

# **PIL CHEMICALS LIMITED**

## **ANNUAL REPORT FINANCIAL YEAR 2018-19**

**Board of Directors:**

Mr. R. M. Gadgil ..... Chairman

Mr. P. Srinivasan

Mr. R. M. Desai

**Registered Office:**

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

**Works:**

Plot 1207, III Phase GIDC  
Vapi – 396195

Phone : 0260 2422084

**Bankers:**

HDFC Bank Limited

**Auditors:**

M/s. Borkar & Majumdar  
Chartered Accountants

# PIL CHEMICALS LIMITED

(Wholly owned subsidiary of NOCIL Limited)

Mafatlal House, H.T. Parekh Marg, Backbay Reclamation, Churchgate, Mumbai - 400 020 • Tel. : 022 6636 4062 • Fax : 022 6636 4060  
CIN No. U25209MH2002PLC135201 • Email: finance@nocolindia.com

## NOTICE


**NOTICE** is hereby given that the Seventeenth Annual General Meeting of the Members of **PIL CHEMICALS LIMITED** will be held at Mafatlal House, Backbay Reclamation, Mumbai 400 020 on Friday, 26<sup>th</sup> July 2019, at 3.00 p.m. to transact the following business:

### **Ordinary Business:**

1. To receive, consider and adopt the audited Statement of Profit & Loss, Cash Flow Statement of the Company for the year ended 31<sup>st</sup> March, 2019 and the Balance Sheet as at 31<sup>st</sup> March, 2019 and the Reports of the Directors and the Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Mr. R. M. Gadgil, who retires by rotation and being eligible, offers himself for reappointment.
4. To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to Section 139(1) of the Companies Act, 2013, M/s Borkar & Muzumdar, Chartered Accountants, Mumbai (Registration No.101569W) be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting to be held during the year 2020, to examine and audit the accounts of the Company for the Financial Year 2019-20 at such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors plus reimbursement of out of pocket expenses and applicable taxes.”

By Order of the Board  
For **PIL CHEMICALS LIMITED**

  
**Anuja Bhate**  
Company Secretary

Mumbai, 2<sup>nd</sup> May 2019

### **NOTE:**

1. A MEMBER IS ENTITLED TO ATTEND AND VOTE IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, 22<sup>nd</sup> July 2019 to Friday, 26<sup>th</sup> July 2019 (both days inclusive) for Annual General Meeting.

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## Directors' Report

### **THE MEMBERS PIL CHEMICALS LIMITED**

The Directors present their report together with the Audited Accounts of the Company for the year ended 31 March 2019.

### **Operations and Financial Highlights**

During the year the Company did processing work of Rubber Chemicals for 1,743 MT (previous year 1,904 MT) for NOCIL Ltd.

The Company has recorded an income of Rs. 1,316 lakhs (previous year Rs. 1,518 lakhs) and a Profit Before Tax (PBT) of Rs. 155 lakhs (previous year Rs. 196 lakhs). After providing for taxes of Rs. 29 lakhs (previous year Rs. 31 lakhs), the Net Profit for the year works out to Rs. 126 lakhs (previous year Rs. 165 lakhs).

### **Dividend**

The Directors are pleased to recommend payment of dividend of Re. 0.60 per share of ₹10/- each (6%), on the equity share capital of the Company [previous year 6 % i.e. Re. 0.60 per share]. The dividend, together with the tax on Dividend, will absorb a sum of Rs. 60.33 Lakhs (previous year Rs. 60.33 Lakhs).

### **Annual Return**

The details forming part of the extract of the Annual Return in Form MGT 9 is annexed herewith and forms a part of this report.

### **Number of Board Meetings**

During the year under review, the Board of Directors met four times on 30<sup>th</sup> April 2018, 22<sup>nd</sup> August 2018, 20<sup>th</sup> November 2018 and 30<sup>th</sup> January 2019.

### **Particulars of Employees**

None of the employees are drawing salary in excess of the limits prescribed as per the provisions of Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

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## Other Particulars

Additional information on conservation of energy and technology absorption as required to be disclosed in terms of Section 134(3)(m) of the Companies Act, 2013, read with the Rule 8 of the Companies (Accounts) Rules, 2014 is annexed and forms a part of this report. There was no foreign exchange earning or outgo during the year.

## Directors

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

## Particulars of Contracts or Arrangements with Related Parties

The Related Party transactions entered into during the Financial Year were on an arm's length basis and in the ordinary course of business. Particulars of Contracts or Arrangements with Related Parties as referred to in Section 188 (1) of the Companies Act, 2013 for Financial Year 2018-19 are furnished below:

Name of the Related Party	Particulars	Amount (Rs. In Lakh)
NOCIL Limited (Holding Company)	Material Processing Charges	1,316

## 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:

- That in the preparation of the annual financial statements for the year ended 31<sup>st</sup> March, 2019, the Indian Accounting Standards (Ind AS), the provisions of the Companies Act, 2013, as applicable have been followed along with proper explanation relating to material departures, if any;
- That such accounting policies as mentioned in Note 1 forming part of the Financial Statements have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31 March 2019.

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- (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 systems 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.

## **Registrar and Share Transfer Agents**

Ministry of Corporate Affairs (MCA) had notified the Companies (Prospectus and Allotment of Securities), Third Amendment Rules, 2018 vide its Notification dated 2<sup>nd</sup> October 2018. As per the amended Rules, unlisted public companies were required to mandatorily issue the securities in dematerialised form and in case of existing securities, get the same dematerialised by making an application to Depository as well as appoint a Registrar and Share Transfer Agent. Subsequently, these Rules were amended by MCA vide its notification dated 21<sup>st</sup> January 2019 whereby the unlisted companies which are wholly owned subsidiaries were exempted from this requirement. However, for administrative convenience, the Board of your company has voluntarily decided to comply with these Rules.

In view thereof, your Company's shares have been admitted into the system of National Securities Depository Limited and your company has also appointed M/s. Link Intime India Private Limited, Mumbai to be the Company's Registrar and Share Transfer Agent.

While the demat accounts in the names of the shareholders have been opened, the shares would be credited to their demat accounts in due course.

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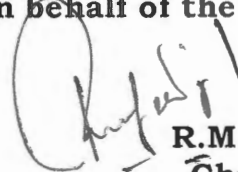
## Auditors

The term of M/s. Borkar and Muzumdar, Chartered Accountants, Mumbai as Statutory Auditors, expires at the conclusion of this Annual General Meeting and being eligible, they offer themselves for re-appointment. Pursuant to the requirement of Section 139(1) of the Companies Act, 2013, the Board of Directors have recommended the appointment of M/s. Borkar and Muzumdar, Chartered Accountants as Statutory Auditors of the Company to hold the office from the conclusion of the ensuing Annual General Meeting to the next Annual General Meeting to be held during the year 2020 to examine and audit the accounts of the Company for the Financial Year 2019- 20. The 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.

## Acknowledgements

Your directors acknowledge the continued support and co-operation from all the employees and trade associates.

**For and on behalf of the Board**



**R.M. Gadgil**  
**Chairman**

**Place: Mumbai**

**Date: 02/05/2019**



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## ANNEXURE- I

### Form No. MGT-9

#### EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31 March 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies

(Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS:

- |      |   |   |  |
|------|---|---|--|
| i)   | CIN   | : | U25209MH2002PLC135201  |
| ii)  | Registration Date   | : | 15 <sup>th</sup> March, 2002   |
| iii) | Name of the Company   | : | PIL CHEMICALS 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,<br>H.T. Parekh Marg,<br>Backbay Reclamation, Churchgate,<br>Mumbai-400020<br>Tel.: 9122-66576100, 66364062<br>Fax: 9122-66364060<br>Email: secretarial@pilchemicals.com |
| vi)  | Whether listed company  | : | No   |
| vii) | Name, Address and Contact details of Registrar and Transfer Agent, if any | : | M/s. Link Intime India Private Limited<br>C-101, 247 Park,<br>LBS MARG, Vikhroli (WEST) - 400083   |



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## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service*	% to total turnover of the company
1	Basic Organic Chemicals	20119	99%

\* As per NIC Code - 2008

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S.No.	Name and address of the company	CIN/GLN	Holding/ subsidiary / associate	% of shares held	Applicable section
1	NOCIL LIMITED Mafatlal House, H. T. Parekh Marg, Backbay Reclamation, Churchgate, Mumbai - 400020	L99999MH1961PLC012003	Holding	100	2(46)

## 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 during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
(1) Indian									
Individual/ HUF	--	--	--	--	--	--	--	--	--
Central Govt	--	--	--	--	--	--	--	--	--
State Govt	--	--	--	--	--	--	--	--	--

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Bodies Corporate	--	8354833	8354833	100.00	--	8354833	8354833	100.00	--
Banks/ FI	--	--	--	--	--	--	--	--	--
Any other	--	--	--	--	--	--	--	--	--
Sub-total (A) (1):	--	8354833	8354833	100.00	--	8354833	8354833	100.00	--
(2): Foreign									
NRIs- Individuals	--	--	--	--	--	--	--	--	--
Other Individuals	--	--	--	--	--	--	--	--	--
Bodies Corporate	--	--	--	--	--	--	--	--	--
Banks/FI	--	--	--	--	--	--	--	--	--
Any other	--	--	--	--	--	--	--	--	--
Sub-total (A) (2):	--	--	--	--	--	--	--	--	--
Total shareholding of Promoter									
(A)=(A)(1)+(A) (B) (2)	--	8354833	8354833	100.00	--	8354833	8354833	100.00	--
B. Public Shareholding									
1. Institutions									
Mutual Funds	--	--	--	--	--	--	--	--	--
Banks/FI	--	--	--	--	--	--	--	--	--
Central Govt	--	--	--	--	--	--	--	--	--
State Govt	--	--	--	--	--	--	--	--	--
Venture Capital Funds	--	--	--	--	--	--	--	--	--
Insurance Companies Funds	--	--	--	--	--	--	--	--	--
Others (specify) FIs	--	--	--	--	--	--	--	--	--
Sub-total (B) (1):	--	--	--	--	--	--	--	--	--

