

Independent Auditor's Report

To the Members of PIL Chemicals Private Limited,

1. Report on the Financial Statements

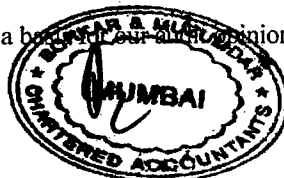
We have audited the accompanying financial statements of PIL Chemicals Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 "the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

5. Report on Other Legal and Regulatory Requirements

- A. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- B. As required by section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;



- e. On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For Borkar and Muzumdar,
Chartered Accountants

FRN: 101569W



Rajesh Batham

Partner

Membership No. : 35941

Place: MUMBAI

Date: 21st April 2014

ANNEXURE TO AUDITORS' REPORT

(Annexure referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date)

1. FIXED ASSETS :

- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) Some of the fixed assets have been physically verified during the year by the management in accordance with a programme of verification, which in our opinion provides for physical verification of all fixed assets at reasonable intervals. According to the information and explanation given to us no material discrepancies were noticed on such verification.
- c) In our opinion and according to the information and explanation given to us, the Company has not disposed of any substantial part of fixed assets during the year
- d) There was no disposal of a substantial part of fixed assets during the year.

2. INVENTORIES :

- a) The management has informed us that they have physically verified the inventory at the end of the year and that no material discrepancies were noticed on such physical verification. In our opinion, considering the nature of business and size of the Company, the frequency of verification is reasonable.
- b) In our opinion and according to the information and explanation given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

3. LOANS AND ADVANCES :

In respect of loans, secured or unsecured, the Company has not granted or taken during the year to or from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, clause (iii) of Paragraph 4 of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.

4. INTERNAL CONTROL :

In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to purchases of inventory, fixed assets and for sale of services. The activities of the Company do not involve sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control.



5. TRANSACTIONS WITH RELATED PARTIES AS PER REGISTER OF CONTRACTS UNDER SECTION 301 OF THE COMPANIES ACT, 1956 :

According to the information and explanations given to us, we are of the opinion that there were no transactions during the year that required to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.

6. DEPOSITS FROM PUBLIC :

The Company has not accepted any deposits from the public under the provisions of section 58A and section 58AA and any other relevant provision of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public.

7. INTERNAL AUDIT SYSTEM :

In our opinion, the internal audit carried out by the Internal Audit Department of the Company is commensurate with the size of the Company and the nature of its business.

8. COST RECORDS :

According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 in respect of operations carried out by the Company.

9. STATUTORY DUES :

- a) According to the records of the Company, undisputed statutory dues including provident fund, income-tax, sales-tax, custom duty, excise duty, service tax, cess and other statutory dues have been regularly deposited with the appropriate authorities.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, sales tax, customs duty, excise duty and cess and other applicable statutory dues were in arrears, as at 31st March 2014 for a period of more than six months from the date they became payable.

10. SICK INDUSTRY :

There are no accumulated losses of the Company at the end of the financial year. The Company has not incurred cash losses during the financial year covered by our audit in the immediate preceding financial year.



11. DUES TO FINANCIAL INSTITUTIONS :

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. The Company has not obtained any borrowings by way of debentures.

12. SECURED LOANS AND ADVANCES GRANTED :

In our opinion and according to the explanation given to us and based on our examination of documents and records, no loans or advances have been granted on the basis of security by way of pledge of shares, debentures and other securities.

13. CHIT FUND, NIDHI OR MUTUAL BENEFIT COMPANY :

The Company is not a chit fund or a nidhi / mutual benefit fund/ society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.

14. INVESTMENT COMPANY :

In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.

15. GUARANTEES GIVEN BY COMPANY :

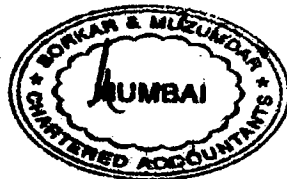
In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

16. TERM LOANS :

No term loans have been taken by the Company during the year under audit. Therefore, the provisions of clause 4 (xvi) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.

17. SOURCES OF FUND AND ITS APPLICATION :

To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion, term loans/other loans obtained was, prima facie, applied by the Company during the year for the purposes for which the loan was obtained.



18. PREFERENTIAL ISSUE :

According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under section 301 of the Act.

19. DEBENTURES:

The Company has not issued any debentures. Therefore, the provisions of clause 4 (xix) of Companies (Auditors Report) Order, 2003 are not applicable to the Company.

