Funds / Others (at fair value through profit and loss account (FVTPL))				
Aditya Birla Sun Life FTP SJ (1135 days)	20,00,000	222	20,00,000	202
IDFC Fixed Term Plan Series 177 Direct Plan (1160 Days)	20,00,000	222	20,00,000	202
Tata Capital Financial Services Market linked Debentures (Maturity on 14/4/21)	48	532	-	-
Aditya Birla Sun Life-FTP-Series SO-Direct (1099 days)	10,00,000	108	-	-
Total Investments in Mutual Funds/ Others (C)		**1,084**		**404**
Total Investments (A+ B+C)		**2,388**		**2,638**

Aggregate Amount of Quoted Investments		1,303		2,233
Market Value of Quoted Investments		1,303		2,233
Aggregate Amount of Unquoted Investments (At Cost)		1,103		423
Aggregate Amount of Impairment in the Value of Investments		18		18

* Amount less than ₹ 0.50 Lakhs

Notes to the Standalone Ind AS Financial Statement as at and for the year ended March 31, 2020 (Contd.)

Note 8 : Non Current - Other Financial Assets

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Financial Assets (at amortised cost)		
Security Deposits		
Unsecured, considered good	621	624
Unsecured, considered doubtful	300	300
Less : Allowance for bad and doubtful deposits	(300)	(300)
	621	**624**
Earmarked Balances		
Deposit with Bank	1	-
Loans to employees		
Unsecured, considered good *	(0)	2
Total	**622**	**626**

* Amount Less than ₹. 0.50 Lakhs

Note 9 : Other Non Current Assets

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with Government Authorities (other than income taxes)		
CENVAT Credit Receivable	335	335
VAT Credit Receivable	952	1,022
Service Tax Credit Receivable	6	6
Others	26	26
	1,319	**1,389**
Less: Provision	(302)	(302)
	1,017	**1,087**
Capital Advances	322	2,260
Prepaid Expenses	51	49
Total	**1,390**	**3,396**

Note 10 : Inventories (At lower of cost and net realisable value)

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Raw materials	6,425	8,258
Work-in-progress	1,318	1,687
Finished goods *	5,007	6,470
Stock-in-trade	29	2
Stores and spares	833	625
Total	**13,612**	**17,042**

Included above, goods-in-transit:		
(i) Raw materials	795	1,079
(ii) Finished goods	173	32
Total	**968**	**1,111**

* Net of write down of ₹ 135 lakhs (Previous year ₹ Nil)

Notes to the Standalone Ind AS Financial Statement as at and for the year ended March 31, 2020 (Contd.)

Note 11 : Financial Assets - Current Investments

(₹ in Lakhs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of units	Amount	No. of units	Amount
(a) Investments in Mutual Funds (Unquoted) (at fair value through profit and loss account (FVTPL))				
ICICI Prudential Equity Arbitrage Fund - Dividend	-	-	2,77,13,003	4,016
ICICI Prudential Ultra Short Term Fund	29,94,478	610	29,94,478	565
Kotak Equity Arbitrage Fund - Direct Plan - Reinvest	-	-	1,36,74,965	1,505
ABSL Corporate Bond Fund - Direct - Growth	6,98,032	551	6,98,032	504
Kotak Corporate Bond Fund - Direct - Growth	19,893	549	19,893	503
ICICI Prudential Liquid Fund - Daily Dividend *	316	0	-	-
Total (A)		**1,710**		**7,093**
(b) Other Investments (at amortised cost)				
Intercorporate deposits with HDFC Limited		610		2,586
Total (B)		**610**		**2,586**
Total Investments (A+B)		**2,320**		**9,679**

Aggregate Amount of Quoted Investments		-		-
Market Value of Quoted Investments		-		-
Aggregate Amount of Impairment in the Value of Investments		-		-
Aggregate Amount of Unquoted Investments (At Cost)		2,320		9,679

* Amount less than ₹ 0.50 Lakhs

Note 12 : Current Financial Assets -Trade receivables

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Trade receivables		
(a) Considered good - Secured	-	-
(b) Considered good - Unsecured	20,321	23,219
(c) Credit Impaired	14	2
Less: Allowance for doubtful debts	(14)	(2)
Total	**20,321**	**23,219**

Note 13 : Current Financial Assets - Cash and cash equivalents

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Cash on hand	9	11
Balances with banks	828	3,590
Total	**837**	**3,601**
Cash and cash equivalents as per statement of cash flows	837	3,601

Note 14 : Current Financial Assets - Other Bank balances

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Earmarked balances with banks		
Unpaid dividend account	443	289
Total	**443**	**289**

Notes to the Standalone Ind AS Financial Statement as at and for the year ended March 31, 2020 (Contd.)

Note 15 : Current - Other Financial Assets

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Financial Assets (at amortised cost)		
Loans to employees		
Unsecured, considered good	1	1
Security Deposits		
Unsecured, considered good	12	-
Interest accrued on Security deposits	30	25
Financial Assets at FVTPL		
Forward Cover / Options Contract Receivable	60	-
Total	**103**	**26**

Note 16 : Other Current Assets

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Advances to suppliers and others	806	746
Balances with government authorities (other than income taxes)		
GST Credit Receivable	2,197	1,437
Prepaid expenses	648	543
Export incentive receivable	396	613
Other Advances	1	2
Total	**4,048**	**3,341**

Note 17 : Equity Share Capital

(₹ in Lakhs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	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	16,56,05,955	16,561	16,54,18,830	16,542
Issued, Subscribed and Fully Paid:				
Equity shares of ₹ 10/- each	16,56,05,955	16,561	16,54,18,830	16,542

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

The Company has one class of equity share having a par value of ₹ 10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting, except in case of interim dividend.

In the event of liquidation, the equity shareholders are eligible to receive the remaining asset of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(ii) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

(₹ in Lakhs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of shares	Amount	No. of shares	Amount
Equity Shares Outstanding at the beginning of the year	16,54,18,830	16,542	16,44,77,680	16,448
Add: Allotment pursuant to exercise of stock options granted under Company's employee stock option plan (refer Note 39)	1,87,125	19	9,41,150	94
Equity Shares Outstanding at the end of the year	**16,56,05,955**	**16,561**	**16,54,18,830**	**16,542**

Notes to the Standalone Ind AS Financial Statement as at and for the year ended March 31, 2020 (Contd.)

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

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of shares	% shareholding	No. of shares	% shareholding
Mafatlal Industries Limited	2,52,59,059	15.25%	2,52,59,059	15.27%
Suremi Trading Private Limited	2,07,72,170	12.54%	2,03,69,204	12.31%
Sushripada Investments Private Limited	89,60,880	5.41%	89,60,880	5.42%

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

Share options granted but not exercised under Company's share option plan carry no rights to dividend and no voting rights. Further details of the employee share option plan are provided in Note 39.

As at March 31, 2020, 21,03,725 equity shares (as at March 31, 2019, 23,08,750 equity shares) of ₹ 10 each were reserved for outstanding employee share option granted.

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

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

(vi) There are no calls unpaid.

(vii) There are no forfeited shares.

Note 18 : Other equity

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Capital reserve	15	15
Securities premium	1,952	1,836
General reserve	4,865	4,865
Share options outstanding account	584	422
Retained earnings	97,609	94,468
Equity Instrument Through Other Comprehensive Income	(3,233)	(2,252)
Other Items of Other Comprehensive Income		
Remeasurements of Defined Benefit Obligation	(752)	(590)
Total	**1,01,040**	**98,764**

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

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

General reserve:
The general reserve comprises of transfer of profits from retained earnings for appropriation purposes. The reserve can be distributed/ utilised by the Company in accordance with the Companies Act, 2013.

Share option outstanding account:
This reserve relates to share options granted by the Company to its employees under its employee share option plan. Further information about share based payments to employees is set out in Note 39.

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

Notes to the Standalone Ind AS Financial Statement as at and for the year ended March 31, 2020 (Contd.)

Equity instrument through other comprehensive income:

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

Items of Other Comprehensive Income - Remeasurements of Defined Benefit Obligation

Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in other comprehensive income and are adjusted to retained earnings.

Details of dividends paid / proposed:

During the year, the Company has paid dividend of ₹ 2.50 per share for the year ended March 31, 2019 post approval in the 57th Annual General Meeting of the Company. Further, based on the Board approval, interim dividend @ ₹ 2.50 per share was disbursed to the shareholders of the Company for the year ended March 31, 2020.

Note 19 : Non Current Financial Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Financial Lease Liability (Refer Note 3(d))	687	-
Total	**687**	**-**

Note 20 : Non Current Provisions

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits (Refer Note 40)	1,633	1,464
Total	**1,633**	**1,464**

Note 21 : Other Non Current Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for customs duty	7	7
Total	**7**	**7**

Note 22 : Current Financial Liabilities - Trade Payables

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Trade payables:		
(a) Payable to Micro and Small enterprises (Refer Note below)	615	215
(b) Payable to Others		
i) Acceptances	1,276	2,417
ii) Other than Acceptances	7,032	7,246
	8,308	**9,663**
Total	**8,923**	**9,878**

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.

Notes to the Standalone Ind AS Financial Statement as at and for the year ended March 31, 2020 (Contd.)

(₹ in Lakhs)

Particulars		As at March 31, 2020	As at March 31, 2019
a)	The principal amount remaining unpaid to any supplier at the end of the year	611	215
b)	Interest due remaining unpaid to any supplier at the end of the year (*)	4	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

Note 23 : Current Financial Liabilities - Others

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Financial liabilities (at amortised cost except otherwise stated):		
Lease Liability (Refer Note 3(d))	230	-
Security Deposits	444	376
Unclaimed dividends (Refer note (a) below)	443	289
Payables for capital supplies	1,752	2,890
Salary,wages and bonus payable	703	910
Contribution payable towards employee benefits	282	84
MTM on forward contracts (at FVTPL)	57	-
Other payables	129	161
Total	**4,040**	**4,710**

Note:

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

Note 24 : Other Current Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Advances received from customers	128	76
Statutory remittances	229	152
Other liabilities	11	1
Total	**368**	**229**

Notes to the Standalone Ind AS Financial Statement as at and for the year ended March 31, 2020 (Contd.)

Note 25 : Current Provisions

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits (Refer Note 40)	662	578
Total	**662**	**578**

Note 26 : Revenue from Operations

(₹ in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Sale of goods (at contracted price)*	83,775	103,036
Other operating revenues		
Sale of scrap	123	148
Profit on Sale of Raw Material	-	39
Duty drawback and other export incentives	641	841
Cash Discounts Received	18	31
Excess provision for earlier years written back	58	177
Miscellaneous income	14	18
Total	**84,629**	**104,290**

* Sales for the year ended March 31,2020 and year ended March 31,2019 is net of Goods and Service Tax (GST)

Note 27 : Other Income

(₹ in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
a) Interest Income on		
- Bank deposits*	0	9
- Staff Loan*	-	0
- Income Tax/VAT Refund	11	7
- Intercorporate Deposits	45	135
- Other Deposits	34	30
	90	**181**
b) Dividend income from		
- Dividend reinvestment of Mutual Fund	230	433
- Equity investments	102	51
	332	**484**
c) Other gains and losses		
- Net gain arising on short term financial investments mandatorily measured at FVTPL	224	56
- Net foreign exchange gain	160	-
	384	**56**
d) Other non-operating income		
- Rent from investment properties / Others	43	38
- Income from Redemption of Mutual Fund	121	242
	164	**280**
Total	**970**	**1,001**

* Amount Less than ₹. 0.50 Lakhs

Notes to the Standalone Ind AS Financial Statement as at and for the year ended March 31, 2020 (Contd.)

Note 28 : Cost of materials consumed

(₹ in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening stock	8,258	9,844
Add: Purchases (Net)	34,886	47,970
	43,144	**57,814**
Less: Closing stock	6,425	8,258
Total	**36,719**	**49,556**

Note 29 : Changes in stock of finished goods, work-in-progress and stock-in-trade

(₹ in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Closing stock		
- Finished goods	5,007	6,470
- Work in progress	1,318	1,687
- Stock-in-trade	29	2
	6,354	**8,159**
Opening stock		
- Finished goods	6,470	4,307
- Work in progress	1,687	740
- Stock-in-trade	2	9
	8,159	**5,056**
Net Decrease /(Increase) in Inventories	**1,805**	**(3,103)**

Note 30 : Employee Benefits Expense

(₹ in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries, wages and bonus	6,109	5,555
Contribution to provident and other funds (Refer Note 40)	507	335
Employee Share based payment (Refer Note 39)	199	254
Staff welfare expenses	598	665
Total	**7,413**	**6,809**

Note 31 : Finance Cost

(₹ in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest cost - on financial liability (at amortised cost)		
a) Borrowings from banks*	0	16
b) Security deposits and others (including MSME vendors)	132	47
Total	**132**	**63**

* Amount Less than ₹. 0.50 Lakhs

Notes to the Standalone Ind AS Financial Statement as at and for the year ended March 31, 2020 (Contd.)

