NOCIL LIMITED

Mafatlal House, 3rd Floor, H. T. Parekh Marg, Backbay Reclamation,
Churchgate, Mumbai - 400 020, India.
Tel.: 91 22 6657 6100, 6636 4062 Fax: 91 22 6636 4060 website : www.nocil.com
CIN No. L99999MH1961PLC012003 Email.: investorcare@nocil.com

SEC/122B

27th July 2016

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

Dear Sir,

Sub: Annual Report for the Financial Year 2015-16

We wish to inform you that the Company's 54th Annual General Meeting was held on 27th July 2016 at **2.30 P.M.** at the Rama & Sundri Watumull Auditorium, K.C. College, Vidyasagar, Principal K.M. Kundnani Chowk, 124, Dinshaw Wacha Road, Churchgate, Mumbai – 400 020.

At the said Meeting, amongst others, the shareholders have approved and adopted the Audited Statement of Profit and Loss, Cash Flow Statement of the Company for the Financial Year ended on 31st March 2016 and the Balance Sheet as at 31st March 2016 and the Reports of the Directors and the Auditors thereon.

Accordingly, pursuant to Regulation 34 (1) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, we are pleased to annex herewith PDF version of the Annual Report for the Financial Year 2015-16.

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

Thanking you,

Yours faithfully,
For NOCIL Limited

V. K. Gupte
Company Secretary

Encl: as above

NOCIL

NOCIL LIMITED

54th
Annual Report 2015 - 16

ARVIND MAFATLAL GROUP
The ethics of excellence

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REGISTRAR AND SHARE TRANSFER AGENTS:

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

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

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

INVESTORS' RELATION CENTRE:

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

FOR MEMBERS' ATTENTION

1. The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, 21 July 2016 to Wednesday, 27 July 2016.
2. Those shareholders who have yet not dematted their shareholding from physical to demat mode are requested to do so at the earliest.
3. The members are requested to quote their Folio Number /Client Id in all correspondence and also to notify immediately, change of address, if any, to the Registrar and Share Transfer Agents viz. Karvy Computershare Pvt. Ltd at the address given on this page.
4. The members having multiple registered folios are requested to contact the Registrar and Share Transfer Agents of the Company for the purpose of consolidation of registered folios.
5. The members are requested to inform the Company their bank account particulars/ ECS mandates for the purpose of payment of dividend, if declared, at the ensuing Annual General Meeting.
6. The members are requested to bring their copy of the Annual Report along with them and their Attendance Slip which may be submitted at the entrance duly signed.
7. The members desirous of getting any information about accounts and operations of the Company are requested to address their queries to the Company Secretary at least 10 days in advance of the meeting so that information required can be made readily available at the meeting.
8. Keeping in view the objective of "Green Initiative", the Annual Reports are being sent through electronic mode to those members who have registered their e-mail addresses with their Depository participants / or with the Company or with the Company's Registrar and Share Transfer Agents. Members who have not yet registered their e-mail addresses for receiving Annual Report, Notices and other documents in electronic mode are requested to register their e-mail address for the purpose.
9. Annual Report for Financial Year 2015-16 is being uploaded on the website of the Company viz. www.nocil.com for reference of the Members of the Company.

54th Annual General Meeting

Date : 27 July 2016

Day : Wednesday

Time : 2.30 P.M.

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

CORPORATE INFORMATION

Board Of Directors

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

Company Secretary

V.K. Gupte

Auditors

Deloitte Haskins & Sells, LLP
Chartered Accountants

Solicitors & Advocates

Vigil Juris
PDS Legal

Bankers

HDFC Bank
State Bank of India
AXIS Bank
IDFC Bank

Registered Office

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

Plants

Navi Mumbai

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

Dahej

12/A/1 & 13/B/1, Dahej Indl. Estate,
Village Ambheta, Tal. Vagra,
Dist. Bharuch - 392130
Gujarat.