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2.Non- Institutions										
Bodies Corporate										
i) Indian	--	--	--	--	--	--	--	--	--	--
ii) Overseas	--	--	--	--	--	--	--	--	--	--
Individuals										
i)Individual shareholders holding nominal share capital upto `1 lakh	--	--	--	--	--	--	--	--	--	--
ii) Individual shareholders holding nominal share capital in excess of ` 1 lakh	--	--	--	--	--	--	--	--	--	--
Others (specify) NRI	--	--	--	--	--	--	--	--	--	--
<b>Sub-total (B)(2):</b>	--	--	--	--	--	--	--	--	--	--
Total Public shareholding (B)= (B)(1)+(B) (2)	--	--	--	--	--	--	--	--	--	--
C. Shares held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--	--
<b>Grand Total (A+B+C)</b>	--	8354833	8354833	100.00	--	8354833	8354833	100.00	--	--

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## (ii) Shareholding of Promoters

Sr No	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	NOCIL Limited	8354533	100.00	--	8354533	100.00	--	--
2	NOCIL Ltd. jointly with Mr. P. Srinivasan	50	--	--	50	--	--	--
3	NOCIL Ltd. jointly with Mr. R.M. Gadgil	50	--	--	50	--	--	--
4	NOCIL Ltd. jointly with Mr. S.R. Deo	50	--	--	50	--	--	--
5	NOCIL Ltd. jointly with Mr. V.K. Gupte	50	--	--	50	--	--	--
6	NOCIL Ltd. jointly with Mrs. Mugdha Khare	50	--	--	50	--	--	--
7	NOCIL Ltd. jointly with Mr. Sanjiv Bidkar	50	--	--	50	--	--	--

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

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of	No. of shares	% of total shares of
1	At the beginning of the year	8354533	--	8354533	--
2	Additions during the year - acquisition from Secondary Market.	--	--	--	--
3	At the End of the year	8354533	--	8354533	--

There is no change in Promoters' shareholding.

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

For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Not Applicable				

(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
1	R.M. Gadgil (Joint shareholder)	50	-	50	-
2	P. Srinivasan (Joint shareholder)	50	-	50	-
3	R. M. Desai	-	-	-	-

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## V. INDEBTEDNESS

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

(Rs. In lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total ( i + ii + iii)	-	-	-	-
<b>Change in Indebtedness during the</b>				
Addition	-	-	-	-
Reduction	-	-	-	-
Net Change	-	-	-	-
<b>Indebtedness at the end of the financial</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total ( i + ii + iii)	-	-	-	-

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Rs. in Lakhs)

Sr.	Particulars of Remuneration	Name of MD/WTG/		Total Amount
1	Gross salary	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-

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2	Stock Option	-	-	-
3	Sweat Equity			
4	Commission	-	-	-
	-- as % of profit	-	-	-
	Others, please specify	-	-	-
5	Others, (Includes retirement benefits)	-	-	-
	<b>Total (A)</b>	-	-	-
	Ceiling as per the Act	-	-	-

## B. Remuneration to other directors:

(Rs. in Lakhs)

Particulars of Remuneration	Name of Directors				Total Amt
1. Independent Directors	-	-	-	-	-
• Fee for attending board	-	-	-	-	-
• Commission	-	-	-	-	-
• Others, please specify	-	-	-	-	-
<b>Total (1)</b>	-	-	-	-	-
2. Other Non-Executive Directors	R.M. Gadgil	P. Srinivasan	R. M. Desai		-
• Fee for attending board committee meetings	-	-	-		-
• Commission					
• Others, please specify	-	-	-		-
<b>Total (2)</b>	-	-	-		-
<b>Total (B)=(1+2)</b>	-	-	-		-
Total Managerial	-	-	-		-
<b>Overall Ceiling as per the Act</b>	-	-	-		-

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## C. Remuneration To Key Managerial Personnel Other Than MD/Manager/WTD

(Rs. In Lakhs)

Sr. no.	Particulars of Remuneration	Ms. Anuja Bhate, Company Secretary*
1	Gross salary	--
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	--
	(b) Value of perquisites u/s	--
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--
2	Stock Option	--
3	Sweat Equity	--
4	Commission	--
	- as % of profit	--
	others, specify...	--
5.	Others (Includes retirement benefits and variable pay)	--
	<b>Total</b>	--

\* Deputed by NOCIL Limited, the Company's Holding Company



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## 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)
<b>A. COMPANY</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>B. DIRECTORS</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

For and on behalf of the Board

  
R. M. Gadgil  
Chairman

Place: Mumbai  
Date: 02/05/2019

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Statement pursuant to Section 134(3)(m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the year ended 31 March 2019.

## A. CONSERVATION OF ENERGY

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

- Installation of energy efficient chiller for power saving.
- Installation of LED lights in plants & internal roads.

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

### c) The capital investment on energy conservation equipment :

**Total Capital Investment made, Rs 38.5 lacs, during the year in the following areas:**

- Installation of energy efficient chiller for power saving.
- Installation of 40 W LED lights in plants & internal roads against 125 W mercury lamps.

**Disclosure of particulars with respect to technology absorption, adoption and innovation**

## B. TECHNOLOGY ABSORPTION

1. Process debottlenecking with minimum Capex investment to enhance production capacity of Stabilizer.
2. Optimization of raw material charges and process parameters.
3. Installation Multiple Effect Evaporator for effluent treatment plant.
4. Continuous efforts are on to improve environmental performance by applying various modern technologies.

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(Wholly owned subsidiary of NOCIL Limited)

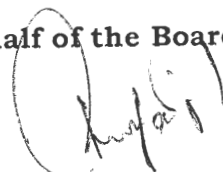
Mafatlal House, H.T. Parekh Marg, Backbay Reclamation, Churchgate, Mumbai - 400 020 • Tel. : 022 6636 4062 • Fax : 022 6636 4060

CIN No. U25209MH2002PLC135201 • Email: finance@nocilindia.com

## Benefits derived as a result of above efforts.

- a) Installed energy efficient chillers with saving of Rs 24 lacs per annum.
- b) Installation of 40 W LED lights in plants & against 125 W mercury lamps, with savings of Rs 4.6 lacs/annum.

For and on behalf of the Board



**R. M. Gadgil**  
Chairman

Place: Mumbai

Date: 02/05/2019

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of PIL CHEMICALS LIMITED

### **Report on the Audit of the Standalone Financial Statements**

#### **Opinion**

We have audited the Standalone financial statements of PIL Chemicals Limited ("the Company"), which comprise the balance sheet as at March 31<sup>st</sup> 2019, and the statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the 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 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit, and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion**

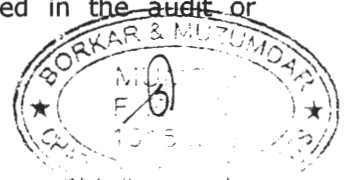
We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial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

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

The company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report, but does not include the financial statements and our auditor's report thereon.

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 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.

### **Responsibility 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, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India, including the Indian accounting standards prescribed 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 of 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 standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

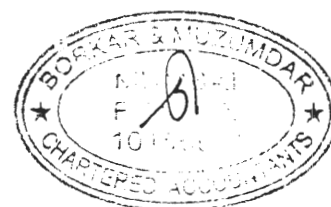
Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone 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 standalone 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

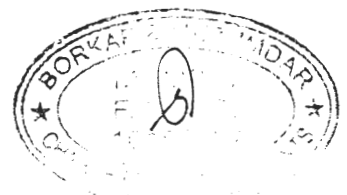
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **Report on Other Legal and Regulatory Requirements**

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- "B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable

As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of change in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS 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 as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company does not have any pending litigations which would impact its financial position.
  - The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
  - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

**For Borkar & Muzumdar**  
**Chartered Accountants**  
**FRN: 101569 W**



**Supriya D Bhat**  
**Partner**  
**(Membership No.: 048592)**

**Place: MUMBAI**  
**Date: 02<sup>nd</sup> May, 2019**

## **ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members PIL Chemical Limited of even date)

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

We have audited the internal financial controls over financial reporting of **PIL Chemical Limited** ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 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.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.





## **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

## **Opinion**

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

**For Borkar & Muzumdar**  
**Chartered Accountants**  
**FRN: 101569 W**



**Supriya D. Bhat**  
**Partner**  
**(Membership No.: 048592)**

**Place: MUMBAI**  
**Date: 02<sup>nd</sup> May, 2019**

**ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT**

**(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of PIL Chemical Limited of even date)**

i. In respect of the Company's fixed assets:

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

(b) Fixed assets have been physically verified by the management at reasonable intervals. We are informed that no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, all the title deeds of immovable properties are held in the name of the Company. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the standalone financial statements, the lease agreements are in the name of the Company.

ii. As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2019 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.

vi. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148 (1) of the Companies Act, 2013 in respect of operations carried out by the Company.

vii. According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, there are no disputed amounts payable in respect of Income tax, Goods and Service Tax, Customs duty, Cess and other applicable statutory dues as at 31st March, 2019.



viii. In our opinion and according to the information and explanations given to us, the Company has not taken any loans from banks and financial institutions.

ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable to the Company.

x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no fraud on the Company by its officers or employees has been noticed or reported during the year.

xi. According to the information and explanations given to us and based on our examination of records of the Company, the Company has not paid/provided for any managerial remuneration during the year.

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

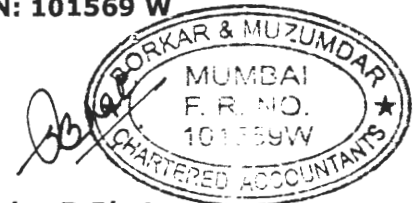
xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements etc. as required by the applicable accounting standards.