Note 32 : Depreciation and Amortisation Expenses

(₹ in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation of Property, Plant and Equipment (Refer Note 3)	3,103	2,217
Depreciation of Investment Properties (Refer Note 4)	1	1
Amortisation of Intangible Assets (Refer Note 5)	138	79
Total	**3,242**	**2,297**

Note 33 : Other Expenses

(₹ in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Power & Fuel Oil Consumed	6,638	7,044
Processing charges	3,443	3,381
Selling and Distribution expenses	3,097	3,219
Consumption of packing materials	1,335	1,454
Stores and spares consumed	868	979
Rent including lease rentals	15	286
Repairs and maintenance:		
- Plant & machinery	875	934
- Buildings	325	327
Insurance charges	473	139
Rates and taxes	306	143
Auditors remuneration and out-of-pocket expenses (Refer Note (a))	34	30
Loss on fixed assets sold/scrapped/written off	6	25
Expenses on corporate social responsibility (Refer Note (b))	476	369
Net Foreign Exchange Loss	-	422
Provision for Doubtful Debt	12	-
Sitting Fees and Commission to Directors	196	189
Other General Expenses	2,688	2,830
Total	**20,787**	**21,771**

Note (a)

(₹ in Lakhs)

Auditors remuneration and out-of-pocket expenses (net of GST):	For the year ended March 31, 2020	For the year ended March 31, 2019
(i) As Auditors	31	26
(ii) For other services- Certification work	3	4
(iii) Auditors out-of-pocket expenses*	0	0
Total	**34**	**30**

* Amount Less than ₹. 0.50 Lakhs

Note (b)

Corporate Social Responsibility

The Company has spent ₹ 476 Lakhs during the financial year (Previous Year: ₹ 369 Lakhs) towards various schemes of Corporate Social Responsibility as per the provisions of Section 135 of The Companies Act,2013. The details are:

(a) Gross amount required to be spent during the year ₹ 476 Lakhs (Previous Year ₹ 369 Lakhs)

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

(c) Amount spent during the year in cash:

Notes to the Standalone Ind AS Financial Statement as at and for the year ended March 31, 2020 (Contd.)

Corporate Social Responsibility

(₹ in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(i) On Construction / acquisition of any asset	-	-
(ii) On Education, Health, Poverty alleviation, others	476	369
Total	**476**	**369**

Note 34 : Current Tax and Deferred Tax

(a) Income Tax Expense recognised in Statement of Profit and Loss (₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Current Tax:		
Current Income Tax Charge	3,866	8,398
Total	**3,866**	**8,398**
Deferred Tax		
In respect of current year	(1,723)	862
Total	**(1,723)**	**862**
Total tax expense recognised in Statement of Profit and Loss	**2,143**	**9,260**

(b) Income Tax recognised in other Comprehensive Income (₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Deferred Tax (Liabilities)/Assets:		
Remeasurement of Defined Benefit Obligations	(2)	7
Net fair value (gain)/loss on investments in equity shares at FVTOCI	(51)	345
Total	**(53)**	**352**

(c) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate: (₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Profit before tax	**15,241**	**27,669**
Less: Income taxed at different tax rate	121	5
Profit before tax	**15,120**	**27,664**
Income Tax using the Company's domestic Tax rate #	3,806	9,669
Effect of expenses that are not deductible in determining taxable profit	375	433
Effect of income that is not taxable in determining taxable profit	(118)	(178)
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)	(315)	(83)
Effect on deferred tax balances due to the change in income tax rate (effective 01.04.2018)	(1,643)	-
Effect of income taxed at different rate	38	1
Income tax expense recognised in Statement of Profit and Loss	**2,143**	**9,260**

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 Ind AS Financial Statement as at and for the year ended March 31, 2020 (Contd.)

(d) Movement of Deferred Tax

Deferred tax (assets)/liabilities in relation to the Year Ended March 31, 2020 (₹ in Lakhs)

Particulars	Opening Balance	Recognised in statement of Profit and Loss	Recognised in OCI	Closing Balance
Property, Plant and Equipment, Investment properties and Intangible assets	10,599	(1,131)	-	9,468
Financial asset measured at FVTOCI	(489)	-	51	(438)
Financial asset measured at FVTPL	19	(19)	-	-
Defined benefit obligation	(680)	138	2	(540)
Provision for doubtful debts / advances	(106)	27	-	(79)
Other non financial assets	1,193	(739)	-	454
Net Tax (Assets)/Liabilities	**10,536**	**(1,723)**	**53**	**8,865**

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)
Other non financial assets	1,193	-	-	1,193
Net Tax (Assets)/Liabilities	**10,026**	**862**	**(352)**	**10,536**

Note 35 : Earnings per share

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
1. Calculation of weighted average number of equity shares - Basic		
(a) Number of equity shares at the beginning of the year (in units)	16,54,18,830	16,44,77,680
(b) Number of equity shares issued during the year (in units)	1,87,125	9,41,150
(c) Number of equity shares outstanding at the end of the year (in units)	16,56,05,955	16,54,18,830
(d) Weighted number of equity shares outstanding during the year (in units)	16,55,28,165	16,52,50,999
2. Calculation of weighted average number of equity shares - Diluted		
(a) Number of potential equity shares at the beginning of the year (in units)	16,77,27,580	16,73,72,680
(b) Number of potential equity shares outstanding at the end of the year (in units)	16,77,09,680	16,77,27,580
(c) Weighted number of potential equity shares outstanding during the year (in units)	16,55,52,602	16,61,14,870
3. Profit for the year (₹ in Lakhs)	**13,098**	**18,409**
(a) Basic Earnings per share of ₹ 10/- each (3/1(d))	7.91	11.14
(b) Diluted Earnings per share of ₹ 10/- each (3/2(c))	7.91	11.08

Notes to the Standalone Ind AS Financial Statement as at and for the year ended March 31, 2020 (Contd.)

Note 36 : Leases

Operating lease arrangements

Company as lessee

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

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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Charged to Statement of Profit and Loss	15	286
Future Minimun Lease rentals Payable under non-cancellable operating leases are as follows:		
Within one year	14	29
After one year but not more than five years	-	32
More than five years	-	-

Company as lessor

The company has given certain buildings on operating lease. The lease arrangements for 11 months to 60 months are cancellable and are generally renewable by mutual consent or mutually agreeable terms. The rental income of ₹ 43 Lakhs (2018-19: ₹ 38 Lakhs) on such lease is included in Other Income.

Note 37 : Contingent liabilities and commitments (to the extent not provided for)

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Contingent liabilities :		
Claims against the Company not acknowledged as debts (including Direct and Indirect taxes)	2,188	2,494
(b) Commitments :		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	1,205	10,074
The Company did not have any long-term contracts including derivative contracts for which any provision was required for foreseeable losses.		

Note 38 : Details of expenditure and income on inhouse approved Research and Development (R & D) facility

(₹ in Lakhs)

Particulars (as defined and bifurcated by the management of the Company)	Year ended March 31, 2020	Year ended March 31, 2019
(i) Capital expenditure		
(a) Capital equipments	33	35
(ii) Revenue expenditure		
(a) Salaries / wages	388	306
(b) Travelling & Conveyance Expenses	15	20
(c) Repairs & Maintainance	42	53
(d) Communication Expenses	1	1
(e) Materials/Consumables	19	23
(f) Housekeeping	2	2
(g) Others	16	14
(h) Depreciation	35	46
Total revenue expenditure (a) to (h)	**518**	**465**
(iii) Total R & D expenditure (i+ii)	**551**	**500**
(iv) Amount received by R & D facilities	**-**	**-**
(v) Net amount of R & D expenditure	**551**	**500**

Notes to the Standalone Ind AS Financial Statement as at and for the year ended March 31, 2020 (Contd.)

Note 39: Share based payments

39.1 Details of the employee share option plan of the Company

The Company has constituted an Employee Stock Option Plan 2007, as approved by shareholders at a previous annual general meeting. The scheme is applicable to all permanent and full-time employees, excluding the employees who are the promoters of the Company. The Nomination and Remuneration Committee, at its sole discretion, shall decide who among those employees shall receive Employee Stock Options in a particular grant.

Each employee share option converts into one equity share of the Company on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. These option vest 25% every year ('graded vesting'). The options granted can be exercised at any time until completion of ten years from the date of grant, subject to the vesting schedule. Any options remaining unexercised at the end of the exercise period shall lapse.

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

The share-based payments to employees being equity-settled are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

Share options outstanding at the end of the year have the following expiry dates, exercise prices and fair value:

Grant series and grant year	Expiry Year	Exercise price	Fair value	March 31, 2020	March 31, 2019
		₹	₹	Number of options	Number of options
Grant 5 - 2015-16	2025-26	37.65	16.27	2,52,850	3,43,250
Grant 6 - 2016-17	2026-27	52.85	19.44	4,00,850	4,58,600
Grant 7 - 2016-17	2026-27	84.05	28.74	7,73,925	8,12,900
Grant 8 - 2017-18 *	2027-28	188.35	69.28	3,29,600	3,39,100
Grant 9 - 2018-19 *	2028-29	142.45	46.27	3,46,500	3,54,900
	Total			**21,03,725**	**23,08,750**
Weighted average remaining contractual life of options outstanding at end of year				7.37	8.31

* 9500 and 8400 options from Grant 8 and Grant 9 respectively have been forfeited on account of resignation

Fair value of share options granted in the year:

The weighted average fair value of the share options granted during the financial year is ₹ Nil (Previous year: ₹ 46.27). 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, 2020	March 31, 2019 Grant 9
Grant date share price (₹)	Not Applicable	142.45
Exercise price (₹)		142.45
Expected volatility (%)		38%
Expected life of the options		4 years
Expected dividend (%)		1.93%
Risk free interest rate (%)		6.97%
Expiry Year		2028-29

Basis of assumptions:

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

Notes to the Standalone Ind AS Financial Statement as at and for the year ended March 31, 2020 (Contd.)

Movement of Options Granted along with weighted average exercise price

Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Balance at beginning of period not exercised	23,08,750	95.25	28,95,000	76.11
Granted during the period	-	-	3,54,900	142.45
Forfeited during the period	(17,900)			
Exercised during the period	(1,87,125)	52.01	(9,41,150)	54.18
Balance at end of period	**21,03,725**	**98.49**	**23,08,750**	**95.25**
Exercisable at the end of the year	11,59,700		3,17,575	

The weighted average share price at the dates of exercise of options exercised during the year ended March 31, 2020 was ₹ 99.65 (year ended March 31, 2019 : ₹ 152.20)

Note 40: Employee benefit plans

1) Defined contribution plans :

The Company participates in a number of defined contribution plans on behalf of relevant personnel. Any expense recognised in relation to these schemes represents the value of contributions payable during the period by the Company at rates specified by the rules of those plans. The only amounts included in the balance sheet are those relating to the prior months contributions that were not due to be paid until after the end of the reporting period.

The major defined contribution plans operated by the Company are as below:

a) Provident fund and Pension

In accordance with the Employee's Provident Fund and Miscellaneous Provisions Act, 1952, eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. The contributions, as specified under the law, are made to the provident fund administered and managed by Government of India. The Company has no further obligations under the fund managed by the GOI beyond its monthly contributions which are charged to the Statement of Profit and Loss in the period they are incurred. The benefits are paid to employees on their retirement or resignation from the Company.

b) Superannuation fund

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

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, 2020	For the Year ended March 31, 2019
i) Employer's Contribution to Provident Fund and Pension	273	223
ii) Employer's Contribution to Superannuation Fund	65	59
Total	**338**	**282**

(2) Defined Benefit Plans:

a) Gratuity (Funded)

The Company has an obligation towards gratuity, a funded defined benefit retirement plan covering all employees. The plan provides for lump sum payment to vested employees at retirement, death while in employment or on termination of the employment of an amount equivalent to 15 days salary, as applicable, payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company makes annual contributions to gratuity funds established by various in-house funds managed by NOCIL Employees Trust Funds as disclosed in related party transaction (Refer Note 41). 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 Ind AS Financial Statement as at and for the year ended March 31, 2020 (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, 2020 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, 2020	As at March 31, 2019
1. Discount rate	6.84%	7.47%
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, 2020	Year ended March 31, 2019
Service cost:		
Current service cost	88	87
Net Interest cost	69	74
Components of defined benefit costs recognised in the Statement of Profit and Loss	**157**	**161**

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, 2020	Year ended March 31, 2019
Interest Cost	208	202
(Interest Income)	(139)	(128)
Net interest cost recognised in the Statement of Profit and Loss	**69**	**74**

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

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Actuarial (Gains)/Losses on Obligation For the Period - Due to changes in financial assumptions	80	6
Actuarial (Gains)/Losses on Obligation For the Period - Due to experience adjustment	79	9
Return on Plan Assets, excluding Interest Income	1	17
Net (Income)/Expense recognised in OCI	**160**	**32**

Notes to the Standalone Ind AS Financial Statement as at and for the year ended March 31, 2020 (Contd.)