Contact Details

Telephone	:	022-66364062 /66576100
Fax	:	022-66364060
CIN No.	:	L99999MH1961PLC012003
E-mail	:	investorcare@nocil.com
Website	:	www.nocil.com

NOCIL LIMITED

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

NOTICE

NOTICE is hereby given that the FIFTY FOURTH Annual General Meeting of the Members of NOCIL Limited will be held on Wednesday, the 27 July 2016 at 2.30 p.m. at Rama & Sundri Watumull Auditorium, K.C. College, Vidyasagar, Principal K.M. Kundnani Chowk, 124, Dinshaw Wacha Road, Churchgate, Mumbai – 400 020 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Statement of Profit and Loss, Cash Flow Statement of the Company for the year ended 31 March 2016 and the Balance Sheet as at 31 March 2016 and the Reports of the Directors and the Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Mr. Vilas R. Gupte (holding DIN 00011330), who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** pursuant to Section 139(1) and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force), appointment of M/s. Deloitte Haskins and Sells LLP, Chartered Accountants, Mumbai (Registration No. 117366W/W-100018) who were appointed as Statutory Auditors of the Company to hold office for the period of 3 (three) years from the conclusion of Annual General Meeting held in 2014 until the conclusion of the Annual General Meeting to be held during the year 2017 to examine and audit the accounts of the Company for the Financial Years 2014-15, 2015-16 and 2016-17 be and is hereby ratified for financial year 2016-17 and the Board of Directors of the Company be authorized to fix remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors plus reimbursement of out of pocket expenses and applicable taxes."

SPECIAL BUSINESS:

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

   "**RESOLVED THAT** pursuant to Section 148(3) of the Companies Act, 2013, read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions if any, payment of Remuneration of ₹ 5,00,000/- (apart from reimbursement of out of pocket expenses and applicable taxes) to M/s. Kishore Bhatia & Associates, Cost Auditors, Mumbai (Registration No. 00294), who were appointed by the Board of Directors in their meeting held on 5 May 2016 for carrying out Cost Audit of the Company for financial year 2016-17, be and is hereby approved and ratified."

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

   "**RESOLVED THAT** pursuant to Section 94(1) of the Companies Act, 2013, ('the Act'), the registers required to be kept and maintained by a Company under Section 88 of the Act such as the Register of Members and Index of Members and other related documents including copies of the annual return filed under Section 92 of the Act, shall be kept at the premises of the Company's Registrar and Transfer Agents (RTA) viz., Karvy Computershare Private Limited, at 24 B, Rajabahadur Mansion, Ground Floor, Ambalal Doshi Marg, Mumbai - 400 023, Maharashtra.

   FURTHER RESOLVED THAT the Register of Members and Index of Members and other related documents including copies of the annual return etc. shall be kept at the premises of the RTA so long as they continue to act as the RTA of the Company."

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

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

V.K.Gupte
Company Secretary

Date : 5 May 2016

NOTES

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

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

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

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

3. The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, 21 July 2016 to Wednesday, 27 July 2016 (both days inclusive).

4. The dividend for the year ended 31 March 2016 as recommended by the Board, will be paid to those members whose names appear on the Company's Register of Members on 27 July 2016. In respect of shares held in demat form, the dividend will be paid to the beneficial owners of shares as per details furnished by the Depositories as on 27 July 2016. The dividend, if approved, at the Annual General Meeting, will be paid at par on or after 2 August 2016.

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

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

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

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

Financial Year ended	Date of declaration of dividend	Due date of transfer of unclaimed & unpaid Dividend
31 March 2009	29 July 2009	4 September 2016
31 March 2010	30 July 2010	5 September 2017
31 March 2011	27 July 2011	2 September 2018
31 March 2012	31 July 2012	6 September 2019
31 March 2013	29 July 2013	4 September 2020
31 March 2014	30 June 2014	6 August 2021
31 March 2015	23 July 2015	29 August 2022

8. Details under Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Directors seeking appointment / re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment or re-appointment.

9. Electronic copy of the 54th Annual Report for 2015-16 and Notice of the 54th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/ Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the 54th Annual Report and Notice of the 54th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.

10. **Voting through electronic means**

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

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

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

IV. The remote e-voting period commences on 22 July 2016 (9:00 am) and ends on 26 July 2016 (5:00 pm). During this period, the members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date of 20 July 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by KARVY for voting thereafter.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

EVENT NO.	USER ID	PASS WORD

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

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

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

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

XI. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 20 July 2016.