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

xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For Borkar & Muzumdar**  
**Chartered Accountants**  
**FRN: 101569 W**



**Supriya D Bhat**  
**Partner**  
**(Membership No.: 048592)**

**Place: MUMBAI**  
**Date: 02<sup>nd</sup> May, 2019**

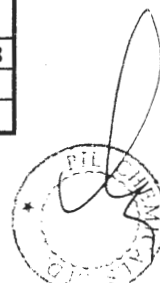
PIL Chemicals Limited  
Balance Sheet as at March 31, 2019

(Amount: INR in Lakhs)

Particulars	Note	As at March 31, 2019	As at March 31, 2018
<b>A ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, Plant and Equipment	3	2,792	2,510
(b) Capital Work in Progress		76	331
(c) Intangible Assets	4	3	3
(d) Financial Assets			
(i) Investments	5	41	41
(ii) Other Financial Assets	6	51	42
(e) Other Non Current Assets	7	16	27
(f) Non Current Tax Assets (Net)		190	173
<b>Total Non - Current Assets</b>		<b>3,169</b>	<b>3,127</b>
<b>2 Current assets</b>			
(a) Inventories	8	29	28
(b) Financial Assets			
(i) Investments	12	365	430
(ii) Trade Receivable	9	102	-
(iii) Cash and cash equivalents	10	103	39
(iv) Other Bank Balances	11	250	406
(v) Other financial assets	13	3	4
(c) Other current assets	14	30	84
<b>Total Current Assets</b>		<b>882</b>	<b>991</b>
<b>Total Assets (1+2)</b>		<b>4,051</b>	<b>4,118</b>
<b>B EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
(a) Equity Share capital	15	835	835
(b) Other Equity	16	2,664	2,594
<b>Total Equity</b>		<b>3,499</b>	<b>3,429</b>
<b>LIABILITIES</b>			
<b>2 Non-current liabilities</b>			
(a) Provisions	17	38	58
(b) Deferred Tax Liabilities (Net)	26	399	384
<b>Total Non - Current Liabilities</b>		<b>437</b>	<b>442</b>
<b>3 Current liabilities</b>			
(a) Financial Liabilities			
(i) Trade payables	19	58	114
(ii) Other financial liabilities	20	32	64
(b) Other current liabilities	21	18	62
(c) Provisions	18	7	7
<b>Total Current Liabilities</b>		<b>115</b>	<b>247</b>
<b>Total Equity and Liabilities (1+2+3)</b>		<b>4,051</b>	<b>4,118</b>

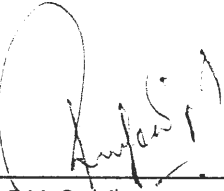
See accompanying notes forming part of the financial statements.

Place : Mumbai  
Date : 02/05/2019



PIL Chemicals Limited

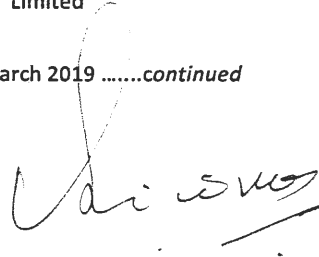
Balance Sheet as at 31st March 2019 .....continued



R.M. Gadgil

Chairman

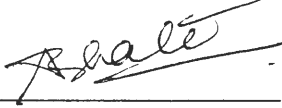
DIN: 01057002



P.Srinivasan

Director

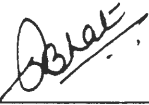
DIN: 00713911



A.S. Bhate

Company Secretary

In terms of our report attached  
For Borkar and Muzumbar  
Chartered Accountants  
Firm Registration No : 101569W



Supriya D. Bhat

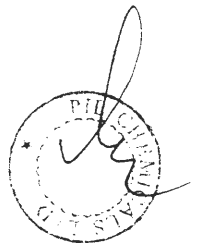
Partner

Membership No - 48592



Place : Mumbai  
Date : 02nd May 2019

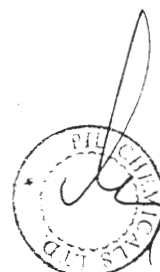
Place : Mumbai  
Date : 02nd May 2019



PIL Chemicals Limited  
Statement of Profit and Loss for the year ended March 31, 2019

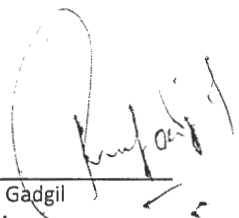
(Amount: INR in Lakhs)

Particulars	Note	For the Year ended March 31, 2019	For the Year ended March 31, 2018
I Revenue from operations	22	1,316	1,463
II Other income	23	45	55
<b>III Total Revenue (I + II)</b>		<b>1,361</b>	<b>1,518</b>
<b>IV Expenses</b>			
(a) Employee Benefit Expense	24	242	380
(b) Depreciation and amortisation expense	3 & 4	134	112
(c) Other expenses	25	830	830
<b>Total Expense (IV)</b>		<b>1,206</b>	<b>1,322</b>
<b>V Profit before tax (III - IV)</b>		<b>155</b>	<b>196</b>
<b>VI Tax expense:</b>			
Current Tax	26	32	40
MAT Credit Entitlement	26	(17)	(12)
Deferred Tax expense / (credit)	26	14	5
Short/(Excess) provision for tax relating to prior year	26	-	(2)
<b>Total Tax Expense (VI)</b>		<b>29</b>	<b>31</b>
<b>VII Profit for the year (V-VI)</b>		<b>126</b>	<b>165</b>
<b>VIII Other Comprehensive Income</b>			
(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 plans		3	(1)
(b) Net fair value gain on investments in equity shares at FVTOCI		(0)	(10)
(ii) Income tax relating to items that will not be reclassified to profit or loss			
(a) Remeasurements of the defined benefit plans	26	1	(0)
(b) Net fair value gain on investments in equity shares at FVTOCI	26	(0)	1
<b>Total other comprehensive Income for the year</b>		<b>4</b>	<b>(10)</b>
<b>IX Total Comprehensive Income for the year (VII + VIII)</b>		<b>130</b>	<b>155</b>
<b>X Earnings per equity share (of Rs. 10/- each)</b>			
Basic & Diluted	28	1.51	1.97
See accompanying notes forming part of the financial statements.			



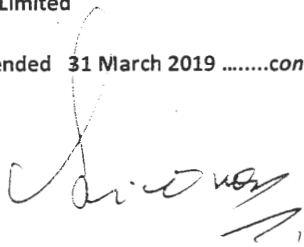
PIL Chemicals Limited

Statement Of Profit and Loss for the year ended 31 March 2019 .....continued

  
R.M. Gadgil

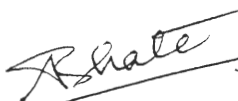
Chairman

DIN: 01057002

  
P.Srinivasan

Director

DIN: 00713911



A.S. Bhate

Company Secretary

In terms of our report attached  
For Borkar and Muzumbar  
Chartered Accountants  
Firm Registration No : 101569W



Supriya D. Bhat

Partner

Membership No - 48592

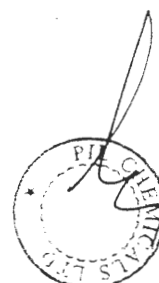


Place : Mumbai

Date : 02nd May 2019

Place : Mumbai

Date : 02nd May 2019



PIL Chemicals Limited

Cash flow statement for the year ended Mar 31, 2019

(Amount: INR in Lakhs)

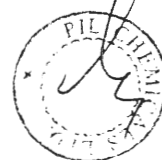
Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Profit before Tax	155	196
Adjusted for:		
Depreciation	134	112
Interest Income	(23)	(49)
Dividend Income	(4)	(0)
Sundry credit balances written back	(0)	(0)
Capital Gain on Redemption of Mutual Fund	(17)	-
Gain on fair valuation of investment in mutual fund	(1)	(6)
	89	57
<b>Operating Profit before Working Capital Changes</b>	<b>244</b>	<b>253</b>
Changes in working capital:		
Decrease/(Increase) in trade receivables	(102)	43
Decrease/(Increase) in inventories	(1)	(1)
Decrease/(Increase) in Other financial assets - Non Current	(9)	2
Decrease/(Increase) in Other Assets - Non Current	11	(11)
Decrease/(Increase) in Other Assets - Current	56	(19)
Decrease/(Increase) in Other Financial Assets - Current	1	3
(Decrease)/Increase in Trade Payables	(55)	118
(Decrease)/Increase in Other Financial Liabilities - Non Current	(32)	(27)
(Decrease)/Increase in other liabilities - current	(45)	60
Increase in provision - non current	(17)	12
Increase in provision - current	0	2
	(193)	182
<b>Cash generated from operations</b>	<b>51</b>	<b>435</b>
Income tax paid (Net of refund)	(32)	(40)
<b>Net Cash used in Operating Activities</b>	<b>19</b>	<b>395</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditure on fixed assets	(162)	(405)
(Purchase)/Sell of Investment	84	(425)
Fixed Deposit Matured	150	401
Dividend received	4	0
Interest received	29	62
<b>Net Cash used in Investing Activities</b>	<b>105</b>	<b>(367)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend Paid (including DDT paid thereon)	(60)	(39)
<b>Net Cash from Financing Activities</b>	<b>(60)</b>	<b>(39)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>64</b>	<b>(11)</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>39</b>	<b>50</b>
<b>Cash and cash equivalents at end of the year (Refer Note 10)</b>	<b>103</b>	<b>39</b>

Note : 0 Indicates Amount Less than Rs. 1 Lakhs

Notes:

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

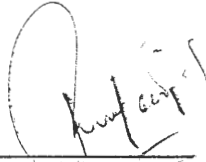
(b) Components of cash and cash equivalents include cash and bank balances in current accounts as disclosed in Note 11 of the financial statements





PIL Chemicals Limited

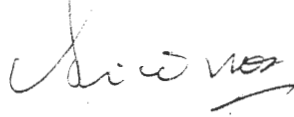
Cashflow Statement for the year ended 31st March 2019 .....continued



R.M. Gadgil

**Chairman**

DIN: 01057002



P.Srinivasan

**Director**

DIN: 00713911



A.S. Bhate

**Company Secretary**

In terms of our report attached  
For Borkar and Muzumdar  
Chartered Accountants  
Firm Registration No : 101569W