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

Particulars	As at March 31, 2020	As at March 31, 2019
Present Value of Defined Benefit Obligation as at the end of the year	(2,942)	(2,780)
Fair Value of plan assets	1,903	1,867
Net Liability recognised in the Balance Sheet	**(1,039)**	**(913)**

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

Particulars	As at March 31, 2020	As at March 31, 2019
Opening defined benefit obligation	2,780	2,674
Current Service Cost	88	87
Interest cost	208	202
Actuarial (gains) / losses	159	15
Benefits Paid (From the Fund)	(186)	(135)
Benefit Paid (Directly by the Employer)	(107)	(103)
Liability transferred in	-	40
Closing defined benefit obligation	**2,942**	**2,780**

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

Particulars	As at March 31, 2020	As at March 31, 2019
Opening fair value of the plan assets	1,867	1,695
Contributions by the Employer	84	156
Return on Plan Assets, excluding Interest Income	(1)	(17)
Interest income	139	128
Benefits paid	(186)	(135)
Assets transferred in	-	40
Closing fair value of plan assets	**1,903**	**1,867**

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, 2020	Estimated for the year ended March 31, 2019
1st Following Year	1,137	1,072
2nd Following Year	298	273
3rd Following Year	354	327
4th Following Year	327	323
5th Following Year	280	274
Sum of Years 6 To 10	776	806
Sum of Years 11 and above	604	568

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 Ind AS Financial Statement as at and for the year ended March 31, 2020 (Contd.)

(₹ in Lakhs)

Projected Benefits Payable in Future Years From the Date of Reporting	As at March 31, 2020	As at March 31, 2019
Projected Benefit Obligation on Current Assumptions		
Impact of +0.5% Change in Rate of Discounting	(41)	(38)
Impact of -0.5% Change in Rate of Discounting	43	40
Impact of +0.5% Change in Rate of Salary Increase	43	41
Impact of -0.5% Change in Rate of Salary Increase	(42)	(39)
Impact of +0.5% Change in Rate of Employee Turnover	1	2
Impact of -0.5% Change in Rate of Employee Turnover	1	(3)

Note 41 : Related party disclosures

A. Details of related parties

Description of relationship	Name of the Related Party
Wholly Owned Subsidiary Company	PIL Chemicals Limited (PIL)
Key Management Personnel	
- Chairman	Mr. H. A. Mafatlal
- Managing Director	Mr. S. R. Deo
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, 2020	Year ended March 31, 2019
A	**Subsidiary Company**		
I	**PIL Chemicals Limited**		
1	Purchase of Materials/Services	1,343	1,316
2	Dividend Received	50	50
B	**Enterprises over which Key Management Personnel is able to exercise significant influence***		
I	**Mafatlal Industries Limited**		
1	Reimbursement of Expenses	9	10
2	Dividend Paid	1,263	650
II	**Sri Chaitanya Seva Trust**		
1	Expenditure on CSR Activities	160	120
III	**N. M. Sadguru Water and Development Foundation**		
1	Expenditure on CSR Activities	56	50
IV	**NOCIL Employee Trust Funds**		
1	Contributions paid to funds	149	388
2	Post Employement Benefits paid on behalf of Trust	128	11
C	**Key Management Personnel #**		
1	Short-term employee benefits	583	702
2	Post-employment benefits	68	59
3	Share-based payment	41	46

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

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

Notes to the Standalone Ind AS Financial Statement as at and for the year ended March 31, 2020 (Contd.)

C. Amounts outstanding with related parties

(₹ in Lakhs)

S. No.	Particulars	As at March 31, 2020	As at March 31, 2019
A	**Subsidiary Company**		
I	**PIL Chemicals Limited**		
1	Trade Payable	41	102
B	**Enterprises over which Key Management Personnel is able to exercise significant influence**		
I	**Mafatlal Industries Limited**		
1	Trade Payables	1	3
II	**NOCIL Employee Trust Funds**		
1	Contributions Payable to Funds	311	84
2	Advance to Post Employment Retirement Funds	11	11
C	**Key Management Personnel**	273	450

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

42. Financial instruments and Risk management

42.1 Capital management

The capital structure of the Company consists of net debt and total equity of the Company. The Company manages its capital to ensure that the Company will be able to continue as going concern while maximising the return to stakeholders through an optimum mix of debt and equity within the overall capital structure. The Company's risk management committee reviews the capital structure of the Company considering the cost of capital and the risks associated with each class of capital.

42.2 Categories of financial instruments

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

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Financial assets		
Measured at FVTPL		
(a) Mutual Fund Investments	2,794	7,497
(b) Other financial assets (including Derivate Financial Instruments)	60	-
Measured at amortised cost		
(a) Cash and cash equivalent	837	3,601
(b) Bank balance other than (a) above	443	289
(c) Trade receivables	20,321	23,219
(d) Other financial assets (including Security Deposits)	665	652
(e) Inter Corporate Deposits	610	2,586
Measured at FVTOCI		
(a) Investments in equity instruments	1,304	2,234
Total Financial Assets	**27,034**	**40,078**
Financial liabilities		
Measured at FVTPL		
(a) Other financial liabilities	57	-
Measured at amortised cost		
(a) Trade payables	8,923	9,878
(b) Financial Lease Liability	917	-
(c) Other financial liabilities	3,753	4,710
Total Financial Liabilities	**13,650**	**14,588**

Notes to the Standalone Ind AS Financial Statement as at and for the year ended March 31, 2020 (Contd.)

42.3 Financial risk management objectives

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

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

42.4 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of Currency risk, Interest rate risk and other price risk. The Company enters into a board approved list of derivative financial instruments to manage its exposure to foreign currency risk, including but not limited to foreign currency forwards and currency options.

42.5 Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arises. Exchange rate exposures are managed within approved policy parameters utilising appropriate derivative instruments.

The carrying amounts of the Company's foreign currency denominated financial assets and financial liabilities at the end of the reporting period are as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
A. USD Currency:		
Financial Liabilities		
In USD million	2.76	5.09
Equivalent in ₹ Lakhs	2,081	3,522
Financial Assets		
In USD million	7.41	10.83
Equivalent in ₹ Lakhs	5,585	7,492
B. Euro Currency:		
Financial Liabilities		
In Euro million	0.06	0.01
Equivalent in ₹ Lakhs	50	5
Financial Assets		
In Euro million	0.11	0.09
Equivalent in ₹ Lakhs	91	70

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

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

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

Notes to the Standalone Ind AS Financial Statement as at and for the year ended March 31, 2020 (Contd.)

(₹ in Lakhs)

Particulars	USD Currency Impact	
	Year Ended March 31, 2020	Year Ended March 31, 2019
Impact on Statement of Profit and Loss for the year		
5% strengthening against US Dollar	(175)	(198)
5% weakening against US Dollar	175	198

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

42.5.2 Derivative Financial Instruments

The Company has entered into foreign currency options and forward contracts to manage its exposure to fluctuations in foreign exchange rates on foreign currency receivables and payables. Fair value of derivative financial instruments are determined using valuation techniques based on information derived from observable market data.

(₹ in Lakhs)

Financial assets/ (Financial liabilities)	Particulars	As at March 31, 2020	As at March 31, 2019
Derivative Assets / (Liabilities) measured at FVTPL:			
(i) Forward contracts	Notional value (USD million) - Sell position	3.0	-
	No. of Contracts	11	-
	Fair value (₹ in Lakhs)	(57)	-
(i) Option contracts	Notional value (USD million) - Sell position	6.3	-
	No. of Contracts	17	-
	Fair value (₹ in Lakhs)	60	-

Fair Value Hierarchy	Level 2
Valuation technique(s)	Discounted Cash Flow
Key input	Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counter parties.

42.6 Interest rate risk management

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

42.7 Other price risks

The Company is exposed to price risks arising from mutual funds and equity investments other than investments in subsidiary. Equity price risk is related to change in market reference price of investments in equity securities held by the Company. The fair value of quoted investments held by the Company exposes the Company to equity price risks. In general, these investments are not held for trading purposes.

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

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

Notes to the Standalone Ind AS Financial Statement as at and for the year ended March 31, 2020 (Contd.)

42.7.1 Equity price sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 5% higher / lower, the other comprehensive income for the year ended March 31, 2020 would increase/decrease by ₹ 65 Lakhs (2018-19: increase/decrease by ₹ 112 Lakhs) as a result of the changes in fair value of equity investments measured at FVTOCI.

42.7.2 Mutual fund price sensitivity analysis

The sensitivity analysis below have been determined based on Mutual Fund Investment at the end of the reporting period. If NAV has been 1% higher / lower, the profit for year ended March 31, 2020 would increase / decrease by ₹ 28 Lakhs (2018-19: increase / decrease by ₹ 75 Lakhs) as a result of the changes in fair value of mutual funds.

42.8 Credit risk management

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information.

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

Trade receivables consist of a large number of customers, spread across different markets comprising primarily dealers and manufacturers.

The average credit period on sales of goods is 60 days. The Company's trade and other receivables consists of a large number of customers, hence the Company is not exposed to concentration risk.

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

(₹ in Lakhs)

Ageing of trade receivables	As at March 31, 2020	As at March 31, 2019
Within the credit period	15,457	18,055
0 - 180 days past due	4,846	5,149
More than 180 days past due	18	15
Total Trade receivables	**20,321**	**23,219**

Reconciliation of loss allowance provision for Trade Receivables (₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Balance as at beginning of the year	2	2
Impairment losses recognised in the year based on lifetime expected credit losses	12	-
Amounts written off during the year as uncollectible	-	-
Amounts written back during the year	-	-
Amounts recovered during the year	-	-
Balance at end of the year	**14**	**2**

42.9 Liquidity risk management

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

Notes to the Standalone Ind AS Financial Statement as at and for the year ended March 31, 2020 (Contd.)

42.9.1 Liquidity risk table

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

(₹ in Lakhs)

Particulars	Upto 1 year	1-5 years	5+years
March 31, 2020			
Trade Payables	8,923	-	-
Other Financial Liabilities	3,753	-	-
Total	**12,676**	**-**	**-**
March 31, 2019			
Trade Payables	9,878	-	-
Other Financial Liabilities	4,710	-	-
Total	**14,588**	**-**	**-**

Note 43: Fair value measurements

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

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

Some of the Companys 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, 2020	March 31, 2019	Fair value hierarchy	Valuation technique(s) and key input(s)
a) At FVTPL:				
(i) Investments in Mutual funds	2,794	7,497	Level 2	Fair value of investments in Mutual Funds is based on Net asset value (NAV) declared by mutual fund houses at the reporting date.
(ii) Other financial assets (including Derivate Financial Instruments)	60	-	Level 2	MTM of derivative instrument is provided by the bankers as at the reporting date
(iii) Other financial liabilities	57	-	Level 2	MTM of derivative instrument is provided by the bankers as at the reporting date
b) At FVTOCI:				
Investments in equity instruments(quoted) (see note below)	1,303	2,233	Level 1	Quoted bid prices in an active market

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

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

Notes to the Standalone Ind AS Financial Statement as at and for the year ended March 31, 2020 (Contd.)

43.2 Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

Except as detailed in the following table, the Company considers that the carrying amounts of financial instruments recognised in the financial statements approximate their fair values.

(₹ in Lakhs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets held at amortised cost:				
Cash and cash equivalent	837	837	3,601	3,601
Other Bank balance	443	443	289	289
Trade receivables	20,321	20,321	23,219	23,219
Other financial assets	665	665	652	652
Inter Corporate Deposits	610	610	2,586	2,586
Financial liabilities held at amortised cost:				
Trade Payables	8,923	8,923	9,878	9,878
Financial Lease Liability	917	917	-	-
Other financial liabilities	3,753	3,753	4,710	4,710

Note 44: Disclosure as per Section 186 of the Companies Act, 2013

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

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

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

Note 45: **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 46: **Impact of COVID-19:** The Companies operations were impacted during the last week of March 2020 due to shutdown of its plants following the nationwide lockdown imposed by the Government of India in view of the COVID-19 pandemic. The Companies plants have since resumed operations, taking all due care for the health and safety of its employees and adopting work from home policy wherever possible. The Company has evaluated the impact of this pandemic on its business operations, financial position and based on its review of current indicators, there is no significant impact on the Companies assets, capital and financial resources, profitability parameters, liquidity position, supply chain or demand for its products for the periods ended March 31, 2020. However, the impact assessment of COVID-19 is a continual process, given the uncertainties associated with its nature and duration. The financial implications are contingent on the various business parameters which may emerge from time to time and the Company will continue to closely monitor any material changes from those estimated as on the date of adoption of this financial results.

Note 47: **Proposed Scheme of Amalgamation:**

The Board has approved a proposed Scheme of Amalgamation of Suremi Trading Private Limited (Suremi) and Sushripada Investments Private Limited (Sushripada) with NOCIL Limited and their respective shareholders under Sections 230-232 and other applicable provisions of the Companies Act, 2013, subject to obtaining various statutory approvals. Pursuant to the Scheme becoming effective, the shareholders of Suremi and Sushripada will be alloted 2,07,72,170 and 89,60,880 equity shares of the face value of ₹. 10 each fully paid-up in NOCIL Limited in lieu of 2,07,72,170 and 89,60,880 equity shares in NOCIL Limited currently held by Suremi and Sushripada respectively. There will be no change in the shareholding of the Promoter Group and Public Shareholders of the Company.

Note 48: The Company is primarily engaged in the business of manufacture of rubber chemicals which in the context of Indian Accounting Standard (Ind AS) 108 on Operating Segments constitutes a single reportable segment. The relevant information regarding secondary segment reporting (by geographical segment) is presented in the consolidated financial statements as required as per Ind AS 108 "Operating Segments

Note 49: Previous year's figures have been regrouped wherever necessary, to conform to the current year's classification.

Independent Consolidated 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, 2020, 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, 2020, 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 25 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, 2020, the Group recognised revenues from sale of goods aggregating to ₹ 83,775 Lakhs. The Group recognises revenue from sale of goods when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and the products have been delivered to the customer. 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.