XII. Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. 20 July 2016, may obtain the User ID and password in the manner as mentioned below:

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

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

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

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

Example for NSDL: MYEPWD <SPACE> IN12345612345678

Example for CDSL: MYEPWD <SPACE> 1402345612345678

Example for Physical : MYEPWD <SPACE> XXXX1234567890

XIII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, viz., 20 July 2016 only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

XIV. Mr. Hemanshu Kapadia, Proprietor of M/s Hemanshu Kapadia & Associates, Practicing Company Secretaries (C.P. No. 2285), Mumbai or failing him Ms. Preeti A. Bhangale, Partner of VPP & Associates, Practicing Company Secretaries (C.P. No. 9134), Mumbai has been appointed as the Scrutiniser by the Board of Directors of the Company to scrutinize the e-voting process in a fair and transparent manner.

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

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

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

XVIII. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to have been passed on the date of the AGM i.e. 27 July 2016.

Annexure to the Notice

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

Item No. 4

Pursuant to Section 139 (1) of the Companies Act, 2013, M/s. Deloitte Haskins & Sells LLP., Chartered Accountants, Mumbai (Registration No. 117366W/W-100018) were appointed as Statutory Auditors of the Company to hold the office for the Financial Years 2014-15, 2015-16 and 2016-17. Further, pursuant to Section 139(1) of the Companies Act, 2013, the Members of the Company are required to ratify their re-appointment as Statutory Auditors of the Company, at every Annual General Meeting; hence the resolution is placed before the members for ratification.

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

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

Item No. 5

Pursuant to Section 142 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the Members of the Company are required to ratify the payment of remuneration of ₹ 5,00,000/- per annum and reimbursement of out of pocket expenses and taxes as may be applicable to the Cost Auditors as considered and approved by the Board of Directors for the Financial Year 2016-17, if and as may be applicable and directives issued by the Central Government.

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

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

Item No. 6

Pursuant to Section 94(1) of the Companies Act, 2013, ('the Act') the registers required to be kept and maintained by a Company under Section 88 of the Act, such as the Register of Members and Index of Members and other related documents including copies of the annual return filed under Section 92 of the Act shall be kept at the Registered Office of the Company.

Such registers or copies of annual return may also be kept at any other place in India if approved by a special resolution passed at a general meeting of the Company and the Registrar has been given a copy of the proposed special resolution in advance.

M/s Karvy Computershare Private Limited (Karvy) were appointed as the Company's Registrar and Share Transfer Agent (RTA), having their office at 24 B, Rajabahadur Mansion, Ground Floor, Ambalal Doshi Marg, Mumbai - 400 023, Maharashtra in place of M/s Sharepro Services (India) Private Limited, Mumbai. Karvy is our RTA, who has been providing depository related services for the shares held in demat mode and also acting as the Share Transfer Agent for the shares held in physical segment. Hence, the approval of the Members is sought in terms of Section 94 (1) of the Act, for keeping the aforementioned Registers and documents at the premises of the RTA as stated in the resolution.

The Board of Directors recommends this resolution as a Special Resolution for the approval of the Members.

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

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

Name	Mr. Vilas Raghunath Gupte
Brief Resume - Age & Qualification	71 years B. Com., Member of the Institute of Chartered Accountants of India.
Date of Appointment / Re-appointment	31 July 2012
Expertise in Specific Functional Areas	Mr. Gupte has more than 40 years experience at various companies in Finance, Legal and Commercial matters. He retired as Chief Executive Officer of our Company in July, 2005. Presently he is part of a Business Solutions Consultancy.
Directorship held in other Listed Entities	Mafatlal Industries Ltd.
Membership / Chairmanship of Committees	Mafatlal Industries Ltd. Chairman – Nomination and Remuneration Committee Member – Audit Committee – CSR Committee
Number of shares held in the Company	600 (As Joint holder)
Disclosure of relationship	Mr. Gupte is related to Mr. C.R.Gupte, Managing Director of the Company.