20. PUBLIC ISSUE :

The Company has not raised any money through a public issue during the year. Therefore the provisions of clause 4 (xx) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.

21. FRAUD :

According to the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the period covered by the audit.

For Borkar and Muzumdar.

Chartered Accountants.



Rajesh Batham

Partner

Membership No. : 35941

FRN: 101569W



Place: Mumbai

Date: 21st April 2014

PIL CHEMICALS PRIVATE LIMITED

Balance Sheet as at 31st March, 2014

(Currency: Indian Rupees in lacs)

Sr. No No.		Note No.	As at	
			March 31, 2014	March 31, 2013
I	<u>EQUITY AND LIABILITIES</u>			
1	<u>Shareholders' funds</u>			
a.	Share capital	2	835.48	835.48
b.	Reserves and surplus	3	1,787.73	1,822.83
2	<u>Non-current liabilities</u>			
a.	Deferred tax liabilities (Net)	23	128.96	118.13
b.	Long-term provisions	4	14.81	13.21
3	<u>Current liabilities</u>			
a.	Trade payables	5	19.21	20.47
b.	Other current liabilities	6	46.63	57.33
c.	Short-term provisions	7	1.28	1.05
	TOTAL		2,834.10	2,868.50
II	<u>ASSETS</u>			
1	<u>Non-current assets</u>			
a.	Fixed assets	8		
	Tangible assets		1,833.29	1,943.60
	Intangible assets		0.37	0.40
	Capital work-in-progress		29.10	21.38
b.	Non-current investments	9	16.71	16.71
c.	Long-term loans and advances	10	150.13	128.84
2	<u>Current assets</u>			
a.	Inventories	11	24.37	27.17
b.	Trade receivables	12	740.41	618.38
c.	Cash and cash equivalents	13	27.25	40.63
d.	Short-term loans and advances	14	12.45	12.67
e.	Other current assets	15	0.02	58.72
	TOTAL		2,834.10	2,868.50

Significant accounting policies

1

The accompanying Notes 1 to 27 are an integral part of the financial statements



PIL CHEMICALS PRIVATE LIMITED

Balance Sheet as at 31st March 2014- continued


As per attached report of even date
For Borkar and Muzumdar
Chartered Accountants
Firm Registration No.: 101569W



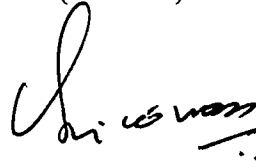
Rajesh Batham
Partner
Membership No - 35941



(S.R. Deo)
(Chairman)



(R.M. Gadgil)
(Director)



(P. Srinivasan)
(Director)

Place : Mumbai
Date : 21st April 2014

Place : Mumbai
Date : 21st April 2014

PIL CHEMICALS PRIVATE LIMITED

Statement of Profit and Loss for the Year ended 31st March,2014

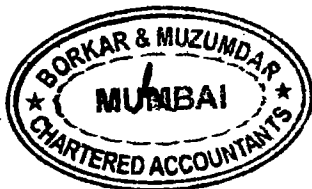
(Currency: Indian Rupees in lacs)

Sr. No.	Particulars	Note No.	For the Year ended	
			March 31, 2014	March 31, 2013
	<u>Revenue</u>			
I	Revenue from Operations	16	976.26	861.44
II	Other Income	17	10.23	11.55
III	Total Revenue		986.49	872.99
	<u>Expenses</u>			
a.	Employee benefits expense	18	172.60	154.65
b.	Depreciation and amortization expense	8	117.74	116.52
c.	Other expenses	19	661.68	575.00
	<i>Total Expenses</i>		952.02	846.17
V	Profit before tax (III- IV)		34.47	26.82
	<u>Tax Expense</u>			
a.	Current tax		5.83	4.68
	Less: MAT Credit entitlement		5.83	4.68
	Net Current tax		-	-
b.	Short provision of earlier year		-	0.24
c.	Deferred tax		10.83	3.64
			10.83	3.88
VII	Profit after Tax for the year (V - VI)		23.64	22.94
	VIII Earnings per equity share (face value of Rs 10/- each):	20		
a.	Basic		0.28	0.27
b.	Diluted		0.28	0.27

Significant accounting policies

1

The accompanying Notes 1 to 27 are an integral part of the financial statements.