Independent Consolidated Auditor's Report (Contd.)

Sr. no.	Key audit matter description	How the scope of our audit addressed the key audit matter
		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, 2020, the Group has capitalised ₹ 17,385 Lakhs. **Risk identified:** Capitalisation of costs and the useful lives assigned to assets are areas of judgement by Management. These manifest themselves in the following two audit risks: – the risk that amounts being capitalised do not meet capitalisation criteria; and – the risk that the useful economic lives assigned to assets are inappropriate.	**Our procedures included:** **Accounting policies:** Group's capitalisation process and policies, by comparing with the applicable Ind AS. **Tests of controls:** Evaluating the design and testing the operating effectiveness of controls over the accuracy of amount capitalised, estimation of useful life and correct timing of capitalisation.We determined that the operation of the controls provided to us with audit evidence in respect of the capitalisation of costs. **Tests of details:** We tested costs capitalised in the year and considered the ageing of assets in the course of construction. We assessed the nature of costs incurred in capital projects through testing of amounts recorded and considering whether the expenditure met the criteria for capitalisation under accounting standards. We found no material misstatements from our testing. 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. If, based

Independent Consolidated Auditor’s Report (Contd.)

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 judgements 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.

Independent Consolidated Auditor's Report (Contd.)

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of the users of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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 statement of a subsidiary company, whose financial statements reflect the total assets of ₹ 3,982 Lakhs as at March 31, 2020, total revenue of ₹ 1,390 Lakhs and net cash inflows amounting to ₹ Nil 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 section143(3) of the Act, we report to the extent applicable that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid Consolidated 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 ConsolidatedFinancial 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, 2020 which are taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company, none of the Directors of the

Independent Consolidated Auditor's Report (Contd.)

Group Companies are disqualified as on March 31, 2020, from being appointed as a Director in terms of section 164(2) of the Act.

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

g) According to information and explanations given to us and based on our examination of the records of the Group, the Holding Company and the subsidiary company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us 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 Consolidated Financial Statement disclosed the impact of pending litigations on its consolidated financial position of the Group. Refer Note 35 to the Consolidated Financial Statements.

ii) Provisions have been made in the Consolidated 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 42.5.2 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
UDIN:20042454AAAACG5478
Mumbai: June 29, 2020

Annexure to the Independent Auditor's Report

Annexure A

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, 2020.

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

We have audited the internal financial controls with reference to financial statements of **NOCIL Limited** (hereinafter referred to as "the Holding Company"), and its subsidiary Company (Holding Company and its subsidiary together referred to as "the Group"), as of March 31, 2020, in conjunction with our audit of the Consolidated Financial Statements of the Group for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditor of the subsidiary Company in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Group's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

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

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

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

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

3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the 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, 2020, based on the internal control with reference to financial statements criteria established by the Holding Company and its Subsidiary Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to 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
UDIN:20042454AAAACG5478
Mumbai: June 29, 2020.

Consolidated Balance Sheet as at March 31, 2020

(₹ in Lakhs)

Particulars	Note	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	3	79,568	65,424
(b) Capital work-in-progress		15,634	13,127
(c) Investment Property	4	46	47
(d) Intangible assets	5	125	234
(e) Financial Assets			
(i) Other Investments	6	2,404	2,679
(ii) Other financial assets	7	673	677
(f) Non - Current tax assets		1,815	650
(g) Other non-current assets	8	1,402	3,412
Total Non - Current Assets		**101,667**	**86,250**
Current Assets			
(a) Inventories	9	13,643	17,071
(b) Financial Assets			
(i) Investments	10	3,036	10,294
(ii) Trade receivables	11	20,321	23,219
(iii) Cash and cash equivalent	12	940	3,704
(iv) Bank balances other than (iii) above	13	443	289
(v) Other financial assets	14	115	29
(c) Other current assets	15	4,059	3,371
Total Current Assets		**42,557**	**57,977**
Total Assets		**144,224**	**144,227**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	16	16,561	16,542
(b) Other Equity	17	101,963	99,759
Total Equity		**118,524**	**116,301**
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Lease Liability	18	687	-
(b) Provisions	19	1,676	1,502
(c) Deferred tax liabilities (Net)	33	9,267	10,935
(d) Other non-current liabilities	20	7	7
Total Non - Current Liabilities		**11,637**	**12,444**
Current Liabilities			
(a) Financial Liabilities			
(i) Trade payables			
(a) Total outstanding dues of micro and small enterprises	21	624	223
(b) Total outstanding dues to creditors other than micro and small enterprises	21	8,337	9,611
(ii) Other financial liabilities	22	4,047	4,742
(b) Other current liabilities	23	383	247
(c) Provisions	24	671	585
(d) Current tax liabilities		1	74
Total Current Liabilities		**14,063**	**15,482**
Total Equity and Liabilities		**144,224**	**144,227**

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

Daraius Z. Fraser
Partner
Membership No. 42454

Place : Mumbai
Date : June 29, 2020

For and on behalf of the Board of Directors

Hrishikesh A. Mafatlal
Chairman
DIN: 00009872

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

S. R. Deo
Managing Director
DIN: 01122338

P. Srinivasan
Chief Financial Officer

Amit K. Vyas
Company Secretary

Consolidated Statement of Profit and Loss for the year ended March 31, 2020

(₹ in Lakhs)

Sr. No.	Particulars	Note	For the year ended March 31, 2020	For the year ended March 31, 2019
I	Revenue from operations	25	84,629	104,290
II	Other Income	26	917	996
III	**Total Income (I + II)**		**85,546**	**105,286**
IV	**EXPENSES**			
	(a) Cost of materials consumed	27	36,719	49,556
	(b) Purchases of Stock-in-trade		260	229
	(c) Changes in stock of finished goods, work-in-progress and stock-in-trade	28	1,805	(3,103)
	(d) Employee benefit expense	29	7,673	7,051
	(e) Finance costs	30	132	63
	(f) Depreciation and amortisation expense	31	3,374	2,431
	(g) Other expenses	32	20,349	21,285
	Total Expenses (IV)		**70,312**	**77,512**
V	**Profit Before Tax (III - IV)**		**15,234**	**27,774**
VI	**Tax Expense**			
	(a) Current tax	33	3,887	8,430
	(b) MAT Credit Entitlement	33	-	(17)
	(c) Deferred tax	33	(1,720)	876
	(d) (Excess) / Short Provision for tax relating to earlier years	33	0	-
	Total Tax Expense (VI)		**2,167**	**9,289**
VII	**Profit After Tax (V -VI)**		**13,067**	**18,485**
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)		(164)	(29)
	(b) Equity instruments through other comprehensive income		(947)	(2,963)
	(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	(3)	8
	(b) On Equity instruments through other comprehensive income	33	(50)	345
	Total Other Comprehensive Income for the year		**(1,164)**	**(2,639)**
IX	**Total Comprehensive Income for the year (VII+VIII)**		**11,903**	**15,846**
X	**Net Profit attributable to :**			
	(a) Owners of the company		13,067	18,485
	(b) Non-Controlling Interests		-	-
XI	Other Comprehensive Income attributable to :			
	(a) Owners of the company		(1,164)	(2,639)
	(b) Non-Controlling Interests		-	-
XII	Total Comprehensive Income attributable to :			
	(a) Owners of the company		11,903	15,846
	(b) Non-Controlling Interests		-	-
XIII	Earnings Per Equity Share (Face Value ₹ 10/- each)	34		
	(a) Basic		7.89	11.19
	(b) Diluted		7.89	11.13

Significant accounting policies 2

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

* Amount less than ₹ 0.50 lakhs

In terms of our report attached

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

Daraius Z. Fraser
Partner
Membership No. 42454

Place : Mumbai
Date : June 29, 2020

For and on behalf of the Board of Directors

Hrishikesh A. Mafatlal
Chairman
DIN: 00009872

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

S. R. Deo
Managing Director
DIN: 01122338

P. Srinivasan
Chief Financial Officer

Amit K. Vyas
Company Secretary

Consolidated Statement of Cash Flows for the year ended March 31, 2020

(₹ in Lakhs)

Sr. No.	Particulars	For year ended March 31, 2020	For year ended March 31, 2019
A	**Cash flows from operating activities**		
	Profit before tax	15,234	27,774
	Adjustments for:		
	Finance costs	132	63
	Interest income	(119)	(204)
	Dividend income	(250)	(438)
	Loss on disposal / scrapping / write off of property, plant and equipment	6	25
	Excess provision for earlier years written back	(58)	(177)
	Fair Value (gain)/loss on investments	(216)	(57)
	Depreciation / amortisation expenses	3,374	2,431
	Unrealised foreign exchange revalution	(126)	69
	Expense recognised in respect of equity-settled share-based payments	199	254
	Rent from Investment Property	(43)	(38)
	Income from Redemption of Mutual Fund	(121)	(259)
	Remeasurement of defined benefit liabilities / (assets) through OCI	(164)	(29)
	Operating profit before working capital changes (i)	**17,848**	**29,414**
	Adjustments for:		
	(Increase)/Decrease in Trade Receivables	3,178	1,028
	(Increase)/Decrease in Inventories	3,428	(1,545)
	(Increase)/Decrease in Other Assets - Current & Non Current	(772)	(1,876)
	(Increase)/Decrease in Other Financial Assets - Current & Non Current	(78)	(217)
	Increase/(Decrease) in Trade Payable	(990)	(1,429)
	Increase/(Decrease) in Provisions - Current & Non Current	264	89
	Increase/(Decrease) in Other Financial Liabilities - Current / Non Current	59	26
	Increase/(Decrease) in Other Liabilities - Current	136	(271)
	Changes in Working Capital (ii)	**5,225**	**(4,195)**
	Cash generated from operations (iii) = (i-ii)	**23,073**	**25,219**
	Income taxes paid (Net of Refund) (iv)	(5,133)	(8,813)
	Net cash generated by operating activities (v)= (iii)+(iv)	**17,940**	**16,406**
B	**Cash flows from investing activities**		
	Payments to acquire financial assets	(23,828)	(33,355)
	Proceeds on redemption of financial assets	30,694	46,384
	Interest received	180	118
	Dividends received	250	447
	Payments for purchase of property, plant and equipment	(17,957)	(23,682)
	Proceeds from disposal of property, plant and equipment*	0	11
	Rent from Investment Property	43	38
	Payments for intangible assets	(29)	(34)
	Net cash (used in)/generated by investing activities (vi)	**(10,647)**	**(10,073)**
C	**Cash flows from financing activities**		
	Proceeds from issue of equity instruments of the Company	97	510
	Repayment of borrowings	-	(500)

Consolidated Statement of Cash Flows for the year ended March 31, 2020 (Contd.)

(₹ in Lakhs)

Sr. No.	Particulars	For year ended March 31, 2020	For year ended March 31, 2019
	Dividends paid to owners of the Company (including tax)	(9,824)	(4,962)
	Interest paid on lease liability	(88)	-
	Principal payment of Lease Liability	(218)	-
	Interest paid	(44)	(68)
	Net cash used in financing activities (vii)	**(10,077)**	**(5,020)**
	Net increase in cash and cash equivalents (v+vi+vii)	(2,784)	1,313
	Cash and cash equivalents at the beginning of the year	3,704	2,439
	Unrealised foreign exchange restatement in Cash and cash equivalents	20	(48)
	Cash and cash equivalents at the end of the year	**940**	**3,704**
	Reconciliation of cash and cash equivalents with the Balance Sheet:		
	Cash and cash equivalents at end of the year (including other bank balances)	**1,383**	**3,993**
	Less: Bank balances held as margin money against guarantees not considered as Cash and cash equivalents	(443)	(289)
	Cash and cash equivalents at end of the year	**940**	**3,704**

* Amount less than ₹ 0.50 Lakhs

Note:

The accompaying notes form an integral part of the consolidated financial statement.

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

Daraius Z. Fraser
Partner
Membership No. 42454

Place : Mumbai
Date : June 29, 2020

For and on behalf of the Board of Directors

Hrishikesh A. Mafatlal
Chairman
DIN: 00009872

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

S. R. Deo
Managing Director
DIN: 01122338

P. Srinivasan
Chief Financial Officer

Amit K. Vyas
Company Secretary

Consolidated Statement of Changes in Equity for the year ended March 31, 2020

(a) Equity share capital (₹ in Lakhs)

Particulars	Amount
Balance as at April 1, 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**
Changes in equity share capital during the year:	
Issue of equity shares under employee stock option plan	19
Balance as at March 31, 2020	**16,561**

(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, 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**
Profit for the year	-	-	-	-	13,067	-	-	13,067
Other Comprehensive Income for the year, net of income tax	-	-	-	-	-	(997)	-	(997)
Remeasurement of Defined Benefit Obligation, net of income tax	-	-	-	-	-	-	(167)	(167)
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**13,067**	**(997)**	**(167)**	**11,903**
Premium on shares issued	-	116	-	-	-	-	-	116
Recognition of share based payments	-	-	-	162	-	-	-	162
Payment of dividend and Dividend distribution tax thereon	-	-	-	-	(9,977)	-	-	(9,977)
Balance as at March 31, 2020	**15**	**1,952**	**4,865**	**584**	**98,544**	**(3,235)**	**(762)**	**1,01,963**

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

In terms of our report attached

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

Daraius Z. Fraser
Partner
Membership No. 42454

Place : Mumbai
Date : June 29, 2020

For and on behalf of the Board of Directors

Hrishikesh A. Mafatlal
Chairman
DIN: 00009872

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

S. R. Deo
Managing Director
DIN: 01122338

P. Srinivasan
Chief Financial Officer

Amit K. Vyas
Company Secretary

Notes forming part of Consolidated Financial Statements as at and for the year ended March 31, 2020

NOTE 1: GENERAL INFORMATION

a) Corporate information

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

The following wholly owned subsidiary company is included in the consolidation

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

b) Basis of preparation and presentation

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

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

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

The Consolidated financial statements have been prepared on going concern basis. The accounting policies are applied consistently to all periods presented in the consolidated financial statements. All assets and liabilities have been classified as current or non-current as per the 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, 2020 have been approved for issue in accordance with the resolution of the Board of Directors on June 29, 2020.