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

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

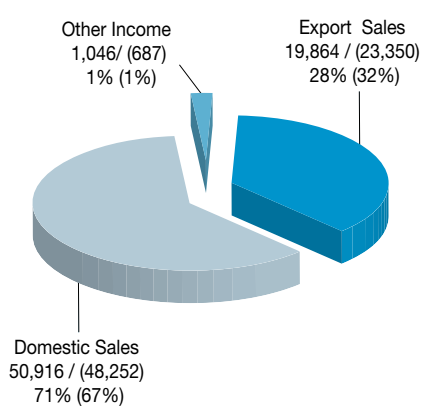
V.K.Gupte
Company Secretary

Date : 5 May 2016

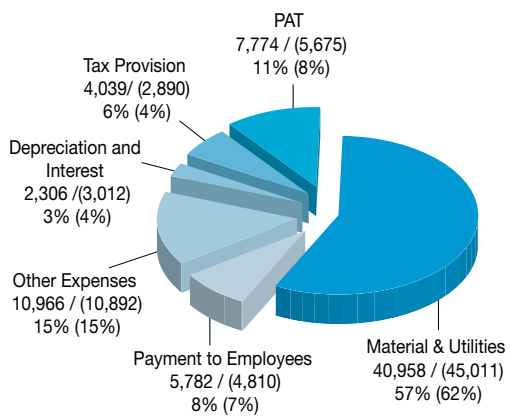
(₹ in lakhs)

SUMMARISED FINANCIAL DATA							
Sr. No.	Particulars	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
	STATEMENT OF PROFIT AND LOSS						
1	Total Income	45,893.40	50,473.65	50,205.16	60,690.09	72,288.83	71,825.45
2	EBITDA	5,610.94	5,611.28	3,348.53	7,168.22	11,576.24	14,119.42
3	Interest	12.45	43.16	375.49	1,738.77	1,651.22	933.96
4	Depreciation	798.51	899.34	784.57	1,755.84	1,360.48	1,372.44
5	Profit before Exceptional Items	4,799.98	4,668.78	2,188.47	3,673.61	8,564.54	11,813.02
6	Exceptional Items as Income / (Expenditure)	-	22.45	2,225.00	(203.45)	-	-
7	Profit before Tax	4,799.98	4,691.23	4,413.47	3,470.16	8,564.54	11,813.02
8	Profit after Tax	3,331.82	3,399.06	4,249.02	2,361.76	5,674.84	7,774.03
9	Earning per share (EPS) ₹ (Basic)	2.07	2.11	2.64	1.47	3.53	4.83
10	Dividend (₹ per Share)	0.60	0.60	0.60	0.60	1.00	1.20
	BALANCE SHEET						
11	Net Fixed Assets	11,370.91	20,187.17	30,449.09	30,490.37	29,660.93	29,580.55
12	Investments	2,483.13	2,505.58	4,730.58	4,730.58	4,730.58	4,730.58
13	Long-term loans and advances (Net)	3,466.87	3,508.46	4,006.68	3,426.14	2,286.05	1,246.85
14	Current Assets (Net)	15,780.82	17,318.56	14,590.14	18,109.97	23,532.61	18,439.19
15	Borrowings (including short term borrowings)	-	8,045.88	14,683.63	15,222.58	14,730.80	2,586.70
16	Share Capital	16,078.70	16,078.70	16,078.70	16,078.70	16,078.70	16,078.70
17	Free Reserves	14,927.20	17,205.03	20,325.38	21,558.47	25,263.20	30,715.00
18	Total Net Worth	31,005.90	33,283.73	36,404.08	37,637.17	41,341.90	46,793.70
19	Deferred Tax Liability/(Deferred Tax Asset)	2,095.82	2,190.16	2,688.77	3,897.32	4,137.46	4,616.77
20	Book Value per Equity Share (₹) (#18/no. of shares)	19.28	20.70	22.64	23.41	25.71	29.10
	(Face value - ₹ 10 per share)						
21	Debt / Equity Ratio (#15/#18)	-	0.24	0.40	0.40	0.36	0.06
22	Operating EBITDA (%) (#2/#1)	12%	11%	7%	12%	16%	20%
23	Profit after Tax (%) (#8/#1)	7%	7%	8%	4%	8%	11%
24	Return on Net Worth (%) (#8/#18)	11%	10%	12%	6%	14%	17%
25	Return on Capital Employed (%) {#2/(#11+#12+#13+#14)}	17%	13%	6%	13%	19%	26%

Rupees Earned



Rupees Spent



(Figures in brackets indicate previous year)

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present their Report together with the Audited Accounts of the Company for the year ended 31 March 2016.