PIL CHEMICALS PRIVATE LIMITED

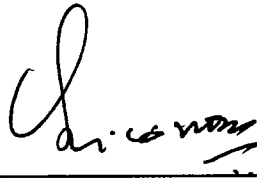
Statement of Profit and Loss for the year ended 31st March 2014- continued

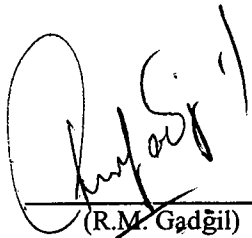
As per attached report of even date
For Borkar and Muzumdar
Chartered Accountants
Firm Registration No.: 101569W



Rajesh Batham
Partner
Membership No - 35941



(S.R. Deo)
(Chairman)

(P. Srinivasan)
(Director)

(R.M. Gadgil)
(Director)

Place : Mumbai
Date : 21st April 2014

Place : Mumbai
Date : 21st April 2014

PIL CHEMICALS PRIVATE LIMITED

Cash Flow Statement For The Year Ended 31 March 2014

(Currency: Indian Rupees in lacs)

Particulars	For the Year ended	
	March 31, 2014	March 31, 2013
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Profit before tax	34.47	26.82
Adjustments for :		
Depreciation	117.74	116.52
Profit on sale of fixed assets	(2.52)	-
Income from long term investments	(3.99)	(2.37)
Interest on deposits and others	(3.73)	(9.00)
Sundry balances written (back)/ off	-	(0.19)
	107.50	104.96
Operating profit before working capital changes	141.97	131.78
Adjustments for (increase) / decrease in operating assets:		
(Increase)/Decrease in Inventories	2.80	19.90
(Increase)/Decrease in Trade receivables	(122.03)	(415.67)
(Increase)/Decrease in Short Term Loans and Advances	0.23	2.55
(Increase)/Decrease in Long Term Loans and Advances	(0.30)	(9.49)
(Increase)/Decrease in Other Current Assets	(0.02)	8.90
Increase / (Decrease) in Trade payables	(1.26)	(1.90)
Increase / (Decrease) in other Current Liabilities	(10.70)	(23.00)
Increase / (Decrease) in Long Term Provisions	1.60	1.42
Increase / (Decrease) in Short Term Provisions	0.24	(75.71)
	(129.45)	(493.01)
Cash generated from operations	12.52	(361.23)
Direct Taxes paid (Net off Refunds)	(20.98)	(10.97)
Net cash generated from operating activities	(8.46)	(372.20)
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Capital expenditure on fixed assets	(7.68)	(79.35)
Increase in Capital WIP	(7.72)	-
Sale of Fixed Assets	2.77	-
Interest received	3.73	9.00
Dividend received	3.99	2.37
Net Cash (used in)/ generated from Investment activities	(4.92)	(67.98)
Net (decrease)/increase in cash and cash equivalents	(13.39)	(440.19)
Opening balance of cash and cash equivalents	40.63	480.81
Closing balance of cash and cash equivalents	27.24	40.63
Cash and cash equivalents comprise of:		
Cash on Hand	0.06	0.07
Balances with Banks	27.19	40.56
Total	27.24	40.63

BORKAR & MUZUMDAR

PIL CHEM

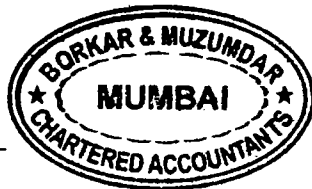
PIL CHEMICALS PRIVATE LIMITED

Cash Flow Statement For The Year Ended 31st March 2014- continued

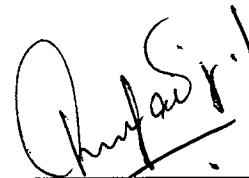
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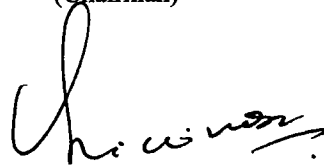
Rajesh Batham
Partner
Membership No - 35941



(S.R. Deo)
(Chairman)



(R.M. Gadgil)
(Director)



(P. Srinivasan)
(Director)

Place : Mumbai
Date : 21st April 2014

Place : Mumbai
Date : 21st April 2014

PIL CHEMICALS PRIVATE LIMITED

Note 1: CORPORATE INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

1. Corporate Information:

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

2. Significant Accounting Policies:

a. Basis of preparation of financial statements

The financial statements have been prepared to comply with the accounting principles generally accepted in India, the accounting standards notified under Section 211(3C) (which continues to be applicable in terms of the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013) and other relevant provisions of the Companies Act, 1956.

b. Use of estimates

The preparation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognised in the period in which the results are known/materialize.

c. Fixed Assets

Tangible Assets:

Fixed Assets are stated at their cost of acquisition or construction less accumulated depreciation and impairment losses.