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 as per the requirement of Schedule III, unless otherwise indicated.

d) Principles of consolidation

i. Subsidiaries

Subsidiaries are all entities over which the group has control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- ➢ Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investees).
- ➢ Exposure, or rights, to variable returns from its involvement with the investee,
- ➢ The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over and investee, including.

- The Contractual arrangement with the other vote holders of the investee,
- Rights arising from other contractual arrangements,
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liability, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it de-recognises the related assets (including goodwill), liability, non-controlling interest and other components of equity while any resultant gain or loss is recognised in statement of profit and loss. Any investment retained is recognised at fair value.

Non-controlling interest in the results and equity of subsidiaries as shown separately in the consolidated statement of profit and loss, consolidated statement of change in equity and balance sheet respectively.

ii. The consolidated financial statements relate to NOCIL Limited, the Holding Company and its subsidiary. The consolidation of accounts of the Company with its subsidiary (collectively known as "Group") has been prepared in accordance with (Ind AS) 110 - Consolidated Financial Statements. The financial statements of the parent and its subsidiary are combined on a line by line basis and intra group balances, intra group transactions and unrealised profits or losses are fully eliminated.

iii. The consolidated financial statements are prepared by adopting uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the parent company's separate financial statements unless stated otherwise.

iv. The Audited financial statements of the subsidiary used in the consolidation are drawn up to the same reporting date as of the Holding Company i.e. up to March 31, 2020.

e) Key estimates and assumptions

The preparation of consolidated financial statements requires Management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods of the revision if it affects both current and future periods.

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

- Determination of the estimated useful lives of tangible assets and the assessment as to which components of the cost may be capitalised (Note 2(a)).
- Determination of the estimated useful lives of intangible assets (Note 2(c)).
- Impairment of Property, Plant and Equipment (Note 2(d)).
- Recognition and measurement of defined benefit obligations(Note 2(j)and Note 40).
- Fair valuation of employee share options (Note 2(k) and Note 38).
- Discounting of long-term financial liabilities
- Fair value of financial instruments (Note 1(f)).
- Recognition and measurement of provisions and contingencies, key assumptions about the

likelihood and magnitude of an outflow of resources ;(Note 2(p)).

- Accruals of Sales incentives, Commission, etc.

f) Measurement of Fair value

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

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

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

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

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

g) Application of new and revised Ind AS's

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

a) Property, Plant and Equipment

Property, Plant and Equipment (PPE) are stated at cost of acquisition, including any attributable cost for bringing the asset to its working condition for its intended use less accumulated depreciation and less accumulated impairment, if any. Cost includes expenses related directly to acquisition and installation of the concerned assets, borrowing cost during the construction period and excludes any duties / taxes recoverable.

Advances paid towards the acquisition of PPE outstanding at each reporting date is classified as Capital Advances under Other Non-Current Assets and assets which are not ready for intended use as on the date of balance Sheet are disclosed as "Capital Work in Progress".

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes all costs incurred to bring the assets to their present location and condition. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted and depreciated for as separate items (major components) of property, plant and equipment.

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

The estimated residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the items will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred.

When significant identifiable parts of PPE are required to be replaced, the Group de-recognises the replaced parts and recognises the new part with its own associated useful life and it is depreciated accordingly. In other cases, expenses are charged off to the Statement of Profit and Loss.

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

b) Investment Property

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

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

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

c) Intangible Assets

An Intangible asset is recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably. Intangible assets that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortised over their estimated useful life. The useful life of intangible assets 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 recognised in the Statement of Profit and Loss when the asset is derecognised.

d) Impairment of Non-Financial Assets

At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication of an impairment loss. If any such indication exists, the recoverable amounts are estimated in order to determine

Notes forming part of Consolidated Financial Statements as at and for the year ended March 31, 2020 (Contd.)

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

e) Inventories

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

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

Provision is made for cost of obsolescence and other anticipated losses, whenever considered necessary by Management.

f) Cash and Cash Equivalents

Cash and Cash Equivalents in the Balance Sheet comprises cash on hand, bank balances and short term deposits with banks with 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 Assets**

<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 (FVTOCI).

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

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

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

For investments in mutual fund, the Company has opted to account for the fair value through profit or loss.

Notes forming part of Consolidated Financial Statements as at and for the year ended March 31, 2020 (Contd.)

➢ **Debt Instruments:**

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

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

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

a) Measured at amortised cost:

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

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

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognised in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On de-recognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'Other Income' in the Statement of Profit and Loss.

c) Measured at Fair Value Through Profit and Loss (FVTPL):

A financial asset not classified as either amortised cost or FVTOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'Other Income' in the Statement of Profit and Loss.

➢ **Equity Instruments:**

Investments in equity instruments at FVTPL:

Investments in equity instruments other than investments in subsidiaries are classified as at FVTPL, unless the Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for equity instruments which are not held for trading.

Investments in equity instruments at FVTOCI:

On initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserve for 'equity instruments through other comprehensive income'. The cumulative gain or loss is reclassified to Statement of Profit and Loss on full disposal of the investments.

Impairment of financial assets:

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

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

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

Notes forming part of Consolidated Financial Statements as at and for the year ended March 31, 2020 (Contd.)

De-recognition of financial assets:

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

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

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

ii) Financial liabilities

Initial recognition

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss. In case of trade payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised cost, using the effective interest method.

Subsequent Measurement

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

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of the new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Derivative financial instruments

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

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

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

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

Notes forming part of Consolidated Financial Statements as at and for the year ended March 31, 2020 (Contd.)

h) Foreign Exchange Transactions

In preparing the consolidated financial statements of the Group, transactions in currencies other than the Group's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are restated at the rates prevailing at the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated. Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise.

i) Revenue recognition

Revenue from sale of products is recognised when the products are dispatched to customers, all significant contractual obligations have been satisfied and the collection of the resulting receivable is reasonably expected. Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of customer returns, trade allowance, rebates, goods and services tax and amount collected on behalf of third parties.

Accumulated experience is used to estimate and provide for the discounts and returns. No element of financing is deemed present as the sales are made with normal credit days consistent with market practice.

Export incentives are recognised as income as per the terms of the scheme in respect of the exports made and included as part of "Other Operating Revenue".

Dividend and interest income

Dividend income from investments is recognised when the Group's right to receive payment has been established.

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

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 recognised as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the employee renders the related service. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Post-Employment Benefits:

(a) Defined Contribution Plans

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

(b) Defined Benefit Plans

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

Notes forming part of Consolidated Financial Statements as at and for the year ended March 31, 2020 (Contd.)

past service or the gain or loss on curtailment is recognised immediately in Statement of Profit and Loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(c) Other Long-Term Employee Benefits

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

Effective April 1, 2019, the Group adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019, except those which are exempted under this standard, using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

<u>As a Lessee</u>

The Group's lease assets classes primarily consist of leases for buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

(i) The contract involves the use of an identified asset

(ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and

(iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

As a Lessor

Lease payments under operating leases is generally recognised as an expense on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the underlying asset and recognised as an expense over the lease term on the same basis as the lease income.,

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 recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

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 recognised when the Group has a present obligation as a result of a past event; it is probable that an outflow of resources embodying economic benefits

Notes forming part of Consolidated Financial Statements as at and for the year ended March 31, 2020 (Contd.)

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 as at and for the year ended March 31, 2020 (Contd.)

Note 3 : Property, Plant and Equipment

(₹ in Lakhs)

Particulars	Land - Leasehold	Buildings	Right of Use Assets#	Plant and Equipment	Office Equipment	Furniture & Fixtures	Vehicles	Total
I. Gross Carrying Value								
Balance as at April 1, 2019	**25,413**	**11,983**	**-**	**46,029**	**436**	**280**	**416**	**84,557**
Additions	-	7,514	1,136	8,517	123	95	-	17,385
Disposals	-	-	-	(15)	-	-	-	(15)
Balance as at March 31, 2020	**25,413**	**19,497**	**1,136**	**54,531**	**559**	**375**	**416**	**101,927**
II. Accumulated depreciation and impairment for the year 2019-20								
Balance as at April 1, 2019	**1,390**	**2,030**	**-**	**15,186**	**245**	**118**	**164**	**19,133**
Depreciation expense for the year	463	451	271	1,787	93	126	44	3,235
Eliminated on disposal of assets	-	-	-	(9)	-	-	-	(9)
Balance as at March 31, 2020	**1,853**	**2,481**	**271**	**16,964**	**338**	**244**	**208**	**22,359**
III. Net Carrying value as at March 31, 2020 (I-II)	**23,560**	**17,016**	**865**	**37,567**	**221**	**131**	**208**	**79,568**

Refer note (d) below.

Particulars	Land - Leasehold	Buildings	Right of Use Assets	Plant and Equipment	Office Equipment	Furniture & Fixtures	Vehicles	Total
I. Gross Carrying Value								
Balance as at April 1, 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**

Notes:

a) Property, Plant and 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, 2019	579	333	246
Additions during the year (Refer Note 37)	33		33
Depreciation expense for the year		32	32
Disposals / Deletions	0	0	0
Balance as at March 31, 2020	**612**	**365**	**247**

* Amount less than ₹ 0.50 Lakhs

b) Additions during the year includes pre-operative expenses of ₹ 1,133 lakhs incurred during the course of construction.

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

d) Right of Use Assets:

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019, except those which are exempted under this standard, using the modified retrospective approach. Accordingly, comparatives

Notes forming part of Consolidated Financial Statements as at and for the year ended March 31, 2020 (Contd.)

for the year ended March 31, 2019 have not been retrospectively adjusted. The Company has elected to measure the right-of-use asset equal to the lease liability, with the result of no net impact on retained earnings and no restatement of prior period comparatives.

Right of use assets and lease liabilities consists of buildings of ₹ 1,136 Lakhs have been recognised as on the transition date i.e. April 1, 2019. In the statement of profit and loss for the current year, operating lease expenses which were recognised as other expenses in previous periods is now recognised as depreciation expense for the right-of-use asset and finance cost for interest accrued on lease liability. The adoption of this standard did not have any significant impact on the profit for the year and earnings per share.

The weighted average incremental borrowing rate of 8.7% has been applied to lease liabilities recognised in the Balance Sheet at the date of initial application. Interest on lease liabilities is ₹ 88 Lakhs for the year."

Note 4 : Investment Property

(₹ in Lakhs)

Particulars	Buildings	Total
I. Gross Carrying Value		
Balance as at April 1, 2019	**83**	**83**
Additions	-	-
Disposals	-	-
Balance as at March 31, 2020	**83**	**83**
II. Accumulated depreciation and impairment for the year 2019-20		
Balance as at April 1, 2019	**36**	**36**
Depreciation expense for the year	1	1
Eliminated on disposal of assets	-	-
Balance as at March 31, 2020	**37**	**37**
III. Net Carrying value as at March 31, 2020 (I-II)	**46**	**46**

(₹ 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**

Note:

a) Fair value disclosures

The fair value of the Group's investment properties as at March 31, 2020 and March 31, 2019 has been arrived at on the basis of a valuation carried out on the respective dates by independent and 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, 2020 and March 31, 2019 are as follows:

(₹ in Lakhs)

Particulars	Amount	Fair value hierarchy
As at March 31, 2020		
Fair value of Investment property - Residential Units located in India	1,297	Level 2
As at March 31, 2019		
Fair value of Investment property - Residential Units located in India	1,297	Level 2

Notes forming part of Consolidated Financial Statements as at and for the year ended March 31, 2020 (Contd.)

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

c) Information regarding Income and Expenditure of Investment Properties

(₹ in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Rental Income derived from Investment Properties	33	32
Less: Direct Operating Expenses	(8)	(9)
Gain arising from Investment properties before depreciation	**25**	**23**
Less: Depreciation	(1)	(1)
Net Gain arising from Investment properties	**24**	**22**

Note 5 : Intangible Assests

(₹ in Lakhs)

Particulars	Patents	Software	Total
I. Gross Carrying Value			
Balance as at April 1, 2019	**453**	**364**	**817**
Additions	29	-	29
Disposals	-	-	-
Balance as at March 31, 2020	**482**	**364**	**846**
II. Accumulated amortisation for the year 2019-20			
Balance as at April 1, 2019	**379**	**204**	**583**
Amortisation expense for the year	101	37	138
Eliminated on disposal of assets	-	-	-
Balance as at March 31, 2020	**480**	**241**	**721**
III. Net Carrying value as at March 31, 2020 (I-II)	**2**	**123**	**125**

(₹ 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 2018-2019			
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**

Note: All Intangible assets held by the group purchased and not internally generated.