FINANCIAL RESULTS		(₹ in Crore)
Particulars	**For the year 31 March 2016**	**For the year 31 March 2015**
Gross Revenue	788.61	785.33
Less : Excise Duty	73.40	66.33
Net Revenue	715.21	719.00
Profit before Tax	118.13	85.65
Profit after Tax	77.74	56.75
Earnings per share of Face Value of ₹10/- each - Basic - Diluted	4.83 4.78	3.53 3.50
Proposed Dividend	19.29	16.08
Tax on Dividend	3.93	3.27

Performance of the Company

I am happy to inform you that the financial year 2015-16 saw a notable improvement in the operating performance of your Company, even on the back-drop of weak global demand, falling prices and over-capacities etc. Demand for Rubber Chemicals is a derived demand and is directly a function of Global Rubber Consumption, which for the year remained relatively flat. Despite this, your Company has posted a growth of 4% in its sales volume. It is pertinent to note that this growth was achieved, in spite of a conscious decision to stay away from certain traditional but non-strategic export markets,in the face of unrealistically low pricing from Chinese and Korean suppliers.

The continued weakness in the price of Crude Oil and certain Petrochemical building blocks, during the year, did have a favourable impact on the Company's Raw Material costs. However, these reductions in costs were accompanied by reductions in selling prices of finished goods. In line with our usual long-term approach to business, we have adjusted our selling prices to our regular customers to reflect these reductions in costs as also to maintain our business share at these accounts, in line with the prevailing stiff competition.

Domestic Market

Your Company achieved Domestic Sales of ₹ 580 Crores against the previous year's figure of ₹ 560 Crores. Although the value increase appears to be modest, thanks to the reduction in the selling prices of our products, it does not adequately capture the growth in the domestic sales volume and market share, in this challenging year. Higher domestic volumes, better product-mix and continual improvements in operational efficiencies, particularly at the new plant in Dahej, have been key factors in improving the operating margins.

It may also be noted that the overall situation with our consuming industry during the year remained weak. As a result, most of your Company's major customers had curtailed their capacity utilization. Consequently, your Company was also forced to align its production plan with the overall demand- trend, and in the face of un-remunerative pricing offered by our Chinese and Korean competitors, compelled us to consciously stay out of some of the customer accounts. As a result, we had to reduce the production of some of products and their intermediates,during the year. This however had the positive impact of the Company reducing its inventory levels by ₹ 55 Crores, leading to a significant reduction in working capital borrowings and bringing down financing costs.

The Indian economy exhibited significant resilience during the year in contrast to most other countries, China in particular. According to most forecasts, India's GDP growth, is expected to be in the region of 7.5% for the year 2016-17. Your Company's management expects to capitalize on this growth by further strengthening its premier position as the largest domestic player in the Rubber Chemicals business. Given the acknowledged quality of its products and services, your Company sees 2016-17, as a year of significant opportunities, to grow its volumes and improve its capacity utilization.

We expect that the major threat to this objective, is likely to be from the continued and aggressive dumping of Rubber Chemicals at unrealistically low prices by producers, mainly from China, Korea and the European Union. The poor domestic demand in China due to the slow-down in that country and the absence of growth in the EU Region may create a situation, where rubber chemicals pricing may witness further reductions in the near term. But, at the same time, the Crude Oil and its down–stream derivatives have shown a hardening trend towards the end of the financial year and as a result, the ability of these competitors to sustain such low pricing may also come under considerable strain.

In this context, it is worthwhile to note that the Government of India has created to some extent, a level playing field for your Company, by imposing Anti-Dumping duty on six products, out of about twenty products which your Company produces and markets. Ironically, the level playing field so provided by the Government, to quite some extent, was neutralized by the conscious erosion in the prices of these products, by competitors from China, Korea and the EU. Your Company continues to face these challenges and continues to counter these, by offering high quality products and service, judicious business decisions and further helped by its long reputation of a dependable supplier to the rubber industry.