Costs of acquisition comprise all costs incurred to bring the assets to their location and working condition up to the date the assets are put to use. Costs of construction are composed of those costs that relate directly to specific assets and those that are attributable to the construction activity in general and can be allocated to the specific assets up to the date the assets are put to use.



Intangible Assets:

Intangible assets are stated at their cost of acquisition, less accumulated amortisation and impairment losses. An asset is recognised, where it is probable that the future economic benefits attributable to the assets will flow to the enterprise and where its cost can be reliably measured. The depreciable amount on intangible assets is allocated over the best estimate of its useful life on a straight line basis.

d. Depreciation

- i) Depreciation on tangible fixed assets is provided, pro rata for the period of use, by the straight line method at the rates and in manner prescribed under Schedule XIV to the Companies Act, 1956.
- ii) Cost of leasehold land is written off over the period of lease.
- iii) Intangible assets are amortised over their estimate useful life of 10 years.
- iv) Assets costing Rs.5000/- or less are fully depreciated in the year of purchase.

e. Impairment of Assets:

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment in accordance with Accounting Standard 28 on "Impairment of Assets". An asset is considered as impaired in accordance with Accounting Standard 28 on "Impairment of Assets" when at balance sheet date there are indications of impairment and the carrying amount of the asset, or where applicable the cash generating unit to which the asset belongs, exceeds its recoverable amount (i.e. the higher of the asset's net selling price and value in use). The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the Statement of Profit and Loss.

f. Leases:

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the Company are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

g. Investments

Investments are classified as current or long-term in accordance with Accounting Standard 13 on "Accounting for Investments".

Current investments are stated at lower of cost and fair value. Any reduction in the carrying amount and any reversals of such reductions are charged or credited to the statement of profit and loss.

Long term investments are stated at cost. Provision for diminution in value is recognized a decline, other than temporary, in the value of such investments



h. Inventories

Inventories are measured at lower of the 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 and consumables are determined on weighted average basis.

i. Employee Benefits

Employee Benefits such as salaries, allowances, non-monetary benefits and employee benefits under defined contribution plans such as provident and other funds, which fall due for payment within a period of twelve months after rendering service, are charged as expense to the statement of profit and loss in the period in which the service is rendered.

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Employee Benefits under defined benefit plans, such as compensated absences and gratuity which fall due for payment after a period of twelve months from rendering service or after completion of employment, are measured by the projected unit credit method, on the basis of actuarial valuations carried out by third party actuaries at each balance sheet date. The company's obligations recognized in the balance sheet represents the present value of obligations as reduced by the fair value of plan assets, where applicable.

Actuarial Gains and losses are recognised immediately in the Statement of profit and loss.

j. Borrowing Costs

Borrowing costs attributable to the acquisition or construction of qualifying assets, as defined in Accounting Standard 16 on "Borrowing Costs" are capitalized as part of the cost of such asset up to the date when the asset is ready for its intended use. Other borrowing costs are expensed as incurred.



k. **Revenue recognition**

Revenue is recognized when it is earned and no significant uncertainty exists as to its realization or collection.

Interest: Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend: Dividend income is recognised when the right to receive dividend is established.

l. **Taxation**

Income tax is accounted for in accordance with Accounting Standard 22 on Accounting for Taxes on Income. Taxes comprise both current and deferred tax.

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Tax on distributed profits payable in accordance with the provisions of Section 115O of the Income-tax Act, 1961, is, in accordance with the Guidance Note on Accounting for Corporate Dividend Tax, regarded as a tax on distribution of profits and is not considered in determination of the profits for the year.



m. Earnings Per Share

The Company reports Earnings Per Share (EPS) in accordance with Accounting Standard 20 on Earnings Per Share. Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares, except where the results are anti-dilutive.

n. Employee Share based payments

The compensation cost of stock options granted to employees is calculated using the intrinsic value of the stock options. The compensation expense is amortized uniformly over the vesting period of the option.