Notes forming part of Consolidated Financial Statements as at and for the year ended March 31, 2020 (Contd.)

Note 6 : Non Current Investments

(₹ in Lakhs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	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	1,217	19,54,695	2,117
HDFC Bank Limited (₹ 2/- each, fully paid-up)	5,000	86	5,000	116
Bank of India (₹ 10/- each, fully paid up)	19,900	7	19,900	21
Corporation Bank (₹ 2/- each, fully paid up)	12,000	1	12,000	4
Total Quoted Investments (A)		**1,311**		**2,258**
(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	6	50,000	13
UTI Masters Share (of ₹ 10/- each)	10,560	2	10,560	3
IDFC Fixed Term Plan Series 177 Direct Plan (1160 Days)	20,00,000	222	20,00,000	202
Tata Capital Financial Services Market linked Debentures (Maturity on 14/4/21)	48	532	-	-
Aditya Birla Sun Life FTP SJ (1135 days)	20,00,000	222	20,00,000	202
Aditya Birla Sun Life-FTP-Series SO-Direct (1099 days)	10,00,000	108	-	-
Total Investments in Mutual Funds (C)		**1,092**		**420**
Total Investments (A+B+C)		**2,404**		**2,679**

Aggregate Amount of Quoted Investments		1,311		2,258
Market Value of Quoted Investments		1,311		2,258
Aggregate Amount of Unquoted Investments (At Cost)		1,111		439
Aggregate Amount of Impairment in the Value of Investments		18		18

* Amount less than ₹ 0.50 Lakhs

Notes forming part of Consolidated Financial Statements as at and for the year ended March 31, 2020 (Contd.)

Note 7 : Non Current - Other Financial Assets

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Financial Assets (at amortised cost)		
Security Deposits		
Unsecured, considered good	667	669
Unsecured, considered doubtful	300	300
Less : Allowance for bad and doubtful deposits	(300)	(300)
	667	**669**
Earmarked Balances		
Deposit	1	-
Loans to employees		
Unsecured, considered good	5	8
Total	**673**	**677**

Note 8 : Other Non Current Assets

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with Government Authorities (other than income taxes)		
CENVAT Credit Receivable	335	335
VAT Credit Receivable	952	1,022
Service Tax Credit Receivable	6	6
Others	26	26
	1,319	**1,389**
Less: Provision	(302)	(302)
	1,017	**1,087**
Capital Advances	322	2,260
Prepaid Expenses	63	65
Total	**1,402**	**3,412**

Note 9 : Inventories (At lower of cost and net realisable value)

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Raw materials	6,425	8,258
Work-in-progress	1,318	1,687
Finished goods	5,007	6,470
Stock-in-trade	29	2
Stores and spares	864	654
Total	**13,643**	**17,071**

Included above, goods-in-transit:		
(i) Raw materials	795	1,079
(ii) Finished goods	173	32
Total	**968**	**1,111**

* Net of write down of ₹ 135 Lakhs (Previous Year: ₹ Nil)

Notes forming part of Consolidated Financial Statements as at and for the year ended March 31, 2020 (Contd.)

Note 10 : Financial Assets - Current Investments

(₹ in Lakhs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of units	Amount	No. of units	Amount
(a) Investments in Mutual Funds (Unquoted) (at fair value through profit and loss account (FVTPL))				
ICICI Prudential Equity Arbitrage Fund - Dividend	-	-	2,77,13,003	4,016
ICICI Prudential Ultra Short Term Fund	29,94,478	610	29,94,478	565
HDFC Liquid Fund-Regular Plan-Dividend-Daily Reinvest	3,874	150	20,357	208
HDFC Arbitrage Fund-Wholesale Plan-Regular Plan-Monthly Dividend	15,31,373	166	14,56,318	157
Kotak Equity Arbitrage Fund - Direct Plan - Reinvest	-	-	1,36,74,965	1,505
ABSL Corporate Bond Fund - Direct - Growth	6,98,032	551	6,98,032	504
Kotak Corporate Bond Fund - Direct - Growth	19,893	549	19,893	503
ICICI Prudential Liquid Fund - Daily Dividend *	316	0	-	-
Total (A)		**2,026**		**7,458**
(b) Other Investments (at amortised cost)				
Intercorporate deposits with HDFC Limited	-	1,010	-	2,836
Total (B)		**1,010**		**2,836**
Total Investments (A+B)		**3,036**		**10,294**

Aggregate Amount of Quoted Investments		-		-
Market Value of Quoted Investments		-		-
Aggregate Amount of Impairment in the Value of Investments		-		-
Aggregate Amount of Unquoted Investments (At Cost)		3,036		10,294

* Amount less than ₹ 0.50 Lakhs

Note 11 : Current Financial Assets -Trade receivables

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Trade receivables		
(a) Considered good - Secured	-	-
(b) Considered good - Unsecured	20,321	23,219
(c) Credit Impaired	14	2
Less: Allowance for doubtful debts	(14)	(2)
Total	**20,321**	**23,219**

Note 12 : Current Financial Assets - Cash and cash equivalents

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Cash on hand	9	11
Balances with banks	931	3,693
Total	**940**	**3,704**
Cash and cash equivalents as per statement of cash flows	940	3,704

Note 13 : Current Financial Assets - Other Bank balances

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Earmarked balances with banks		
- Unpaid dividend account	443	289
Total	**443**	**289**

Notes forming part of Consolidated Financial Statements as at and for the year ended March 31, 2020 (Contd.)

Note 14 : Current - Other Financial Assets

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Financial Assets (at amortised cost)		
Loans to employees		
Unsecured, considered good	1	2
Security Deposits		
Unsecured, considered good	12	-
Interest accrued on Security deposits	42	27
Financial Assets at FVTPL		
Forward Cover / Options Contract Receivable	60	-
Total	**115**	**29**

Note 15 : Other Current Assets

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Advances to suppliers and Others	806	755
Balances with government authorities (other than income taxes)		
GST Credit Receivable	2,204	1,446
	2,204	**1,446**
Prepaid expenses	652	555
Export incentive receivable	396	613
Other Advances	1	2
Total	**4,059**	**3,371**

Note 16 : Equity Share Capital

(₹ in Lakhs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	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	16,56,05,955	16,561	16,54,18,830	16,542
Issued, Subscribed and Fully Paid:				
Equity shares of ₹ 10/- each	16,56,05,955	16,561	16,54,18,830	16,542

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

The Group has one class of equity share having a par value of ₹ 10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting, except in case of interim dividend.

In the event of liquidation, the equity shareholders are eligible to receive the remaining asset of the Group after distribution of all preferential amounts, in proportion to their shareholding.

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

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of shares	Amount	No. of shares	Amount
Equity Shares Outstanding at the beginning of the year	16,54,18,830	16,542	16,44,77,680	16,448
Add: Allotment pursuant to exercise of stock options granted under Company's employee stock option plan (refer Note 39)	1,87,125	19	9,41,150	94
Equity Shares Outstanding at the end of the year	**16,56,05,955**	**16,561**	**16,54,18,830**	**16,542**

Notes forming part of Consolidated Financial Statements as at and for the year ended March 31, 2020 (Contd.)

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

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of shares	% shareholding	No. of shares	% shareholding
Mafatlal Industries Limited	2,52,59,059	15.25%	2,52,59,059	15.27%
Suremi Trading Private Limited	2,07,72,170	12.54%	2,03,69,204	12.31%
Sushripada Investments Private Limited	89,60,880	5.41%	89,60,880	5.42%

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

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

As at March 31, 2020, 21,03,725 equity shares (as at March 31, 2019, 23,08,750 equity shares) of ₹ 10 each were reserved for outstanding employee share option granted.

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

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

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

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

(vi) There are no calls unpaid.

(vii) There are no forfeited shares.

Note 17 : Other equity

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Capital reserve	15	15
Securities premium	1,952	1,836
General reserve	4,865	4,865
Share options outstanding account	584	422
Retained earnings	98,544	95,454
Equity Instrument Through Other Comprehensive Income	(3,235)	(2,238)
Other Items of Other Comprehensive Income		
- Remeasurements of Defined Benefit Obligation	(762)	(595)
Total	**101,963**	**99,759**

Nature and purpose of each reserve within Other equity

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

General reserve:
The general reserve comprises of transfer of profits from retained earnings for appropriation purposes. The reserve can be distributed / utilised by the Group in accordance with the Companies Act, 2013.

Share option outstanding account:
This reserve relates to share options granted by the Group to its employees under its employee share option plan. Further information about share based payments to employees is set out in Note 38.

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.

Notes forming part of Consolidated Financial Statements as at and for the year ended March 31, 2020 (Contd.)

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

Items of Other Comprehensive Income Remeasurements of Defined Benefit Obligation

Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the years due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in other comprehensive income and are adjusted to retained earnings.

Note 18 : Non Current Financial Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Financial Lease Liability (Refer Note 3(d))	687	-
Total	**687**	**-**

Note 19 : Non Current Provisions

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits (Refer Note 40)	1,676	1,502
Total	**1,676**	**1,502**

Note 20 : Other Non Current Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for customs duty	7	7
Total	**7**	**7**

Note 21 : Current Financial Liabilities - Trade Payables

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Trade payables:		
(a) Payable to Micro and Small enterprises (Refer Note below)	624	223
(b) Payable to Others		
i) Acceptances	1,276	2,417
ii) Other than Acceptances	7,061	7,194
	8,337	**9,611**
Total	**8,961**	**9,834**

Note: Disclosures as required under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act)

The amounts due to Micro and Small Enterprises as defined in the 'The Micro, Small and Medium Enterprises Development Act, 2006' has been determined to the extent such parties have been identified on the basis of information available with the Group. This has been relied upon by the auditors.

Notes forming part of Consolidated Financial Statements as at and for the year ended March 31, 2020 (Contd.)

(₹ in Lakhs)

Particulars		As at March 31, 2020	As at March 31, 2019
a)	The principal amount remaining unpaid to any supplier at the end of the year	620	223
b)	Interest due remaining unpaid to any supplier at the end of the year (*)	4	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

Note 22 : Current Financial Liabilities - Others

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Financial liabilities (at amortised cost except otherwise stated):		
Lease Liability (Refer Note 3(d))	230	-
Security Deposits	444	376
Unclaimed dividends (Refer Note (a) below)	443	289
Payables for capital supplies	1,759	2,922
Salary,wages and bonus payable	703	910
Contribution payable towards employee benefits	282	84
MTM on forward contracts (at FVTPL)	57	-
Other payables	129	161
Total	**4,047**	**4,742**

Note:

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

Note 23 : Other Current Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Advances received from customers	128	76
Statutory remittances	244	170
Other liabilities	11	1
Total	**383**	**247**

Note 24 : Current Provisions

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits (Refer Note 40)	671	585
Total	**671**	**585**

Notes forming part of Consolidated Financial Statements as at and for the year ended March 31, 2020 (Contd.)

Note 25 : Revenue from Operations

(₹ in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Sale of goods (at contracted price)*	83,775	103,036
Other operating revenues		
Sale of scrap	123	148
Profit on Sale of Raw Material	-	39
Duty drawback and other export incentives	641	841
VAT Refund	-	-
Cash Discounts Received	18	31
Excess provision for earlier years written back	58	177
Miscellaneous income	14	18
Total	**84,629**	**104,290**

* Sales for the year ended March 31,2020 and year ended March 31,2019 is net of Goods and Service Tax (GST)

Note 26 : Other Income

(₹ in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
a) Interest Income on		
- Bank deposits*	25	29
- Staff Loan*	0	1
- Income Tax/VAT Refund	12	7
- Intercorporate Deposits	45	135
- Other Deposits	37	32
	119	**204**
b) Dividend income from		
- Dividend reinvestment of Mutual Fund	248	437
- Equity investments	2	1
	250	**438**
c) Other gains and losses		
- Net gain arising on short term financial investments mandatorily measured at FVTPL	224	57
- Net foreign exchange gain	160	-
	384	**57**
d) Other non-operating income		
- Rent from investment properties / others	43	38
- Sundry Balances written Back*	**0**	**0**
- Income from Redemption of Mutual Fund	121	259
	164	**297**
Total	**917**	**996**

* Amount Less than ₹. 0.50 Lakhs

Notes forming part of Consolidated Financial Statements as at and for the year ended March 31, 2020 (Contd.)

Note 27 : Cost of materials consumed

(₹ in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening stock	8,258	9,844
Add: Purchases (Net)	34,886	47,970
	43,144	**57,814**
Less: Closing stock	6,425	8,258
Total	**36,719**	**49,556**

Note 28 : Changes in stock of finished goods, work-in-progress and stock-in-trade

(₹ in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Closing stock		
- Finished goods	5,007	6,470
- Work in progress	1,318	1,687
- Stock-in-trade	29	2
	6,354	**8,159**
Opening stock		
- Finished goods	6,470	4,307
- Work in progress	1,687	740
- Stock-in-trade	2	9
	8,159	**5,056**
Net Decrease /(Increase) in Inventories	**1,805**	**(3,103)**

Note 29 : Employee Benefits Expense

(₹ in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries, wages and bonus	6,338	5,770
Contribution to provident and other funds (Refer Note 40)	532	355
Employee Share based payment (Refer Note 38)	199	254
Staff welfare expenses	604	672
Total	**7,673**	**7,051**

Note 30 : Finance Cost

(₹ in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest cost - on financial liability (at amortised cost)		
a) Borrowings from banks*	0	16
b) Security deposits and others (including MSME vendors)	132	47
Total	**132**	**63**

* Amount Less than ₹. 0.50 Lakhs

Notes forming part of Consolidated Financial Statements as at and for the year ended March 31, 2020 (Contd.)