Exports

Due to the weak prevalent market conditions in the European Union and Japan, your Company's export volumes remained subdued and pricing too was affected due to aggressive price undercutting resorted to, by our global competitors from China/Korea and EU. The slow-down in the domestic demand in China,was one of the most important factors behind this price undercutting despite which your Company during the year achieved an export turnover of nearly ₹ 200 Crore. Your Company adopted a judicious approach of promoting exports of only high value/specialized products, and staying away from high volume products with poor margins. In fact, your Company, over the past few years has focussed on improving its sales-mix, by promoting some speciality and high-value products to specific customers,thereby improving its margins. I am happy to inform that, with this approach, your Company, managed to achieve improved profitability in the export segment, despite forgoing volume growth. In case of some of the products, where competition is acute from China/Korea/EU and pricing unattractive, your Company has chosen to export these products, only to a certain select key accounts,keeping in mind the equally important need to maintain continuity at these accounts, as well as to ensure,our own capacity utilization remained at reasonable levels.

Finance & Rating

During the year, your Company renewed its working capital facilities with its existing bankers and further inducted State Bank of India and IDFC Bank, into its Multiple Banking Arrangement. The Credit Rating Agency CARE, in their recent evaluation, have re-affirmed your Company's Long Term Credit Rating at AA – and Short term borrowings rating at A1+.

Your Company, with its improved cash flow position, also managed to prepay its term loan of ₹ 25 crores, to one of its term loan lenders. The other term loan lender, agreed to bring down the interest rate, instead of accepting prepayment.

Dividend

Your Directors are pleased to recommend payment of dividend of ₹ 1.20 per share of ₹ 10/- each (12%), on the equity share capital of the Company [previous year ₹ 1/- per share of ₹ 10/- each (10%)]. The dividend, together with the tax on Dividend, will absorb a sum of ₹ 23.22 crore (previous year ₹ 19.35 crore).

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

In terms of the provisions of Section 125 of the Companies Act, 2013 read with the Companies (Declaration and Payment of Dividend) Rules, 2014, all unclaimed / unpaid dividend up to FY 2007-08 has been transferred to the Investor Education and Protection Fund and unclaimed / un-encashed dividend for the FY 2008-09 paid on 3 August 2009 is due for transfer to IEPF on 4 September 2016. Those members who have not yet claimed / encashed the same, are requested to claim the same at the earliest before transfer to IEPF.

Registrar and Share Transfer Agents (RTA)

Your Company had appointed Sharepro Services (India) Pvt Ltd as its RTA for the last 16 years. On a complaint received from one of the listed companies, who were also the clients of Sharepro, SEBI vide its order dated 22 March 2016 banned Sharepro from performing the responsibilities as RTA with immediate effect. Your Company being one of the clients of Sharepro has been asked by SEBI, to furnish a detailed audit report on the working of the RTA and also appoint a new RTA within 6 months of the SEBI order.

As per the interim order of SEBI, your Company's shareholders are not affected by such wrongdoings. Your Company's management, in the interim and as desired by SEBI, has appointed M/s Makarand Joshi & Co., Practicing Company Secretaries to conduct an audit of the Company's records, maintained by Sharepro.

Your Board of Directors, after careful evaluation, has decided to appoint Karvy Computershare Private Limited ('Karvy') as the Company's Registrar and Transfer Agent (RTA) effective 23 May 2016. Karvy, is one of the largest and reputed RTA operating in the Country for the last three decades with a wide network spanning across different states. Karvy, with their very high technology driven process, has been servicing a very large investor base and also have an extensive internal / external audit oversight for their operations.

I wish to reassure each one of the members, that the Board and the Management of your Company,will keep the interest of shareholders as one of its topmost priorities and will also ensure that the transition from the erstwhile RTA to the new one, under the watchful supervision of its own officials, happens smoothly and with least inconvenience to the shareholders.

Fixed Deposits

All the unclaimed fixed deposits/unclaimed fixed deposit warrants have been transferred to Investor Education & Protection Fund, as required under Section 125 of the Companies Act, 2013.Since, the Company no longer accepts deposits from public, there are no outstanding/unclaimed deposits as at 31 March 2016.

Insurance

The Company has taken all the necessary steps to insure its properties and insurable interests, as deemed appropriate and also as required under the various legislative enactments.

Health, Safety and Environment

The core theme of HSE standard is to ensure clean environment and safety of employees, community around and all suppliers & customers. HSE practices adopted by your Company ensure adherence to this core theme for all the activities inside and outside the Company.