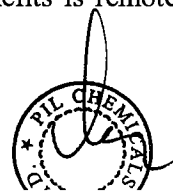
o. Cash Flow statement

The Cash Flow Statement is prepared as set out in Accounting Standard 3 on "Cash Flow Statements". Cash flows are reported using the indirect method, whereby profit before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

Cash and cash equivalents presented in the Cash Flow Statement consist of cash on hand, balance in current accounts and demand deposits with banks.

p. Provisions and contingencies

Contingent liabilities as defined in Accounting Standard 29 on "Provisions, Contingent Liabilities and Contingent Assets" are disclosed by way of notes to the financial statements. A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Contingent liabilities, if any, are disclosed in the Notes. Disclosure is not made if the possibility of an outflow of future economic benefits is remote. Contingent assets are not recognised in the financial statements.



PIL CHEMICALS PRIVATE LIMITED

Notes to Financial Statements

(Currency: Indian Rupees in lacs)

2 SHARE CAPITAL

	As at 31 March 2014		As at 31 March 2013	
	Number of shares	Amount	Number of shares	Amount
A Authorised				
Equity Shares of Rs.10/- each	1,00,00,000	1,000	1,00,00,000	1,000
B Issued, Subscribed and Fully paid				
Equity Shares of Rs. 10/- each	83,54,833	835.48	83,54,833	835.48
Total	83,54,833	835.48	83,54,833	835.48

C Reconciliation of number of shares

Particulars	As at 31 March 2014	As at 31 March 2013
	Number of shares	
Shares outstanding at the beginning and end of the year	83,54,833	83,54,833

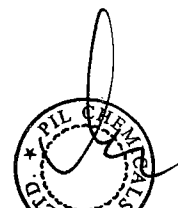
D Rights attached to Equity shares

The company has a single class of equity shares. 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 event of liquidation, the equity shareholders are eligible to receive the assets of the company, in proportion to their shareholding.

E The entire issued share capital is held by the holding company i.e. NOCIL Limited

3 RESERVES AND SURPLUS

	As at 31 March 2014	As at 31 March 2013
a. Securities Premium Account		
As per last Balance Sheet	1,668.97	1,668.97
Add : Securities premium credited on Share issue	-	-
Closing Balance	1,668.97	1,668.97
b. Reserve U/S 45 IC of the RBI Act		
As per last Balance Sheet	58.72	58.72
(+) Current Year Transfer (refer note 15)	-	-
(-) Amalgamation adjustment	58.72	-
Closing Balance	-	58.72
c. Surplus		
As per last Balance Sheet	95.12	72.20
(+) Net Profit/(Net Loss) For the current year	23.64	22.94
Closing Balance	118.76	95.14



PIL CHEMICALS PRIVATE LIMITED

Notes to Financial Statements

(Currency: Indian Rupees in lacs)

4 LONG TERM PROVISIONS

	As at 31 March 2014	As at 31 March 2013
Provision for employee benefits (Refer Note 25)	14.81	13.21
	14.81	13.21

5 TRADE PAYABLES

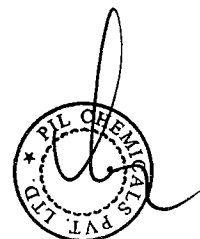
	As at 31 March 2014	As at 31 March 2013
Sundry Creditors	19.21	20.47
	19.21	20.47

6 OTHER CURRENT LIABILITIES

	As at 31 March 2014	As at 31 March 2013
(a) Statutory Liabilities	1.81	2.02
(b) Sundry Creditors for Expenses	38.30	48.01
(c) Sundry Creditors for Capital Goods	6.44	7.30
(d) Others	0.08	-
	46.63	57.33

7 SHORT TERM PROVISIONS

	As at 31 March 2014	As at 31 March 2013
Provision for employee benefits (Refer Note 25)	1.28	1.05
	1.28	1.05



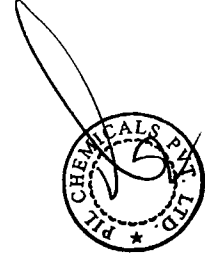
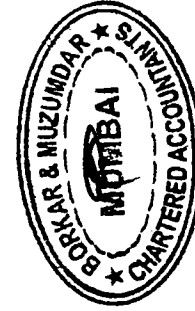
PIL CHEMICALS PRIVATE LIMITED

Notes to Financial Statements

(Currency: Indian Rupees in lacs)