Supriya D. Bhat

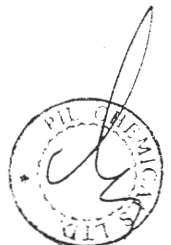
**Partner**

Membership No - 48592



Place : Mumbai  
Date : 02nd May 2019

Place : Mumbai  
Date : 02nd May 2019



PIL Chemicals Limited

Statement of Changes in Equity for the year ended March 31, 2019

(Amount: INR in Lakhs)

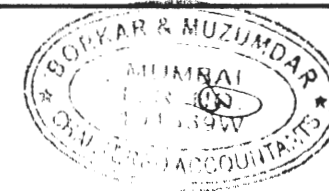
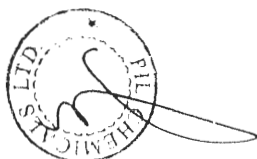
a. Equity Share Capital	As at March 31, 2019	As at March 31, 2018
Opening Balance	835	835
Issued during the year	-	-
Closing Balance	835	835

(Amount: INR in Lakhs)

c. Other Equity	Other Equity			Other Comprehensive Income		Total
	Capital Reserves*	Securities Premium	Retained earnings	Equity Instrument through OCI	Other Items of OCI	
Balance as at April 01, 2017	0	1,669	795	23	(8)	2,479
Add: Profit for the year	-	-	165	-	-	165
Add: Other comprehensive income for the year, net of tax	-	-	-	(10)	(1)	(11)
Less: Dividend related to 16-17 paid in 17-18	-	-	(40)	-	1	(39)
<b>Total</b>	<b>0</b>	<b>-</b>	<b>125</b>	<b>(10)</b>	<b>(0)</b>	<b>115</b>
Balance as at March 31, 2018	0	1,669	920	14	(9)	2,594
Add: Profit for the year			126	(0)	4	126
Add: Other comprehensive income for the year, net of tax					4	4
Less: Dividend related to 17-18 paid in 18-19			(60)			(60)
<b>Total</b>	<b>0</b>	<b>-</b>	<b>66</b>	<b>(0)</b>	<b>4</b>	<b>70</b>
Balance as at March 31, 2019	0	1,669	986	14	(5)	2,664

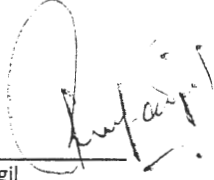
See accompanying notes forming part of the financial statements.

\*Capital Reserves includes amount less than Rs.1 Lakhs



PIL Chemicals Limited


Statement Of Changes In Equity for the year ended 31st March 2019.....continued

  
R.M. Gadgil  
Chairman  
DIN: 01057002

  
P.Srinivasan  
Director  
DIN: 00713911

  
A.S. Bhate  
Company Secretary

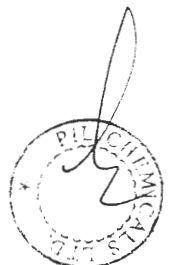
In terms of our report attached  
For Borkar and Muzumbar  
Chartered Accountants  
Firm Registration No : 101569W

  
Supriya D. Bhat  
Partner  
Membership No - 48592



Place : Mumbai  
Date : 02nd May 2019

Place : Mumbai  
Date : 02nd May 2019



**PIL CHEMICALS LIMITED**  
**CIN No: U25209MH2002PLC135201**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019.**

**NOTE 1: GENERAL INFORMATION**

**a) Corporate information**

PIL Chemicals Limited is engaged in the business of manufacturing of Rubber Chemicals on Job Work basis for its 100% holding Company NOCIL Limited. The Company has manufacturing plant at Vapi Gujarat, and carries out the manufacturing activities on job work basis solely for NOCIL Limited

**b) Basis of preparation and presentation**

The standalone financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Ind AS). Ind AS implies the Indian Accounting Standards as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 (the Act) read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016, the Companies (Indian Accounting Standards) Rules, 2017 and other relevant provisions of the Act.

The financial statements have been prepared on a going concern basis. These financial statements have been prepared 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

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 not more than 12 months for the purpose of current or non-current classification of assets and liabilities.

The financial statements of the Company for the year ended March 31, 2019 have been approved for issue in accordance with the resolution of the Board of Directors on May 02, 2019.

**c) Functional and presentational currency**

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

**d) Key estimates and assumptions**

The preparation of financial statements requires Management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and



**PIL CHEMICALS LIMITED**  
**CIN No: U25209MH2002PLC135201**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019.**

expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable.

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

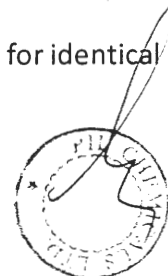
- Determination of the estimated useful lives of tangible assets and the assessment as to which components of the cost may be capitalized (Note No. 2(a)).
- Determination of the estimated useful lives of intangible assets; (Note No. 2(b))
- Recognition and measurement of defined benefit obligations (Note No.27)
- Fair value of financial instruments (Note No.1(e))
- Recognition and measurement of provisions and contingencies, key assumptions about the likelihood and magnitude of an outflow of resources; (Note No.2(h))

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of the changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

**e) Measurement of Fair value**

The Company's accounting policies and disclosures require the measurement of fair values for financial instruments. The Company has an established control framework with respect to the measurement of fair values. The Management regularly reviews significant inputs and valuation adjustments. If third party information, such as Government approved valuer, broker quotes or pricing services, is used to measure fair values, then the Management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified. While measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.



**PIL CHEMICALS LIMITED**  
**CIN No: U25209MH2002PLC135201**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019.**

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

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

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

**f) Application of new and revised Ind AS's**

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

**Ind AS 116 – Leases:** On March 30 2019, the Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases standard Ind AS 17, Leases and related interpretations. The effective date for the adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The Company is in the process of making an assessment of the impact of Ind AS 116 upon initial application.

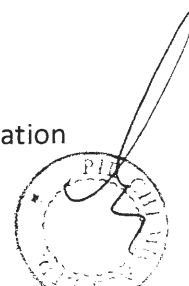
**Amendment to Ind AS 19, plan amendment, curtailment or settlement:** On March 30, 2019, the Ministry of Corporate Affairs issued amendments to Ind AS 19, Employee benefits, in connection with accounting for plan amendments, curtailments and settlements. The effective date for the amendment of Ind AS 19 is annual periods beginning on or after April 1, 2019. The Company is in the process of making an assessment of the impact of amendment of Ind AS 19 upon initial application.

**NOTE 2: SIGNIFICANT ACCOUNTING POLICIES**

**a) Property, Plant and Equipment:-**

The Company has elected to fair value its Leasehold Land as at the transition date and cost in accordance with Ind AS's for all other assets including intangible and investment property.

Property, Plant and Equipment (PPE) are stated at cost of acquisition, including any costs directly attributable to bringing the asset to the location



**PIL CHEMICALS LIMITED**  
**CIN No: U25209MH2002PLC135201**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019.**

and condition necessary for it to be capable of operating in the manner intended by management less accumulated depreciation and less accumulated impairment, if any. Cost includes expenses related to acquisition and installation of the concerned assets, borrowing cost during the construction period and excludes any duties / taxes recoverable.

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

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

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

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

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the items will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred.

When significant identifiable parts of PPE are required to be replaced, the Company de-recognises the replaced parts and recognises the new part with its own associated useful life and it is depreciated accordingly. In other cases, expenses are charged off to Statement of Profit and Loss.

Depreciation is provided, under the Straight Line Method basis so as to write off the original cost of the asset less its estimated residual value over the estimated useful life. The Management's estimate of useful lives is in accordance with Schedule II to the Companies Act, 2013. Assets costing Rs. 50,000 or less are fully depreciated in the year of purchase. The threshold limit of Rs. 50,000/- has been identified based on the ability of the asset to be "put



**PIL CHEMICALS LIMITED**  
**CIN No: U25209MH2002PLC135201**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019.**

to use" either singly or as a block as the case may be. Leasehold land is amortised on a straight-line basis over the period of the lease.

Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with Ind AS 105 and the date that the asset is derecognised. Therefore, depreciation does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated.

**b) Intangible Assets**

Intangible assets that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortised over their estimated useful life. The useful life of intangible assets is assessed as either finite or infinite. The amortisation period and the amortisation method for an intangible asset with finite useful life are reviewed at each reporting period. Changes in the expected useful life are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. Amortisation is recognised on a straight line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted on a prospective basis. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually.

The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

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

**c) Impairment of Non-Financial Assets**

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





**PIL CHEMICALS LIMITED**  
**CIN No: U25209MH2002PLC135201**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019.**

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.

**d) Inventories**

Inventories comprises of stores and spares and consumables which 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 is determined on weighted average basis.

**e) 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.

**f) Financial instruments**

A financial instrument is any contract that gives rise to financial assets of one entity and financial liability or equity of another entity. Financial instruments also include derivative contracts such as foreign currency foreign exchange forward contracts.

**i) Financial Asset**

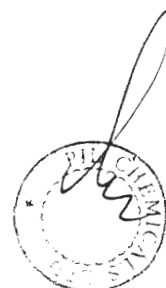
**Initial recognition:**

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

**Subsequent measurement of financial assets:**

Financial assets are subsequently classified and measured at:

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



**PIL CHEMICALS LIMITED**  
**CIN No: U25209MH2002PLC135201**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019.**

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

**Trade Receivables and Loans:**

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

**Debt Instruments:**

Debt instruments are initially measured at fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVTPL') till de-recognition on the basis of (i) the Company's business model for managing the financial assets and (ii) the contractual cash flow characteristics of the financial asset.

a) **Measured at amortised cost:**

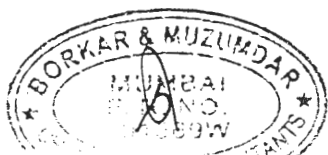
Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the effective interest rate ('EIR') method less impairment,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

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

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

c) **Measured at Fair Value Through Profit and Loss (FVTPL):**

A financial asset not classified as either amortised cost or FVTOCI, is classified as FVTPL. Such financial assets are measured at fair value with



**PIL CHEMICALS LIMITED**  
**CIN No: U25209MH2002PLC135201**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019.**

all changes in fair value, including interest income and dividend income if any, recognised as 'Other Income' in the Statement of Profit and Loss.