High emphasis is placed on adherence to the laid down policies,systems and procedures, collective learning out of experience through meetings and training programs,imparting training to all the employees including contract employees and vendors and continual skill development to ensure safe operations at all the times.

Management of process safety risk assessment is an essential part of HSE management and the smallest of a change in the process is evaluated for its risk before implementation. Employees are encouraged to report "near miss incidents" and a core HSE team evaluates root cause for such incidents. Mitigation action plan thereon, forms the theme for subsequent training programs to ensure elimination of root cause through collective learning.

Safe attitude encouragement is achieved by investing substantial man hours to spread the message of safe working, across the organization on continual basis.

A core team of research center focuses on continual improvement in environment standard. New technologies are adopted for "recovery and reuse" of valuable chemicals from effluent stream to ensure clean environment and enhance the profitability of the Company. Substantial capital expenditure is allocated every year by your management to ensure continual improvement in the environment standards of the Company at all locations.

Conservation of natural resources is a major initiative as a part of HSE and projects are implemented to ensure continual reduction in consumption of natural resources.

Your Company has occupational health centres at its all locations which not only undertake the periodic heath checks of all employees but also specific counselling is undertaken to educate the employees on life style health hazards.

Safe practices in the Company are encouraged by conducting various annual competitions and rewarding the concerned employees.

Suggestion scheme is utilized by the employees to offer suggestions for continuous improvement of safety practices.

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

Total Quality Management

Adherence to quality standards is absolutely imperative for the Company's domestic and International businesses, since customers evaluate the Company as per its prevailing TQM standard. The primary objective of TQM is to ensure that the laid down quality standards are followed at all levels and for all operations at all locations including warehousing and delivery of the goods to customers.

Navi Mumbai plant continues to be certified for ISO 9001:2008 (Quality Management system), ISO 14001: 2004 (Environment Management System), OHSAS 18001: 2007(Occupational Health & Safety Standards) as well as TS 16949: 2009 (Quality system for Automotive Sector). The Quality Assurance Laboratory of the Company is certified for ISO 17025.

New location at Dahej was also certified for ISO 9001:2008 (Quality Management system), ISO 14001: 2004 (Environment Management System), OHSAS 18001: 2007(Occupational Health & Safety Standards) during the financial year.

Your Company also has ensured that its subsidiary and ancillary units are also certified for ISO 9001: 2008. NOCIL TQM team conducts periodic audits at these locations to ensure a continual implementation of TQM culture.

Your Company continues to be a member of "Responsible Care". During audits conducted by the international and reputed domestic tyre customers, our quality system continues to get the highest rankings in their vendor assessment.

TQM is always and will continue to be an important factor amongst the various objectives set by the Company. In this modern day of competitive scenario, TQM is one of the important pillar of your Company's successful business journey.

Research & Development

NOCIL Research and Development continues to be acknowledged as one of the core strengths of NOCIL by all its domestic and international customers. Your Board has consistently encouraged investment in Research activities for sustainable growth in Rubber Chemicals business. The Research Centre of your Company is recognized by Ministry of Science and Technology, Government of India and it focuses on key business areas including:

- Process development, scale up and commercial implementation.
- Environmental strategies for sustainable growth.
- Introduction of emerging technologies for process/ product improvements.
- Research initiatives as per customers' perceived needs.

The innovative environmental strategies implemented in the plant have resulted among other things into improvements in conserving natural resources and valuable chemicals.

In-house technology development is protected by obtaining National and International Patents.

The Company's Research and Development team consistently endeavors to create innovative concepts which will yield significant benefits to the Company in the short as well as long term.

Risk Assessment and Management

Your Company has a well-defined Risk Management System in place, as a part of its good Corporate Governance practices. Your Company has assigned the ownership of key risks to various Risk Owners and has made the concerned departments and officials responsible for mitigation plans and review of these risks from time to time. The risks are identified at various departmental levels and suitable mitigation measures are thereafter adopted. These are further subjected to a quarterly review by the Risk Co-ordination Committee as well as the Board. The business plans for the future are devised and approved by the Board keeping in mind the risk factors which can significantly impact the performance of the particular business. All major capital expenditure commitments are subjected to thorough scrutiny by the Board and investments are permitted only on being satisfied about its return or utility to the Company. Expansion projects are subject to detailed risk assessment and sensitivity tests and approved only after found to pass eligibility criteria.