8 FIXED ASSETS

	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 1 April 2013	Additions/ (Disposals)	Capitalised During the year out of WIP	Balance as at 31 March 2014	Balance as at 1 April 2013	Depreciation charge for the year	On disposals	Balance as at 31 March 2014	Balance as at 31 March 2014	Balance as at 31 March 2013
a										
Tangible Assets										
Leasehold Land	325.00	-	-	325.00	28.89	4.50	-	33.39	291.61	296.11
Owned Assets										
Buildings	339.57	-	-	339.57	58.42	9.90	-	68.32	271.24	281.15
Plant and Machinery	1,951.12	7.68	-	1,958.41	588.10	103.08	0.11	691.07	1,267.34	1,363.02
Furniture and Fixtures	2.38	-	-	2.38	0.41	0.15	-	0.56	1.83	1.97
Office equipment	1.52	-	-	1.52	0.17	0.08	-	0.25	1.27	1.35
Total	2,619.59	7.68	-	2,626.88	675.99	117.71	0.11	793.59	1,833.29	1,943.60
b										
Intangible Assets (Owned)										
Computer software	0.58	-	-	0.58	0.18	0.03	-	0.21	0.37	0.40
Total	0.58	-	-	0.58	0.18	0.03	-	0.21	0.37	0.40
Total	2,620.17	7.68	-	2,627.46	676.17	117.74	0.11	793.80	1,833.66	1,944.00
Previous Year	2,494.27	4.70	121.20	2,620.17	559.65	116.52	-	676.17	1,944.00	-



PIL CHEMICALS PRIVATE LIMITED

Notes to Financial Statements

9 NON-CURRENT INVESTMENTS

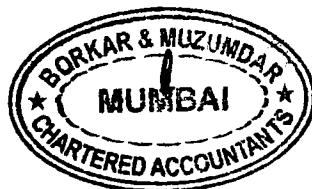
(Currency: Indian Rupees in lacs)

		As at 31 March 2014	As at 31 March 2013
	Investments		
	(a) Quoted Equity Investments		
1	19,900 Equity Shares of Rs.10 each (March 31,2013:19900) Held in Bank of India	8.96	8.96
2	2400 Equity Shares of Rs.10 each (March 31,2013: 2400) Held in Corporation Bank	1.89	1.89
	(b) Unquoted equity instruments		
1	32,000 Equity Shares of Mafatal UK (March 31, 2013: 32,000) Rs 2	0.00	0.00
2	22,320 Equity Shares of Mafatal Services Ltd(March 31, 2013: 22,320) Re 1	0.00	0.00
	(c) Investments in Quoted Mutual Funds		
1	50,000 units of Rs.10 each of JM Mutual Fund (March 31, 2013: 50,000)	5.00	5.00
2	10560 Units of Rs.10 each of UTI Master Shares (March 31, 2013: 10,560)	0.86	0.86
	Total	16.71	16.71

	Particulars	As at 31 March 2014	As at 31 March 2013
a)	Aggregate amount of quoted investments		
	Cost/Carrying value	16.71	16.71
	Market value	63.03	78.95
b)	Aggregate amount of unquoted investments.	0.00	0.00

Note

All the above Investments are acquired on account of Amalgamation with Ensen Holdings Ltd & Urvija Investments Ltd pursuant to the scheme of Amalgamation approved by Honorable High Court Order at the Values appearing in the books of transferor Companies at the time of acquisition.



PIL CHEMICALS PRIVATE LIMITED

Notes to Financial Statements

(Currency: Indian Rupees in lacs)

10 LONG TERM LOAN AND ADVANCES

	As at 31 March 2014	As at 31 March 2013
a. Security Deposits		
Balance with Excise & Customs	1.57	1.27
Balance with other authorities	1.27	1.27
Other Deposits	32.45	32.45
	35.29	34.99
b. Others		
Advance Tax (Net)	31.51	16.36
MAT Credit Entitlement	83.31	77.48
	114.82	93.85
Total	150.13	128.84

11 INVENTORIES

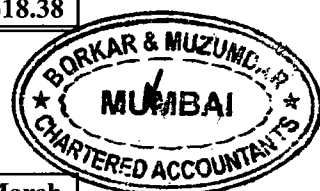
	As at 31 March 2014	As at 31 March 2013
Stores, spares and consumables	24.37	27.17
Total	24.37	27.17

12 TRADE RECEIVABLES

	As at 31 March 2014	As at 31 March 2013
Trade receivables outstanding for a period less than six months from the date they are due for payment Unsecured, considered good	740.41	618.38
Total	740.41	618.38

13 CASH AND CASH EQUIVALENTS

	As at 31 March 2014	As at 31 March 2013
Cash on hand	0.06	0.07
Bank Balances -In current accounts	27.19	40.56
Total	27.25	40.63