Note 31 : Depreciation and Amortisation Expenses

(₹ in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation of Property, Plant and Equipment (Refer Note 3)	3,235	2,351
Depreciation of Investment Properties (Refer Note 4)	1	1
Amortisation of Intangible Assets (Refer Note 5)	138	79
Total	**3,374**	**2,431**

Note 32 : Other Expenses

(₹ in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Power and Fuel oil consumed	7,220	7,552
Processing charges	2,100	2,065
Selling and Distribution expenses	3,097	3,219
Consumption of packing materials	1,335	1,454
Stores and spares consumed	937	1,062
Rent including lease rentals	15	286
Repairs and maintenance:		
- Plant and machinery	958	968
- Buildings	333	338
- Others	41	28
Insurance charges	488	145
Rates and taxes	312	149
Loss on fixed assets sold/scrapped/written off	6	25
Expenses on corporate social responsibility	476	370
Net Foreign Exchange Loss	-	422
Provision for Doubtful Debt	12	-
Other General Expenses	3,019	3,202
Total	**20,349**	**21,285**

Note 33 : Current Tax and Deferred Tax

(a) Income Tax Expense recognised in Statement of Profit and Loss

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Current Tax:		
Current Income Tax Charge	3,887	8,430
MAT Credit Entitlement	-	(17)
Adjustments in respect of prior years*	0	-
Total	**3,887**	**8,413**
Deferred Tax		
In respect of current year	(1,720)	876
Total	**(1,720)**	**876**
Total tax expense recognised in Statement of Profit and Loss	**2,167**	**9,289**

* Amounts less than ₹ 0.50 Lakhs

Notes forming part of Consolidated Financial Statements as at and for the year ended March 31, 2020 (Contd.)

(b) Income Tax recognised in other Comprehensive Income (₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Deferred Tax (Liabilities)/Assets:		
Remeasurement of Defined Benefit Obligations	(3)	8
Net fair value (gain) / loss on investments in equity shares at FVTOCI	(50)	345
Total	**(53)**	**353**

(c) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate: (₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Profit before tax	15,233	27,776
Less: Income taxed at different tax rate	121	5
Profit before tax	**15,112**	**27,771**
Income Tax using the Company's domestic Tax rate #	3,830	9,692
Effect of expenses that are not deductible in determining taxable profit	381	443
Effect of income that is not taxable in determining taxable profit	(120)	(163)
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)	(319)	(87)
Effect on deferred tax balances due to the change in income tax rate (effective 01.04.2018)	(1,643)	(15)
Effect of income taxed at different rate	38	1
Adjustments in respect of prior years*	0	-
Income tax expense recognised in Statement of Profit and Loss	**2,167**	**9,289**

* Amounts less than ₹ 0.50 Lakhs

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

(d) Movement of Deferred Tax

Deferred tax (assets)/liabilities in relation to the Year Ended March 31, 2020 (₹ in Lakhs)

Particulars	Opening Balance	Recognised in statement of Profit and Loss	Recognised in OCI	Closing Balance
Property, Plant and Equipment, Investment properties and Intangible assets	11,013	(1,127)	-	9,886
Financial asset measured at FVTOCI	(491)	-	50	(441)
Financial asset measured at FVTPL	20	(19)	-	1
Defined benefit obligation	(691)	137	3	(551)
Provision for doubtful debts / advances	(106)	27	-	(79)
Payment for voluntary retirement scheme	(1)	-	-	(1)
Other non financial assets	1,192	(739)	-	453
Provision for Bonus	(1)	-	-	(1)
Unabsorbed Depreciation	-	-	-	-
Net Tax (Assets)/Liabilities	**10,935**	**(1,720)**	**53**	**9,267**

Notes forming part of Consolidated Financial Statements as at and for the year ended March 31, 2020 (Contd.)

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)	(345)	(491)
Financial asset measured at FVTPL	10	10	-	20
Defined benefit obligation	(670)	(13)	(8)	(691)
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)
Net Tax (Assets)/Liabilities	**10,410**	**878**	**(353)**	**10,935**

Note 34 : Earnings per share

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
1. Calculation of weighted average number of equity shares - Basic		
(a) Number of equity shares at the beginning of the year (in units)	16,54,18,830	16,44,77,680
(b) Number of equity shares issued during the year (in units)	1,87,125	9,41,150
(c) Number of equity shares outstanding at the end of the year (in units)	16,56,05,955	16,54,18,830
(d) Weighted number of equity shares outstanding during the year (in units)	16,55,28,165	16,52,50,999
2. Calculation of weighted average number of equity shares - Diluted		
(a) Number of potential equity shares at the beginning of the year (in units)	16,77,27,580	16,73,72,680
(b) Number of potential equity shares outstanding at the end of the year (in units)	16,77,09,680	16,77,27,580
(c) Weighted number of potential equity shares outstanding during the year (in units)	16,55,52,602	16,61,14,870
3. Profit for the year (₹ in Lakhs)	13,067	18,485
(a) Basic Earnings per share of ₹ 10/- each (3/1(d))	7.89	11.19
(b) Diluted Earnings per share of ₹ 10/- each (3/2(c))	7.89	11.13

Note 35 : Leases

Operating lease arrangements

Company 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, 2020	Year ended March 31, 2019
Charged to Statement of Profit and Loss	15	286
Future Minimun Lease rentals Payable under non-cancellable operating leases are as follows:		
Within one year	14	29
After one year but not more than five years	-	32
More than five years	-	-

Notes forming part of Consolidated Financial Statements as at and for the year ended March 31, 2020 (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 ₹ 43 Lakhs (2018-19 : ₹ 38 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, 2020	As at March 31, 2019
(a) Contingent liabilities :		
Claims against the Group not acknowledged as debts (including Direct and Indirect Taxes)	2,188	2,494
(b) Commitments :		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	1,214	10,103
The Group did not have any long-term contracts including derivative contracts for which any provision was required for foreseeable losses.		

Note 37 : Details of expenditure and income on inhouse approved Research and Development (R & D) facility

(₹ in Lakhs)

Particulars (as defined and bifurcated by the management of the Group)	Year ended March 31, 2020	Year ended March 31, 2019
(i) Capital expenditure		
(a) Capital equipments	33	35
(ii) Revenue expenditure		
(a) Salaries / wages	388	306
(b) Travelling and Conveyance Expenses	15	20
(c) Repairs and Maintainance	42	53
(d) Communication Expenses	1	1
(e) Materials/Consumables	19	23
(f) Housekeeping	2	2
(g) Others	16	14
(h) Depreciation	35	46
Total revenue expenditure (a) to (h)	**518**	**465**
(iii) Total R & D expenditure (i+ii)	**551**	**500**
(iv) Amount received by R & D facilities	**-**	**-**
(v) Net amount of R & D expenditure	**551**	**500**

Note 38: Share based payments

38.1 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 Company's estimate of equity instruments that will eventually vest with a corresponding increase in equity.

Notes forming part of Consolidated Financial Statements as at and for the year ended March 31, 2020 (Contd.)

Share options outstanding at the end of the year have the following expiry dates, exercise prices and fair value:

Grant series and grant year	Expiry Year	Exercise price	Fair value	March 31, 2020	March 31, 2019
		₹	₹	Number of options	Number of options
Grant 5 - 2015-16	2025-26	37.65	16.27	252,850	343,250
Grant 6 - 2016-17	2026-27	52.85	19.44	400,850	458,600
Grant 7 - 2016-17	2026-27	84.05	28.74	773,925	812,900
Grant 8 - 2017-18 *	2027-28	188.35	69.28	329,600	339,100
Grant 9 - 2018-19 *	2028-29	142.45	46.27	346,500	354,900
Total				**2,103,725**	**2,308,750**
Weighted average remaining contractual life of options outstanding at end of year				7.37	8.31

* 9500 and 8400 options from Grant 8 and Grant 9 respectively have been forfeited on account of resignation

Fair value of share options granted in the year:

The weighted average fair value of the share options granted during the financial year is ₹ NIL (Previous year: ₹ 46.27). 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, 2020	March 31, 2019 Grant 9
Grant date share price (₹)	Not Applicable	142.45
Exercise price (₹)		142.45
Expected volatility (%)		38%
Expected life of the options		4 years
Expected dividend (%)		1.93%
Risk free interest rate (%)		6.97%
Expiry Year		2028-29

Basis of assumptions:

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

Movement of Options Granted along with weighted average exercise price

Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Balance at beginning of period not exercised	23,08,750	95.25	28,95,000	76.11
Granted during the period	-	-	3,54,900	142.45
Forfeited during the period	(17,900)		-	-
Exercised during the period	(1,87,125)	52.01	(9,41,150)	54.18
Balance at end of period	**21,03,725**	**98.49**	**23,08,750**	**95.25**
Exercisable at the end of the year	11,59,700		3,17,575	

The weighted average share price at the dates of exercise of options exercised during the year ended March 31, 2020 was ₹ 99.65 (year ended March 31, 2019 : ₹ 152.20)

Notes forming part of Consolidated Financial Statements as at and for the year ended March 31, 2020 (Contd.)

Note 39 : Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Group. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director and CFO of the Group. The Group operates only in one Business Segment i.e. rubber chemicals, hence does not have any reportable Segments as per Ind AS 108 "Operating Segments".

Segment information for Secondary segment reporting (by geographical segment).

The Group has two reportable geographical segments based on location of customers.

(i) Revenue from customers within India - Domestic

(ii) Revenue from customers outside India - Foreign "

I. Revenue by Geographical Markets

(₹ in Lakhs)

Particulars	Revenue from operations		Non-Current Assets	
	For the year ended March 31, 2020	For the year ended March 31, 2019	As at March 31, 2020	As at March 31, 2019
India	55,977	72,656	1,01,667	86,250
Outside India	28,652	31,634	-	-
Total	**84,629**	**1,04,290**	**1,01,667**	**86,250**

II. Revenue from Major products: (₹ in Lakhs)

Particulars	Revenue from operations	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Rubber Chemicals	83,078	102,452
Others	1,551	1,838
Total	**84,629**	**104,290**

Note 40: Employee benefit plans

1) Defined contribution plans :

The Group participates in a number of defined contribution plans on behalf of relevant personnel. Any expense recognised in relation to these schemes represents the value of contributions payable during the period by the Group at rates specified by the rules of those plans. The only amounts included in the balance sheet are those relating to the prior months contributions that were not due to be paid until after the end of the reporting period.

The major defined contribution plans operated by the Group are as below:

a) Provident fund and Pension

In accordance with the Employee's Provident Fund and Miscellaneous Provisions Act, 1952, eligible employees of the Group are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Group make monthly contributions at a specified percentage of the covered employees' salary. The contributions, as specified under the law, are made to the provident fund administered and managed by Government of India (GOI). The Group has no further obligations under the fund managed by the GOI beyond its monthly contributions which are charged to the Statement of Profit and Loss in the period in which they are incurred. The benefits are paid to employees on their retirement or resignation from the Group.

b) Superannuation fund

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

Contribution to Defined Contribution Plans, recognised in the Statement of Profit and Loss for the year under employee benefits expense, are as under :

(₹ in Lakhs)

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
i) Employer's Contribution to Provident Fund and Pension	285	231
ii) Employer's Contribution to Superannuation Fund	65	59
Total	**350**	**290**

(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, 2020 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, 2020	As at March 31, 2019
1. Discount rate	6.84% - 7.47%	7.47% - 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, 2020	Year ended March 31, 2019
Service cost:		
Current service cost	91	91
Past service cost	-	-
Net Interest cost	71	77
Components of defined benefit costs recognised in the Statement of Profit and Loss	**162**	**168**

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.

Notes forming part of Consolidated Financial Statements as at and for the year ended March 31, 2020 (Contd.)

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

Particulars	Gratuity (Funded)	
	Year ended March 31, 2020	Year ended March 31, 2019
Interest Cost	210	205
Interest Income	(139)	(128)
Net interest cost recognised in the Statement of Profit and Loss	**71**	**77**

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

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Actuarial (Gains)/Losses on Obligation For the Period - Due to changes in financial assumptions	82	7
Actuarial (Gains)/Losses on Obligation For the Period - Due to experience adjustment	81	5
Return on Plan Assets, excluding Interest Income	1	17
Net (Income)/Expense recognised in OCI	**164**	**29**

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

Particulars	As at March 31, 2020	As at March 31, 2019
Present Value of Defined Benefit Obligation as at the end of the year	(2,986)	(2,814)
Fair Value of plan assets	1,903	1,867
Net Liability recognised in the Balance Sheet	**(1,083)**	**(947)**

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

Particulars	As at March 31, 2020	As at March 31, 2019
Opening defined benefit obligation	2,814	2,714
Current Service Cost	91	91
Past Service Cost	-	-
Interest cost	210	205
Actuarial (gains) / losses	164	12
Benefits Paid (From the Fund)	(186)	(135)
Benefit Paid (Directly by the Employer)	(107)	(103)
Net Liability transferred in	-	30
Closing defined benefit obligation	**2,986**	**2,814**

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

Particulars	As at March 31, 2020	As at March 31, 2019
Opening fair value of the plan assets	1,867	1,695
Contributions by the Employer	84	156
Return on Plan Assets, excluding Interest Income	(1)	(17)
Interest income	139	128
Benefits paid	(186)	(135)
Assets transferred in	-	40
Closing fair value of plan assets	**1,903**	**1,867**

Notes forming part of Consolidated Financial Statements as at and for the year ended March 31, 2020 (Contd.)