**Equity Instruments/ Mutual Funds:**

**Investments in equity instruments at FVTPL:**

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

**Investments in equity instruments at FVTOCI:**

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserve for 'equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to Statement of Profit and Loss on disposal of the investments.

**Impairment of financial assets:**

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

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

**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



**PIL CHEMICALS LIMITED**  
**CIN No: U25209MH2002PLC135201**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019.**

asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

**ii) Financial liabilities**

**Initial recognition**

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are measured at fair value at initial recognition, they are classified as fair value through profit and loss. In case of trade payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised cost, using the effective interest method.

**Subsequent Measurement**

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss is

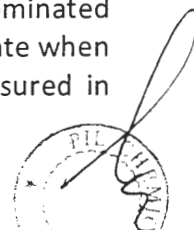
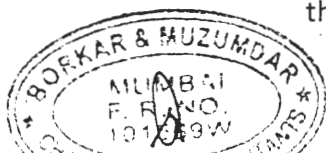
measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss. The interest expenses using the effective interest method is recognised over the relevant period of the financial asset. The same is included under Finance cost in the Statement of Profit and Loss unless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

**Derecognition**

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

**g) Foreign Exchange Transactions**

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are restated at the rates prevailing at the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are re-translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in



**PIL CHEMICALS LIMITED**  
**CIN No: U25209MH2002PLC135201**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019.**

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.

**h) Revenue recognition**

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

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

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

**Dividend and interest income**

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

**i) Employee benefits**

**Short-term Employee benefits:**

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



**PIL CHEMICALS LIMITED**  
**CIN No: U25209MH2002PLC135201**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019.**

Post-Employment Benefits:

(a) Defined Contribution Plans

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

(b) Defined Benefit Plans

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

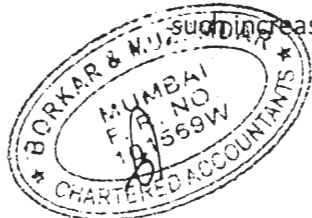
(c) Other Long-Term Employee Benefits

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

j) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

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



**PIL CHEMICALS LIMITED**  
**CIN No: U25209MH2002PLC135201**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019.**

**k) 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.

**l) Taxes on Income**

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

**Current tax**

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

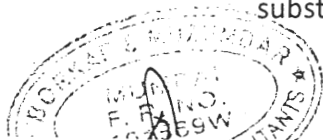
**Deferred tax**

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

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

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

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



**PIL CHEMICALS LIMITED**  
**CIN No: U25209MH2002PLC135201**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019.**

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.

**m) Provisions, Contingent Liabilities and Contingent Assets**

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

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

A contingent asset is not recognised but disclosed in the financial statements where an inflow of economic benefit is probable.

Provisions, contingent assets, contingent liabilities and commitments are reviewed at each balance sheet date.

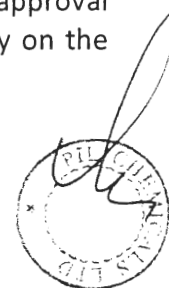
**n) Earnings Per Share (EPS)**

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.

**o) 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.





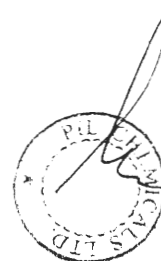
**PIL CHEMICALS LIMITED**

**CIN No: U25209MH2002PLC135201**

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

**p) 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.



PIL Chemicals Limited

Notes to the financials statements for the year ended March 31,2019

Note 3 : Property , plant and equipment

(Amount: INR in Lakhs)

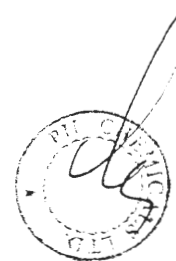
Description of Assets	Land - Leasehold	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Total
<b>I. Gross Block</b>						
Balance as at 1 April, 2018	1,000	376	2,276	1	2	3,655
Additions	-	25	400	1	-	426
Disposals	-	-	(28)	-	-	(28)
Reclassified as held for sale	-	-	-	-	-	-
Balance as at 31 March, 2019	1,000	401	2,648	2	2	4,053
<b>II. Accumulated depreciation and amortization</b>						
Balance as at 1 April, 2018	32	109	1,003	0	1	1,145
Depreciation expense for the year	16	12	104	2	0	134
Eliminated on disposal of assets	-	-	(18)	-	-	(18)
Balance as at 31 March, 2019	48	121	1,089	2	1	1,261
<b>III. Net block as at 31st March 2019 (I-II)</b>	952	280	1,559	-0	1	2,792

Note : 0 Indicates Amount Less than Rs. 1 Lakhs

(Amount: INR in Lakhs)

Description of Assets	Land - Leasehold	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Total
<b>I. Gross Block</b>						
Balance as at 1 April, 2017	1,000	340	2,105	1	2	3,448
Additions	-	36	171	0	-	207
Disposals	-	-	-	-	-	-
Reclassified as held for sale	-	-	-	-	-	-
Balance as at 31 March, 2018	1,000	376	2,276	1	2	3,655
<b>II. Accumulated depreciation and amortization</b>						
Balance as at 1 April, 2017	16	98	918	0	1	1,033
Depreciation expense for the year	16	11	85	0	0	112
Eliminated on disposal of assets	-	-	-	-	-	-
Balance as at 31 March, 2018	32	109	1,003	0	1	1,145
<b>III. Net block as at 31st March 2018 (I-II)</b>	968	267	1,273	1	1	2,510

Note : 0 Indicates Amount Less than Rs. 1 Lakhs



PIL Chemicals Limited

Notes to the financial statements for the year ended March 31, 2019

Note 4 : Intangible Assets

(Amount: INR in Lakhs)

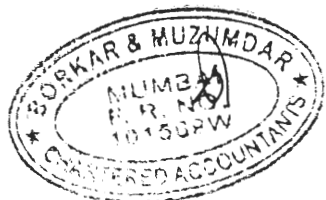
Description of Assets	Computer Software	Total
<b>I. Gross Block</b>		
Balance as at 1 April, 2018	5	5
Additions	-	-
Disposals	-	-
<b>Balance as at 31 March, 2019</b>	<b>5</b>	<b>5</b>
<b>II. Accumulated amortisation</b>		
Balance as at 1 April, 2018	2	2
Amortisation expense for the year	0	0
Eliminated on disposal of assets	-	-
<b>Balance as at 31 March, 2019</b>	<b>2</b>	<b>2</b>
<b>III. Net block as on 31 March 2019 (I-II)</b>	<b>3</b>	<b>3</b>

Note : 0 Indicates Amount Less than Rs. 1 Lakhs

(Amount: INR in Lakhs)

Description of Assets	Computer Software	Total
<b>I. Gross Block</b>		
Balance as at 1 April, 2017	5	5
Additions	-	-
Disposals	-	-
<b>Balance as at 31 March, 2018</b>	<b>5</b>	<b>5</b>
<b>II. Accumulated amortisation</b>		
Balance as at 1 April, 2017	2	2
Amortisation expense for the year	0	0
Eliminated on disposal of assets	-	-
<b>Balance as at 31 March, 2018</b>	<b>2</b>	<b>2</b>
<b>III. Net block as on 31st March 2018 (I-II)</b>	<b>3</b>	<b>3</b>

Note : 0 Indicates Amount Less than Rs. 1 Lakhs



PIL Chemicals Limited

Notes to the financial statements for the year ended March 31,2019

Note 5 : Non Current Investments

(Amount: INR in Lakhs)

Particulars	As at March 31,2019		As at March 31, 2018	
	No of Shares	Amount	No of Shares	Amount
<b>Quoted Investments</b>				
<b>A. Investments in Equity Instruments</b> (Carried at Fair Value through OCI)				
<b>a. Quoted Equity Shares</b>				
Bank of India of Rs 10/- each fully paid up	19,900	21	19,900	21
Corporation Bank of Rs 2/- each fully paid up	12,000	4	12,000	4
<b>b. Unquoted Equity Shares</b>				
Mafatlal UK	32,000	0.00	32,000	0.00
Mafatlal Services Limited	22,320	0.00	22,320	0.00
<b>B. Investments in Mutual Funds</b> (Carried at Fair Value through PL)				
- JM Mutual Fund (of Rs. 10/- each)	50,000	13	50,000	13
- UTI Masters Share (of Rs. 10/- each)	10,560	3	10,560	3
<b>Total Quoted Investments [A+B]</b>		<b>41</b>		<b>41</b>
<b>INVESTMENTS CARRIED AT FVTPL</b>		<b>16</b>		<b>16</b>
<b>INVESTMENTS CARRIED AT FVTOCI</b>		<b>25</b>		<b>25</b>

Aggregate amount of quoted investments 41 41

Aggregate amount of quoted investments - at market value 41 41

Note 6 : Other Financial assets - Non Current

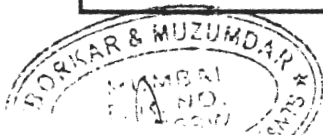
(Amount: INR in Lakhs)

Particulars	As at March 31,2019	As at March 31, 2018
a) Security Deposits		
- Unsecured, considered good	45	34
b) Loans and advances to employees	6	8
<b>Total</b>	<b>51</b>	<b>42</b>

Note 7 : Other Non Current Assets

(Amount: INR in Lakhs)

Particulars	As at March 31,2019	As at March 31, 2018
a) Prepaid Expenses & Others	16	27
<b>Total</b>	<b>16</b>	<b>27</b>



PIL Chemicals Limited

Notes to the financial statements for the year ended March 31, 2019

Note 8: Inventories (at lower of cost and net realisable value )

(Amount: INR in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Stores, Spares and Consumables	29	28
<b>Total</b>	<b>29</b>	<b>28</b>

Note 9 : Trade receivables

(Amount: INR in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Trade Receivable</b>		
(a) Considered Good -Secured	-	-
(b) Considered Good-Unsecured	102	-
(c) Which have significant increase in credit Risk	-	-
(d) Credit Impaired	-	-
	102	-
Less: Allowances for bad and doubtful debts		-
<b>Total</b>	<b>102</b>	<b>-</b>