PIL CHEMICALS PRIVATE LIMITED

Notes to Financial Statements

(Currency: Indian Rupees in lacs)

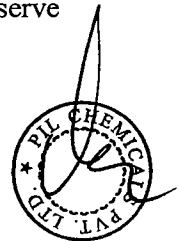
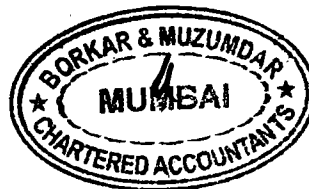
14 SHORT TERM LOANS AND ADVANCES

	As at 31 March 2014	As at 31 March 2013
Loans and advances to employees	10.98	11.16
Prepaid Expenses	1.35	1.19
Advance to suppliers and others	0.12	0.32
Total	12.45	12.67

15 OTHER CURRENT ASSETS

	As at 31 March 2014	As at 31 March 2013
Unsecured, considered good:		
Interest accrued on deposits	0.02	-
Unamortized expenses		
Amalgamation Adjustment Account (Refer note below)	-	58.72
Total	0.02	58.72

Note: Pursuant to the Bombay High Court Order of merger of Ensen Holdings Ltd and Urvija Investments Ltd with the Company, the Statutory reserves (u/s 45 IC of Reserve Bank Of India (Amendment) Act, 1997) of the merged companies are carried forward as contra under the above head. The same has been netted out from the said reserve upon de-registration of the referred companies from the purview of NBFC



PIL CHEMICALS PRIVATE LIMITED

Notes to Financial Statements

(Currency: Indian Rupees in lacs)

16 REVENUE FROM OPERATIONS

	For the year ended 31 March 2014	For the year ended 31 March 2013
Processing Charges	976.26	861.44
Total	976.26	861.44

17 OTHER INCOME

	For the year ended 31 March 2014	For the year ended 31 March 2013
<i>Income From Non Current Investments:</i>		
Dividends from Shares of other companies	3.75	2.14
Dividends from Units of mutual fund	0.24	0.23
<i>Other Income:</i>		
Interest on Fixed Deposits from Banks/Others	3.09	7.70
Interest on Income Tax Refund	-	0.58
Sundry Balances written Back	0.00	0.19
Interest on Staff Loan	0.63	0.71
Profit on sale of machinery	2.52	-
Total	10.23	11.55



PIL CHEMICALS PRIVATE LIMITED

Notes to Financial Statements

(Currency: Indian Rupees in lacs)

18 EMPLOYEE BENEFITS EXPENSE

	For the year ended 31 March 2014	For the year ended 31 March 2013
(a) Salaries, Wages & Bonus	153.85	135.04
(b) Contributions to Provident Fund and other funds (refer note 24)	10.41	9.66
(c) Gratuity	1.33	1.50
(d) Leave Encashment	1.97	1.76
(e) Staff welfare expenses	5.04	6.69
Total	172.60	154.65

19 OTHER EXPENSES

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
Consumption of stores and spare parts	53.02	37.15
Power, fuel and Other Utilities	414.45	389.15
Repairs and maintenance - Buildings	2.90	4.41
Repairs and maintenance - Machinery	44.41	32.30
Insurance	1.76	2.18
Rates and taxes	10.08	6.58
Donations and contributions	10.00	-
Payments to auditors (Refer Note 19 A below)	3.53	3.38
Miscellaneous expenses	121.53	99.85
Total	661.68	575.00

19 A PAYMENT TO AUDITORS

	For the year ended 31 March 2014	For the year ended 31 March 2013
Payments to the auditor as		
a. Audit Fee	1.97	1.97
b. Tax Audit Fee	0.56	0.56
f. for reimbursement of expenses	1.00	0.85
Total	3.53	3.38

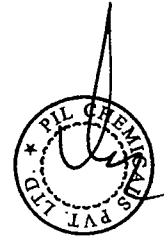


PIL CHEMICALS PRIVATE LIMITED

Notes to Financial Statements

20 Earning Per Share

	31 March 2014	31 March 2013
Profit available for equity shareholders (Rs in Lakhs)	23.63	22.94
Weighted average number of Equity shares for Basic EPS	83,54,833	83,54,833
Weighted average number of Equity shares for Diluted EPS	83,54,833	83,54,833
Nominal value of Equity share (Rs.)	10.00	10.00
Earnings per share (Rs.) - Basic	0.28	0.27
Earnings per share (Rs.) - Diluted	0.28	0.27



PIL CHEMICALS PRIVATE LIMITED.