G. Maturity profile of defined benefit obligation: (₹ in Lakhs)

Projected Benefits Payable in Future Years From the Date of Reporting	Estimated for the year ended March 31, 2020	Estimated for the year ended March 31, 2019
1st Following Year	1,142	1,075
2nd Following Year	300	276
3rd Following Year	357	329
4th Following Year	330	325
5th Following Year	285	277
Sum of Years 6 To 10	793	823
Sum of Years 11 and above	604	568

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, 2020	As at March 31, 2019
Projected Benefit Obligation on Current Assumptions		
Impact of +0.5% Change in Rate of Discounting	(43)	(40)
Impact of -0.5% Change in Rate of Discounting	45	41
Impact of +0.5% Change in Rate of Salary Increase	45	42
Impact of -0.5% Change in Rate of Salary Increase	(43)	(40)
Impact of +0.5% Change in Rate of Employee Turnover	1	3
Impact of -0.5% Change in Rate of Employee Turnover	1	(3)

Note 41 : Related party disclosures

A. Details of related parties

Description of relationship	Name of the Related Party
Key Management Personnel	
- Chairman	Mr. H. A. Mafatlal
- Managing Director	Mr. S. R. Deo
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

Notes forming part of Consolidated Financial Statements as at and for the year ended March 31, 2020 (Contd.)

B. Nature of Transactions/ Names of Related Parties (₹ in Lakhs)

S. No.	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
A	**Enterprises over which Key Management Personnel is able to exercise significant influence***		
I	**Mafatlal Industries Limited**		
1	Reimbursement of Expenses	9	10
2	Dividend Paid	1,263	650
II	**Sri Chaitanya Seva Trust**		
1	Expenditure on CSR Activities	160	120
III	**N. M. Sadguru Water and Development Foundation**		
1	Expenditure on CSR Activities	56	50
IV	**NOCIL Employee Trust Funds**		
1	Contributions paid to funds	149	388
2	Post Employement Benefits paid on behalf of Trust	128	11
B	**Key Management Personnel #**		
1	Short-term employee benefits	583	702
2	Post-employment benefits	68	59
3	Share-based payment	41	46

* 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, 2020	As at March 31, 2019
A	**Enterprises over which Key Management Personnel is able to exercise significant influence**		
I	**Mafatlal Industries Limited**		
1	Trade Payables	1	3
II	**NOCIL Employee Trust Funds**		
1	Contributions Payable to Funds	311	84
2	Advance to Post Employment Retirement Funds	11	11
B	**Key Management Personnel**	273	450

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

42. Financial instruments and Risk management

42.1 Capital management

The capital structure of the Group consists of net debt and total equity of the Group. The Group manages its capital to ensure that the Group will be able to continue as going concern while maximising the return to stakeholders through an optimum mix of debt and equity within the overall capital structure. The Group's risk management committee reviews the capital structure of the Group considering the cost of capital and the risks associated with each class of capital.

Notes forming part of Consolidated Financial Statements as at and for the year ended March 31, 2020 (Contd.)

42.2 Categories of financial instruments

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

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Financial assets		
Measured at FVTPL		
(a) Mutual Fund Investments	3,118	7,878
(b) Other financial assets (including Derivate Financial Instruments)	60	-
Measured at amortised cost		
(a) Cash and cash equivalent	940	3,704
(b) Bank balance other than (a) above	443	289
(c) Trade receivables	20,321	23,219
(d) Other financial assets	728	706
(e) Inter Corporate Deposits	1,010	2,836
Measured at FVTOCI		
(a) Investments in equity instruments	1,312	2,259
Total Financial Assets	**27,932**	**40,891**
Financial liabilities		
Measured at FVTPL		
(a) Other financial liabilities	57	-
Measured at amortised cost		
(a) Trade payables	8,961	9,834
(b) Financial Lease Liability	917	
(c) Other financial liabilities (including current maturities of borrowings)	3,760	4,742
Total Financial Liabilities	**13,695**	**14,576**

42.3 Financial risk management objectives

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

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

42.4 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of Currency risk, Interest rate risk and other price risk. The Group enters into a board approved list of derivative financial instruments to manage its exposure to foreign currency risk, including but not limited to foreign currency forwards and currency options.

42.5 Foreign currency risk management

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arises. Exchange rate exposures are managed within approved policy parameters utilising appropriate derivative instruments.

The carrying amounts of the Group's foreign currency denominated financial assets and financial liabilities at the end of the reporting period are as follows:

Notes forming part of Consolidated Financial Statements as at and for the year ended March 31, 2020 (Contd.)

Particulars	As at March 31, 2020	As at March 31, 2019
A. USD Currency:		
Financial Liabilities		
In USD million	2.76	5.09
Equivalent in ₹ Lakhs	2,081	3,522
Financial Assets		
In USD million	7.41	10.83
Equivalent in ₹ Lakhs	5,585	7,492
B. Euro Currency:		
Financial Liabilities		
In Euro million	0.06	0.01
Equivalent in ₹ Lakhs	50	5
Financial Assets		
In Euro million	0.11	0.09
Equivalent in ₹ Lakhs	91	70

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

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

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

(₹ in Lakhs)

Particulars	USD Currency Impact	
	Year Ended March 31, 2020	Year Ended March 31, 2019
Impact on Statement of Profit and Loss for the year		
5% strengthening against US Dollar	(175)	(198)
5% weakening against US Dollar	175	198

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

42.5.2 Derivative Financial Instruments

The Group has entered into foreign currency options and forward contracts to manage its exposure to fluctuations in foreign exchange rates on foreign currency receivables and payables. Fair value of derivative financial instruments are determined using valuation techniques based on information derived from observable market data.

(₹ in Lakhs)

Financial assets/ (Financial liabilities)	Particulars	As at March 31, 2020	As at March 31, 2019
Derivative Assets / (Liabilities) measured at FVTPL:			
(i) Forward contracts	Notional value (USD million) - Sell position	3.0	-
	No. of Contracts	11	-
	Fair value (₹ in Lakhs)	(57)	-
(i) Option contracts	Notional value (USD million) - Sell position	6.3	-
	No. of Contracts	17	-
	Fair value (₹ in Lakhs)	60	-
Fair Value Hierarchy	Level 2		
Valuation technique(s)	Discounted Cash Flow		
Key input	Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counter parties.		

42.6 Interest rate risk management

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

42.7 Other price risks

The Group is exposed to price risks arising from mutual funds and equity investments other than investments in subsidiary. Equity price risk is related to change in market reference price of investments in equity securities held by the Group. The fair value of quoted investments held by the Group exposes the Group to equity price risks. In general, these investments are not held for trading purposes. The Group manages the surplus funds majorly through combination of investments in debt based / artibrage / equity oriented mutual fund schemes and fixed deposits. The price of investment in these mutual funds is the Net Asset Value (NAV) declared by the Asset Management Company on daily basis as reflected by the movement in the NAV of invested schemes. The Group is exposed to price risk on such Investment schemes.

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

42.7.1 Equity price sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 5% higher / lower, the other comprehensive income for the year ended March 31, 2020 would increase / decrease by ₹ 66 Lakhs (2018-19: increase / decrease by ₹ 113 Lakhs) as a result of the changes in fair value of equity investments measured at FVTOCI.

42.7.2 Mutual fund price sensitivity analysis

The sensitivity analysis below has been determined based on Mutual Fund Investment at the end of the reporting period. If NAV had been 1% higher / lower, the profit for year ended March 31, 2020 would increase / decrease by ₹ 31 Lakhs (2018-19 : increase / decrease by ₹ 79 Lakhs) as a result of the changes in fair value of mutual funds.

42.8 Credit risk management

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Group periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information.

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

Trade receivables consist of a large number of customers, spread across different markets comprising primary dealer 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.

Notes forming part of Consolidated Financial Statements as at and for the year ended March 31, 2020 (Contd.)

The ageing analysis of trade receivables as of the reporting date is as follows: (₹ in Lakhs)

Ageing of trade receivables	As at March 31, 2020	As at March 31, 2019
Within the credit period	15,457	18,055
0 - 180 days past due	4,846	5,149
More than 180 days past due	18	15
Total Trade receivables	**20,321**	**23,219**

Reconciliation of loss allowance provision for Trade Receivables (₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Balance as at beginning of the year	**2**	**2**
Impairment losses recognised in the year based on lifetime expected credit losses	12	-
Amounts written off during the year as uncollectible	-	-
Amounts written back during the year	-	-
Amounts recovered during the year	-	-
Balance at end of the year	**14**	**2**

42.9 Liquidity risk management

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

42.9.1 Liquidity risk table

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

(₹ in Lakhs)

Particulars	Upto 1 year	1-5 years	5+years
March 31, 2020			
Trade Payables	8,961	-	-
Other Financial Liabilities	3,760	-	-
Total	**12,721**	**-**	**-**
March 31, 2019			
Trade Payables	9,834	-	-
Other Financial Liabilities	4,742	-	-
Total	**14,576**	**-**	**-**

Note 43 Fair value measurements

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

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

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

(₹ in Lakhs)

Financial assets/ (Financial liabilities)		March 31, 2020	March 31, 2019	Fair value hierarchy	Valuation technique(s) and key input(s)
a)	**At FVTPL:**				
(i)	Investments in Mutual funds	3,118	7,878	Level 2	Fair value of investments in Mutual Funds is based on Net asset value (NAV) declared by mutual fund houses at the reporting date.
(ii)	Other financial assets (including Derivate Financial Instruments)	60	-	Level 2	MTM of derivative instrument is provided by the bankers as at the reporting date
(iii)	Other financial liabilities	57	-	Level 2	MTM of derivative instrument is provided by the bankers as at the reporting date
b)	**At FVTOCI:**				
	Investments in equity instruments (quoted) (see note below)	1,311	2,258	Level 1	Quoted bid prices in an active market

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

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

43.2 Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

Except as detailed in the following table, the Group considers that the carrying amounts of financial instruments recognised in the financial statements approximate their fair values.

(₹ in Lakhs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets held at amortised cost:				
Cash and cash equivalent	940	940	3,704	3,704
Other Bank balance	443	443	289	289
Trade receivables	20,321	20,321	23,219	23,219
Other financial assets	728	728	706	706
Inter Corporate Deposits	1,010	1,010	2,836	2,836
Financial liabilities held at amortised cost:				
Trade Payables	8,961	8,961	9,834	9,834
Financial Lease Liability	917	917	-	-
Other financial liabilities	3,760	3,760	4,742	4,742

Note 44: Disclosure as per Section 186 of the Companies Act, 2013

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

(i) Details of Investments made by the Group are given in Note 6 and 10 in the financial statements.

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

Note 45: **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 46: **Impact of COVID-19:** The Group's operations were impacted during the last week of March 2020 due to shutdown of its plants following the nationwide lockdown imposed by the Government of India in view of the COVID-19 pandemic. The Group's plants have since resumed operations, taking all due care for the health and safety of its employees and adopting work from home policy wherever possible. The Group has evaluated the impact of this pandemic on its business operations, financial position and based on its review of current indicators, there is no significant impact on the Group's assets, capital and financial resources, profitability parameters, liquidity position, supply chain or demand for its products for the periods ended March 31, 2020. However, the impact assessment of COVID-19 is a continual process, given the uncertainties associated with its nature and duration. The financial implications are contingent on the various business parameters which may emerge from time to time and the Group will continue to closely monitor any material changes from those estimated as on the date of adoption of this financial results.

Note 47: **Proposed Scheme of Amalgamation:**

The Board has approved a proposed Scheme of Amalgamation of Suremi Trading Private Limited (Suremi) and Sushripada Investments Private Limited (Sushripada) with NOCIL Limited and their respective shareholders under Sections 230-232 and other applicable provisions of the Companies Act, 2013, subject to obtaining various statutory approvals. Pursuant to the Scheme becoming effective, the shareholders of Suremi and Sushripada will be alloted 2,07,72,170 and 89,60,880 equity shares of the face value of ₹. 10 each fully paid-up in NOCIL Limited in lieu of 2,07,72,170 and 89,60,880 equity shares in NOCIL Limited currently held by Suremi and Sushripada respectively. There will be no change in the shareholding of the Promoter Group and Public Shareholders of the Company.

Note 48: Share of entities in Group

(₹ in Lakhs)

Name of the Entity in the Group	Net Assets, i.e. total assets minus total liabilities		Share in profit or loss	
	As a % of consolidated net assets	Amount	As a % of consolidated profit and loss	Amount
Parent				
NOCIL Limited	99%	117,601	100%	13,098
Subsidiary - Indian				
PIL Chemicals Limited	3%	3,427	1%	69
Inter Company Elimination	-2%	(2,504)	-1%	(100)
Total	**100%**	**118,524**	**100%**	**13,067**

Note 49: Previous year's figures have been regrouped wherever necessary, to conform to the current year's classification.

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