Note 10: Cash and cash equivalents

(Amount: INR in Lakhs)

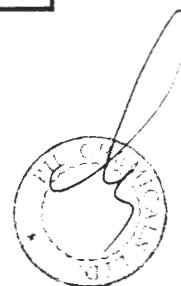
Particulars	As at March 31, 2019	As at March 31, 2018
(a) Bank balances		
- In Current account	103	39
(b) Cash in hand	0	0
<b>Total</b>	<b>103</b>	<b>39</b>
Cash and cash equivalent as per statement of cash flow.	103	39

Note : 0 Indicates Amount Less than Rs. 1 Lakhs

Note 11: Other Bank balances

(Amount: INR in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Deposit Account	250	406
<b>Total</b>	<b>250</b>	<b>406</b>



PIL Chemicals Limited

Notes to the financial statements for the year ended March 31,2019

**Note 12 : Current Investment**

(Amount: INR in Lakhs)

Particulars	As at March 31,2019		As at March 31, 2018	
	QTY	Current	QTY	Current
<b>Quoted Investments</b>				
<b>A. Investments in Mutual Funds</b>				
(Carried at Fair Value through PL)				
HDFC Regular Saving Fund -Regular plan- Growth	-	-	2,95,466	101
HDFC FMP 92D February 2018(1) - Regular - Growth	-	-	22,50,000	227
Series 39	-	-	5,07,722	102
SBI Short Term Debt Fund - Regular Plan - Growth	-	-		
HDFC Arbitrage Fund - WP- Reg - MD	14,56,318	157		
HDFC Liquid Fund	20,357	208		
<b>Total Quoted Investments [A+B]</b>	<b>14,76,675</b>	<b>365</b>	<b>30,53,188</b>	<b>430</b>
<b>INVESTMENTS CARRIED AT FVTPL</b>		<b>365</b>		<b>430</b>
<b>INVESTMENTS CARRIED AT FVTOCI</b>				

Aggregate amount of quoted investments	365	430
Aggregate amount of quoted investments - at market value	365	430

**Note 13: Current Financial assets - Others**

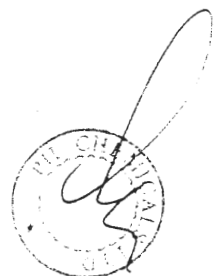
(Amount: INR in Lakhs)

Particulars	As at March 31,2019	As at March 31, 2018
a) Loans and advances to employees	1	2
b) Interest Accrued on other deposits	2	2
<b>Total</b>	<b>3</b>	<b>4</b>

**Note 14: Other Current Assets**

(Amount: INR in Lakhs)

Particulars	As at March 31,2019	As at March 31, 2018
a) Balances with government authorities		
- Goods and Service Tax	9	69
b) Advance to vendors & Others	9	7
c) Prepaid Expenses	12	8
<b>Total</b>	<b>30</b>	<b>84</b>



PIL Chemicals Limited

Notes to the financials statements for the year ended March 31,2019

Note 15: Equity Share Capital

(Amount: INR in Lakhs)

Particulars	As at March 31,2019		As at March 31, 2018	
	Units	Amount	Units	Amount
<b>Authorised Capital</b>				
Equity Shares of Rs 10/- each	1,00,00,000	1,000	1,00,00,000	1,000
	<b>1,00,00,000</b>	<b>1,000</b>	<b>1,00,00,000</b>	<b>1,000</b>
<b>Issued, Subscribed and Fully Paid up</b>				
Equity Shares of Rs 10/- each	83,54,833	835	83,54,833	835
<b>Total</b>	<b>83,54,833</b>	<b>835</b>	<b>83,54,833</b>	<b>835</b>

Refer Notes (i) to (iii) below

Notes

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31,2019		As at March 31, 2018	
	No.of Shares	Amount	No.of Shares	Amount
<b>Equity shares</b>				
At the beginning of the year	83,54,833	835	83,54,833	835
Add: Issued during the year	-	-	-	-
At the end of the year	<b>83,54,833</b>	<b>835</b>	<b>83,54,833</b>	<b>835</b>

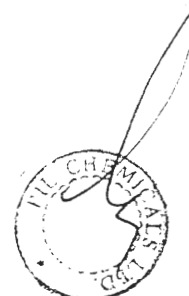
(ii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at March 31,2019		As at March 31, 2018	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
NOCIL Limited	83,54,833	100%	83,54,833	100%

(iii) Rights, Preference and restrictions attached to equity shares

The Company has one class of equity share having a par value of Rs. 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.



**PIL Chemicals Limited**

**Notes to the financials statements for the year ended March 31,2019**

**Note 16: Other equity**

*(Amount: INR in Lakhs)*

Particulars	As at March 31,2019	As at March 31, 2018
(a) Security Premium	1,669	1,669
(b) Retained earnings	986	920
(c ) Capital Reserve	0	0
(d ) Reserve for Equity Instrument through OCI	14	14
(e) Other Item of Other Comprehensive Income	(5)	(9)
<b>Total</b>	<b>2,664</b>	<b>2,594</b>

**Note : 0 Indicates Amount Less than Rs. 1 Lakhs**

**Nature and purpose of each reserve within Other equity**

**Securities premium account**

The amount received in excess of face value of the equity shares issued is recognised in securities premium account. 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.

**Retained earnings:**

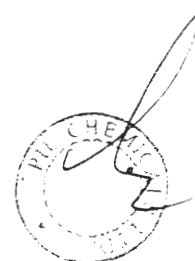
Retained earnings represents the surplus / (deficit) of the statement of profit and loss after tax less transfers to general reserves and dividend distributed to shareholders including DDT.

**Reserve for 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.

**Details of dividends paid / proposed:**

A dividend of Rs. 0.60 per share (total dividend INR 50.12 lakhs) has been recommended on equity shares for year ended March 31, 2019. In the period ended March 31, 2018, the dividend paid was Rs.0.60 per share (total dividend INR 50.12 lakhs). This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The proposed equity dividend is payable to all holders of fully paid equity shares.





## Note 17: Provisions - Non Current

(Amount: INR in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits (Refer note 27)	38	58
<b>Total</b>	<b>38</b>	<b>58</b>

## Note 18: Provisions - Current

(Amount: INR in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits (Refer note 27)	7	7
<b>Total</b>	<b>7</b>	<b>7</b>

## Note 19: Trade Payables

(Amount: INR in Lakhs)

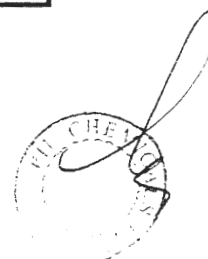
Particulars	As at March 31, 2019	As at March 31, 2018
<b>Trade payables</b>		
Dues to Micro, Small and Medium Enterprises	8	4
Dues to Others	50	110
<b>Total</b>	<b>58</b>	<b>114</b>

**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.

(Amount: INR in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at period end	8	4
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at period end (*)	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the period	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the period	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the period	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
Further interest remaining due and payable for earlier periods	-	-



**Note 20: Other Financial Liabilities - Current***(Amount: INR in Lakhs)*

Particulars	As at March 31,2019	As at March 31, 2018
(a) Sundry Creditors		
i) For Capital goods		
- Payable to Micro and Small Enterprises	28	39
- Payable to Others	4	25
ii) Others	-	-
<b>Total</b>	<b>32</b>	<b>64</b>

Information regarding the total outstanding dues of Micro Enterprises and Small Enterprises is given to the extent the same is available with the Company.

**Note 21: Other Current Liabilities***(Amount: INR in Lakhs)*

Particulars	As at March 31,2019	As at March 31, 2018
(a) Statutory Dues (GST, Service tax, TDS, PF, PT, ESIC etc.)	18	3
(b) Advances from customers	-	59
<b>Total</b>	<b>18</b>	<b>62</b>



PIL Chemicals Limited

Notes to the financials statements for the year ended March 31,2019

**Note 22: Revenue from Operations**

(Amount: INR in Lakhs)

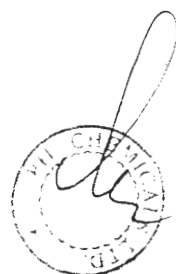
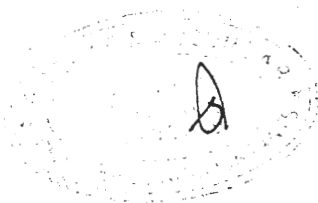
Particulars	For the year ended March 31,2019	For the year ended March 31, 2018
(a) Revenue from Operations	1,316	1,463
<b>Total</b>	<b>1,316</b>	<b>1,463</b>

**Note 23: Other Income**

(Amount: INR in Lakhs)

Particulars	For the year ended March 31,2019	For the year ended March 31, 2018
(a) Interest Income		
On Bank deposits	20	47
On Staff Loan	1	0
On Income Tax Refund	-	-
On Other Deposits	2	2
On Mutual Fund	-	-
	<b>23</b>	<b>49</b>
(b) Other gains and losses		
Gain on fair valuation of investment in mutual funds	1	6
Capital Gain on Redemption of Mutual Fund	17	-
	<b>18</b>	<b>6</b>
(c) Other Non-Operating Income		
Dividend on Mutual Fund	4	0
Sundry Balances written Back/Scrap Sale	0	0
	<b>4</b>	<b>0</b>
<b>Total</b>	<b>45</b>	<b>55</b>

Note : 0 Indicates Amount Less than Rs. 1 Lakhs



**PIL Chemicals Limited**

**Notes to the financials statements for the year ended March 31,2019**

**Note 24: Employee benefits expense**

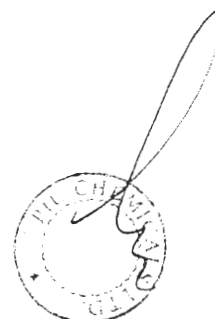
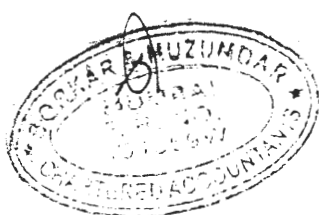
*(Amount: INR in Lakhs)*