Notes to Financial Statements

21. In view of introduction of new Companies Act, 2013 by the Ministry of Corporate Affairs, the company is in the process of converting its present status from "Private Limited" to "Public Limited" company. The Company is in the process of filing the requisite application for the same with the Ministry of Corporate Affairs, New Delhi.
22. The company is primarily engaged in the business of processing of rubber chemicals, which in the context of AS 17 on 'Segment Reporting' constitute a single reporting segment.
23. The components of Deferred Tax Liabilities / (Assets) are as under

(Currency: Indian Rupees in lacs)

	2013-2014	2012-2013
Depreciation	234.83	229.48
Carry forward losses	(100.90)	(106.94)
Expenses allowed on payment basis	(4.97)	(4.41)
Net deferred tax liability	128.96	118.13

24. Related Party Disclosures:

(A) Name of related parties and nature of relationship:

(i) Where control exists:

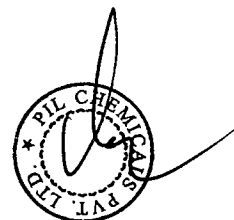
Holding Company: **NOCIL Limited**

(B) Related Parties with whom transactions have taken place during the year:

(Currency: Indian Rupees in lacs)

Name of the Party	Relation	Nature of Transaction	2013-2014	2012-2013
NOCIL Limited	Holding Company	Income from Processing Charges	976.26	861.44
Amount Outstanding				
NOCIL Limited	Holding Company	Trade Receivables	740.41	618.38

Notes: Related party relationship is as identified by the Company and relied upon by the auditors.



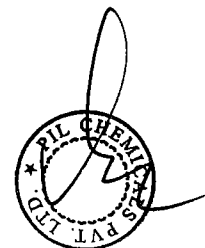
25. Employee benefits:

(Currency: Indian Rupees in lacs)

		2013-2014	2012-2013
1	Post employment Benefits		
(a)	Defined contribution plans		
(i)	Company's contribution to Provident Fund	8.17	7.44
(b)	Defined benefit scheme (unfunded)		
	Gratuity		
	Present Value of Obligation		
	As At 1 April	8.13	7.53
	Service Cost	1.38	1.48
	Interest Cost	0.67	0.66
	Actuarial Loss on obligation	(0.72)	(0.65)
	Benefit paid	-	(0.89)
	As at 31 March	9.46	8.13
	Expense during the year		
	Service cost	1.38	1.48
	Interest cost	0.67	0.66
	Actuarial Loss on obligations	(0.72)	(0.65)
	Principal Actuarial Assumptions		
	Rate of Discounting	9.31%	8.25%
	Rate of increase in salaries	4.00%	4.00%

Other Disclosure:

Particulars	2013-14	2012-13	2011-12	2010-11	2009-10
Defined benefit obligation	9.46	8.13	7.53	4.95	2.85
Experience adjustment on liabilities – loss / (gain)	0.17	(1.11)	1.34	0.97	0.27

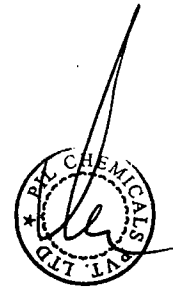


26. Dues to micro, small and medium scale enterprises

There are no dues payable to Micro, Small and Medium Enterprises (as per information available with the Company) as on 31 March 2014, hence disclosures for the current year have not been given.

In the previous year, the Company had not received any intimation from “suppliers” regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures have not been given.

27. Previous year figures have been regrouped/ reclassified wherever necessary to correspond with current year’s classification/ disclosure.



PIL CHEMICALS PRIVATE LIMITED

Notes To Financial Statements for the year ended 31st March 2014- continued

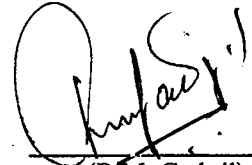
As per attached report of even date
For Borkar and Muzumdar
Chartered Accountants
Firm Registration No.: 101569W



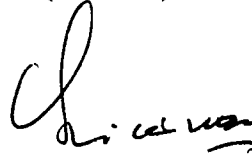
Rajesh Batham
Partner
Membership No - 35941



(S.R. Deo)
(Chairman)



(R.M. Gadgil)
(Director)



(P. Srinivasan)
(Director)

Place : Mumbai
Date : 21st April 2014

Place : Mumbai
Date : 21st April 2014