Particulars	For the year ended March 31,2019	For the year ended March 31, 2018
Salaries, wages and bonus	215	344
Contributions to provident and other funds	10	16
Gratuity	7	6
Leave Encashment	3	8
Staff welfare expenses	7	6
<b>Total</b>	<b>242</b>	<b>380</b>

**Note 25: Other expenses**

*(Amount: INR in Lakhs)*

Particulars	For the year ended March 31,2019	For the year ended March 31, 2018
Consumption of stores and spare parts	83	89
Power, fuel and Other Utilities	508	568
Repairs and maintenance - Buildings	11	1
Repairs and maintenance - Machinery	34	19
Repairs and maintenance - Others	28	22
Insurance	6	4
Rates and taxes	6	10
Donations and contributions	1	1
Payments to auditors (Refer Note 30)	8	4
Professional,Consultancy & Legal expenses	36	13
Effluent treatment expenses	24	20
Miscellaneous expenses	85	79
<b>Total</b>	<b>830</b>	<b>830</b>



PIL Chemicals Limited

Notes to the financial statements for the year ended March 31, 2019

Note 26 : Current Tax and Deferred Tax

(a) Income Tax Expense recognised in statement of profit and loss

(Amount: INR in Lakhs)

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
<b>A. Current Tax:</b>		
(a) Current Income Tax Charge	32	40
(b) MAT Credit entitlement	(17)	(12)
(b) Adjustments in respect of prior years	-	(2)
<b>Total</b>	<b>15</b>	<b>26</b>
<b>B. Deferred Tax</b>		
(a) In respect of current year	14	5
<b>Total</b>	<b>14</b>	<b>5</b>

(b) Income Tax on Other Comprehensive Income

(Amount: INR in Lakhs)

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
<b>A. Deferred Tax</b>		
(a) Remeasurement of Defined Benefit Obligations	1	0
(b) Net fair value loss on investments in equity shares at FVTOCI	(0)	(1)
<b>Total</b>	<b>1</b>	<b>(1)</b>

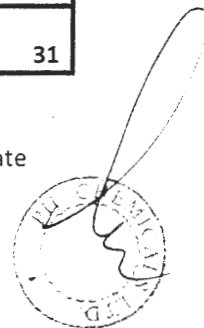
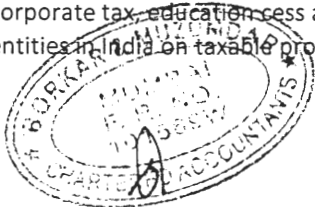
Note : 0 Indicates Amount Less than Rs. 1 Lakhs

(c) Reconciliation of income tax expenses with accounting profit multiplied by Company's domestic rate

(Amount: INR in Lakhs)

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Profit before tax from continuing operations	155	197
Less: income taxed at different tax rate	-	-
<b>Profit Before tax</b>	<b>155</b>	<b>197</b>
Income Tax using the Company's domestic Tax rate #	40	54
Effect of expenses that are not deductible in determining taxable profit	10	5
Effect of income that is not taxable/ unabsorbed losses in determining taxable profit	(2)	(2)
Adjustments in respect of prior years	-	(2)
Effect of reversal of deferred tax liability (Net)	(4)	-
Effect on deferred tax balances due to the change in income tax rate (effective 01.04.2018)	(15)	(24)
<b>Income tax expense recognised in profit or loss (relating to continuing operations)</b>	<b>29</b>	<b>31</b>

# The tax rate used for the reconciliations above is the corporate tax rate of 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.



## Note 26 : Current Tax and Deferred Tax (contd.)

## (d) Movement of Deferred Tax

Deferred tax assets/(liabilities) in relation to the year ended March 31, 2019

(Amount: INR in Lakhs)

Particulars	Opening Balance	Recognised in	Recognised in OCI	Closing Balance
Property, Plant and Equipment (including investment property)				
Intangible Assets	403	10	-	413
Financial asset measured at FVTPL	1	(1)	-	0
Financial asset measured at FVOCI	(1)	(2)	(0)	(3)
Defined benefit obligation	(18)	7	1	(10)
Provision for bonus	(1)	0	-	(1)
Unabsorbed depreciation	-	-	-	-
<b>Net Tax Asset/(Liabilities)</b>	<b>384</b>	<b>14</b>	<b>1</b>	<b>399</b>

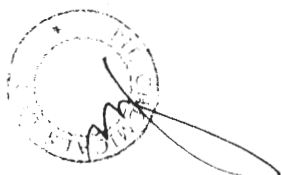
Note : 0 Indicates Amount Less than Rs. 1 Lakhs

Deferred tax assets/(liabilities) in relation to the year ended March 31, 2018

(Amount: INR in Lakhs)

Particulars	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
Property, Plant and Equipment (including investment property)				
Intangible Assets	419	(16)	-	403
Financial asset measured at FVTPL	-	1	-	1
Financial asset measured at FVOCI	-	-	(1)	(1)
Defined benefit obligation	(15)	(3)	0	(18)
Provision for bonus	(4)	3	-	(1)
Unabsorbed depreciation	(20)	20	-	-
<b>Net Tax Asset/(Liabilities)</b>	<b>380</b>	<b>5</b>	<b>(1)</b>	<b>384</b>

Note : 0 Indicates Amount Less than Rs. 1 Lakhs .



9

**Note 27: Employee Benefits****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.

Contribution to Defined Contribution Plans, recognised in the Statement of Profit and Loss for the year under employee benefits expense, are as under :

(Amount: INR in Lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
i) Employer's Contribution to Provident Fund and pension	8	12
<b>Total</b>	<b>8</b>	<b>12</b>

**b) Defined Benefit Plans****Gratuity (Unfunded)**

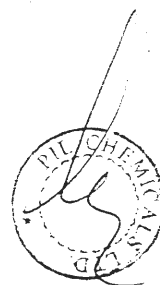
The Company has an obligation towards gratuity, an unfunded defined benefit retirement plan covering eligible employees. The plan provides for lump sum payment to vested employees at retirement, death while in employment or on termination of the employment of an amount equivalent to 15 days salary, as 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 Company offers the following employee benefit schemes to its employees:

Gratuity (included as part of gratuity in Note 24 Employee benefits expense)

**A. Principal actuarial assumptions used:**

Particulars	Gratuity	
	As at March 31, 2019	As at March 31, 2018
Discount rate	7%	8%
Expected rate of salary increase	6%	6%
	IALM (2006-08)	IALM (2006-08)
Mortality tables	Ult.	Ult.
Expected rate of Return	N.A.	N.A.
Withdrawal Rates	6%	6%



(Amount: INR in Lakhs)

Particulars	Gratuity	
	As at March 31, 2019	As at March 31, 2018
<b>A. Amounts recognised in statement of profit and loss in respect of these defined benefit plans are as follows</b>		
Service cost:		
Current service cost	4	4
Past service cost and (gain) / loss from settlements	-	-
Net interest expense	3	2
Remeasurements	-	-
<b>Components of defined benefit costs recognised in profit or loss</b>	<b>7</b>	<b>6</b>

## Notes to the financials statements for the year ended March 31,2019

(Amount: INR in Lakhs)

	As at March 31, 2019	As at March 31, 2018
<b>B. Amounts recognised in statement of OCI in respect of these defined benefit plans are as follows</b>		
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding the amount included in net interest cost)		-
Actuarial (gains) / losses arising from changes in demographic assumptions		-
Actuarial (gains) / losses arising from changes in financial assumptions	1	(1)
Actuarial (gains) / losses arising from changes in experience adjustments	(4)	2
Adjustments for restrictions on the defined benefit asset		
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>(3)</b>	<b>1</b>
<b>Total</b>	<b>4</b>	<b>7</b>

(Amount: INR in Lakhs)

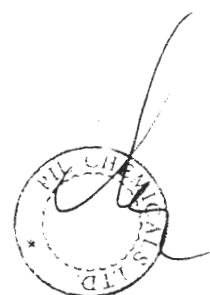
Particulars	As at March 31, 2019	As at March 31, 2018
Opening net defined benefit liability/(assets)	38	31
Expenses charged to statement of profit and loss	7	6
Amount recognised outside statement of profit and loss	(3)	1
Net (Liability)/Asset Transfer Out	(9)	0
Employer contributions paid directly	0	0
Impact of liability assumed or (settled)	33	38

Note : 0 Indicates Amount Less than Rs. 1 Lakhs

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

(Amount: INR in Lakhs)

Particulars	Gratuity	
	As at March 31, 2019	As at March 31, 2018
<b>Movements in present value of defined benefit obligation are as follows:</b>		
Opening defined benefit obligation	38	31
Current service cost	4	4
Interest cost	3	2
Net (Liability)/Asset Transfer Out	(9)	
Remeasurement (gains)/losses:		
Actuarial (gains) / losses arising from changes in demographic assumptions		
Actuarial (gains) / losses arising from changes in financial assumptions	1	(1)
Actuarial (gains) / losses arising from changes in experience adjustments	(4)	2
Past service cost, including losses/(gains) on curtailments	-	-
Benefits paid	-	-
<b>Closing defined benefit obligation</b>	<b>33</b>	<b>38</b>





**PIL Chemicals Limited**

**Notes to the financials statements for the year ended March 31,2019**

**E. Maturity profile of defined benefit obligation:**

*(Amount: INR in Lakhs)*

Projected Benefits Payable in Future Years From the Date of Reporting	Estimated for the year ended March 31, 2019	Estimated for the year ended March 31, 2018
1st Following Year	4	3
2nd Following Year	3	4
3rd Following Year	2	5
4th Following Year	2	3
5th Following Year	3	3
Sum of Years 6 to 10	17	16

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

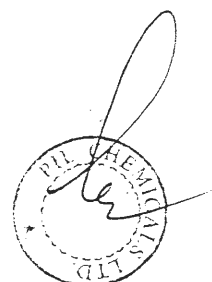
**Sensitivity Analysis**

*(Amount: INR in Lakhs)*

Particulars	Gratuity	
	As at March 31, 2019	As at March 31, 2018
Defined Benefit Obligation - Discount Rate + 50 basis points	(1)	(1)
Defined Benefit Obligation - Discount Rate - 50 basis points	1	2
Defined Benefit Obligation - Salary Escalation Rate + 50 basis points	1	2
Defined Benefit Obligation - Salary Escalation Rate - 50 basis points	(1)	(1)
Defined Benefit Obligation - Employee Turnover + 50 basis points	0	0
Defined Benefit Obligation - Employee Turnover - 50 basis points	0	0

**Note : 0 Indicates Amount Less than Rs. 1 Lakhs**

These sensitivities have been calculated above to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analyses.



PIL Chemicals Limited

Notes to the financial statements for the year ended March 31, 2019

**Note 28: Earnings per share (EPS)**

The following reflects the loss and share data used in the basic and diluted EPS computations:

Particulars	For the quarter ended March 31, 2019	For the year ended March 31, 2018
<b>Basic</b>		
Profit for the year attributable to owners of the company (Amount: INR in Lakhs)	126	165
Weighted average number of equity shares in calculating EPS (number)	83,54,833	83,54,833
<b>Earnings per share (Basic and Diluted)</b>	<b>1.51</b>	<b>1.97</b>

**Note 29: Capital Commitments**

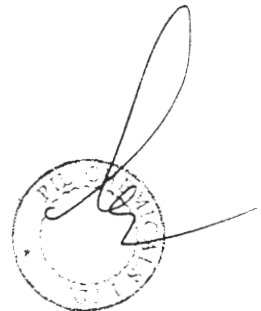
(Amount: INR in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for	29	331
<b>Total</b>	<b>29</b>	<b>331</b>

**Note 30: Payment to auditors**

(Amount: INR in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
a) for audit	6	3
b) for reimbursement of expenses.	2	1
<b>Total</b>	<b>8</b>	<b>4</b>



**Note 31 : Financial Instruments****(i) Capital management**

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

As at March 31st, 2019, the Company has only one class of equity shares and has no debt. Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Company allocates its capital for re-investment into business based on its long term financial plans.

**(ii) Categories of financial instruments***(Amount: INR in Lakhs)*

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Financial assets</b>		
<b>Measured at FVTOCI</b>		
Non-Current Investments - Equity	25	24
<b>Measured at FVTPL</b>		
Non-Current Investments - Mutual Funds	17	16
Current Investments - Mutual Funds	365	430
<b>Measured at amortised cost</b>		
Trade Receivables	102	-
Cash and cash equivalents	103	39
Other Bank balance	250	406
Other financial assets (Current and Non Current)	55	47
<b>Financial liabilities</b>		
<b>Measured at amortised cost</b>		
Trade payables	58	114
Other financial liabilities	32	64

**(iii) Financial risk management objectives**

The Company's business activities are exposed to a variety of financial risks, namely Market risks (interest risks, commodity price risk, currency risk), Credit risk and Liquidity risk. The Company's Senior Management has the overall responsibility for establishing and governing the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company monitors and manages the financial risks relating to the operations of the entity through internal risk reports which analyse exposures by degree and magnitude of the risk.

**(iii)(a) Market Risk**

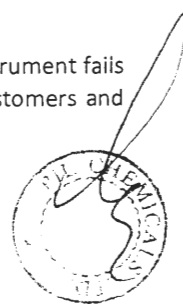
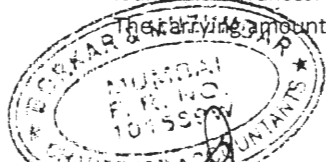
Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Company's is currently not exposed to market risk in the reporting period.

**(iii)(b) Credit risk management**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans and advances.

The carrying amount of following financial assets represents the maximum credit exposure:



**Note 31 : Financial Instruments (Contd.)**

The Company has deals only with its holding company and means of mitigating the risk of financial loss from defaults is based on the individual characteristics of the holding company. Holding Company's outstanding receivables are reviewed on a quarterly basis and where necessary, the credit allowed to particular customers for subsequent sales is adjusted in line with their past payment performance. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management on a quarterly basis. Based on prior experience and an assessment of the current economic environment, Management believes there is no credit risk provision required. Also Company does not have any significant concentration of credit risk.

The Company monitors each loans and advances given and makes any specific provision wherever required.

The ageing of the debtors is as follows:

**Age of receivables**

Particulars	As at March 31, 2019	As at March 31, 2018
Exceeding six months	-	-
Others	102	-
<b>Total</b>	<b>102</b>	<b>-</b>

Currently there is no movement in Provision for Doubtful Debts.

**(iii)(c) Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the management, which has established an appropriate liquidity risk management framework for the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by continuously monitoring forecast and actual cash flows.

**Liquidity risk tables**

The following tables detail the Company's remaining contractual maturity for its 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 table below provides details regarding the contractual maturities of financial liabilities as at March 31, 2019

(Amount: INR in Lakhs)

Particulars	Due in 1st year	Due in 5+ years	Carrying amount
<b>Financial Liabilities</b>			
Trade payables	58	-	58
Other financial liabilities	32	-	32
<b>Total</b>	<b>90</b>	<b>-</b>	<b>90</b>

The table below provides details regarding the contractual maturities of financial liabilities as at March 31, 2018

(Amount: INR in Lakhs)

Particulars	Due in 1st year	Due in 5+ years	Carrying amount
<b>Financial Liabilities</b>			
Trade payables	114	-	114
Other financial liabilities	64	-	64
<b>Total</b>	<b>178</b>	<b>-</b>	<b>178</b>

The table below provides details regarding the contractual maturities of financial liabilities as as at March 31, 2017

(Amount: INR in Lakhs)

Particulars	Due in 1st year	Due in 5+ years	Carrying amount
<b>Financial Liabilities</b>			
Trade payables	60	-	60
Other financial liabilities	27	-	27
<b>Total</b>	<b>87</b>	<b>-</b>	<b>87</b>

**Note 32 : Fair Value Measurement****1. Fair value of financial assets and financial liabilities**

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

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

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

*(Amount: INR in Lakhs)*

Financial assets/ (Financial liabilities)	March 31, 2019	March 31, 2018	Fair value hierarchy	Valuation technique(s) and key input(s)
<b>Non Current Investments</b>				
1) Investments in equity instruments at FVTOCI (quoted)	25	24	Level 1	Quoted bid prices in an active market
2) Investments in Mutual funds at FVTPL	17	16	Level 1	Fair value of investments in Mutual Funds is based on Net asset value (NAV) declared by mutual fund houses at the reporting date.
<b>Current</b>				
1) Investments in Mutual funds at FVTPL	365	430	Level 1	Fair value of investments in Mutual Funds is based on Net asset value (NAV) declared by mutual fund houses at the reporting date.

**46.2 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.

*(Amount: INR in Lakhs)*

Particulars	As at March 31, 2019		As at March 31, 2018	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets held at amortised cost:</b>				
Cash and cash equivalent	103	103	39	39
Other Bank balance	250	250	406	406
Trade receivables	102	102	-	-
Other financial assets	55	55	47	47
<b>Financial liabilities held at amortised cost:</b>				
Trade Payables	58	58	114	114
Other financial liabilities	32	32	64	64

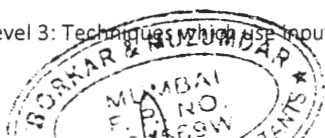
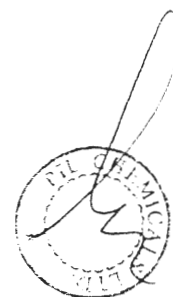
**2. Measurements of Fair Values**

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.



PIL Chemicals Limited

Notes to the financial statements for the year ended March 31, 2019

**Note 33 : Related party transactions**

**A .Details of related parties**

Name of related parties	Description of relationship
NOCIL Limited	Holding Company

(Amount: INR in Lakhs)

S. No.	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
A	<b>Nature of Transactions/ Names of Related Parties</b>		
1	Holding		
1	Income from Processing Charges	1,316	1,463
2	Dividend Paid (Excluding Dividend Distribution Tax)	60	33

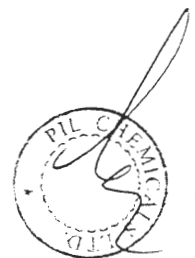
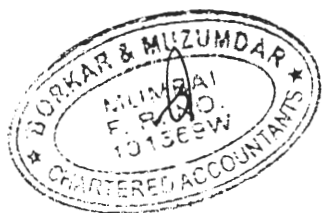
S. No.	Particulars	As at March 31, 2019	As at March 31, 2018
A	<b>Balance outstanding</b>		
1	Holding Company		
1	Trade Receivable	102	-
2	Advance Received	-	59

**Note 34: 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:

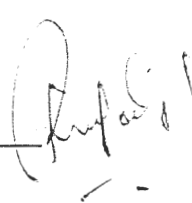
- (i) Details of Investments made by the company are given in Note 5. in the financial statement.
- (ii) There are no securities and guarantees provided and no guarantees given during the year.

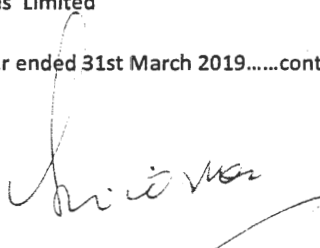
**Note 35:-** Previous year's figures have been regrouped wherever necessary, to conform to the current year's classification.

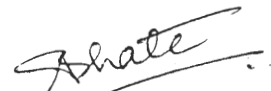


PIL Chemicals Limited


Notes To Financial Statement for the year ended 31st March 2019.....continued

  
R.M. Gadgil  
Chairman  
DIN: 01057002

  
P.Srinivasan  
Director  
DIN: 00713911

  
A.S. Bhate  
Company Secretary

In terms of our report attached  
For Borkar and Muzumbar  
Chartered Accountants  
Firm Registration No : 101569W

  
Supriya D. Bhat  
Partner  
Membership No - 48592



Place : Mumbai  
Date : 02nd May 2019

Place : Mumbai  
Date : 02nd May 2019