Internal Control Systems and their Adequacy

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

The Internal Auditors monitor and evaluate the efficacy and adequacy of internal controls in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of Internal Auditors, the management undertakes corrective action in the respective areas and thereby further strengthens the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board. The Audit committee of the Board ensures that necessary corrective actions suggested are put in place. In addition during the year, the Audit Committee and the Board have specifically reviewed the Internal Control and Financial Reporting process prevalent in the Company. On a periodical basis, the Board also engages the services of professional experts in the said field in order to ensure that adequate financial controls and systems are in place. At the end of a period, the CEO & CFO gives a declaration in the appropriate format to certify that the financial statements prepared are accurate and complete in all aspects and that there are no significant issues that can impair the financial performance of the Company.

Vigil Mechanism / Whistle Blower Policy

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

Policy on Sexual Harassment of Women at Workplace

As per the requirement under the provisions made under Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal), Act, 2012, an appropriate Committee has been formed to attend to the complaints of the sexual harassment at workplace, if any, made by female employees. The committee of 4 members consists of two female employees, Vice President-Human Resource and a practicing Advocate in the field of labour laws and regulations. During the year under review, no complaints were received. Wide publicity continues to be ensured with respect to the policy to all employees and the policy is also displayed on the Company's website.

DIRECTORS

- **Number of Board Meetings**

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

- **Board Evaluation**

  Pursuant to the provisions of the Companies Act, 2013 and Regulations 17 and 25 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, of individual Directors as well as the evaluation of the working of its Audit, Nomination & Remuneration and Compliance Committees. The various criteria considered for the purpose of evaluation of Whole Time / Executive Directors included leadership, engagement, transparency, analysis, decision making, functional knowledge, governance etc. The Board was of the unanimous view that all the Whole Time / Executive Directors were providing good business and people leadership.

- **Declaration of Independent Directors**

  As required under Section 149(7) of the Companies Act, 2013, the Independent Directors have placed the necessary declaration in terms of the conditions laid down under Section 149(6) of the Companies Act, 2013 in the Board Meeting held on 5 May 2016.

- **Familiarization Programme to Independent Directors**

  The Company provides suitable familiarization programme to Independent Directors so as to associate themselves with the nature of the industry in which the Company operates and business model of the Company in addition to regular presentation on technical operations, marketing, exports and financial statements. In addition to the above, Directors are periodically advised about the changes effected in the Corporate Law, Listing Regulations with regard to their roles, rights and responsibilities as Directors of the Company. The details of the familiarization programme have been disclosed and updated from time to time on the Company's website and its weblink is http://www.nocil.com/images/fckeditor/file/Familiarization-Programme-for-IDS.pdf

Directors' Responsibility Statement

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

(a) That in the preparation of the annual financial statements for the year ended 31 March 2016, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any;

(b) That such accounting policies as mentioned in Note 1 forming part of the Financial Statements have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31 March 2016;

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

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

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

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

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

Remuneration policy

During the Financial Year 2014-15, based on the recommendations of the Nomination & Remuneration Committee, the Board of Directors approved a Policy for selection and appointment of Directors, Senior Management and their remuneration. There has been no change in the said Policy in the Financial Year 2015-16. The Salient features of Remuneration Policy are given in the Corporate Governance Report.

Related Party Transactions

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

As per the Related Party Transactions Policy, approved by the Board of Directors of the Company, during the year under review, the Company has entered into related party transactions based upon the omnibus approval granted by the Audit Committee. On quarterly basis, the Audit Committee reviewed such transactions for which omnibus approval was given.

Particulars of contracts or arrangements with related parties as referred to in Section 188(1) of the Companies Act, 2013 in the prescribed form for FY 2015-16 are given in **Annexure G.**

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

Loans, Guarantees or Investments

Particulars of loans, guarantees or investments under Section 186 of the Companies Act, 2013 are given in the Notes forming part of Financial Statements for the year ended 31 March 2016.

Extract of Annual Return

Extract of Annual Return for the Financial Year ended on 31 March 2016 as required by Section 92 (3) of the Companies Act, 2013, is annexed as **Annexure "E"**.

Subsidiary Company

PIL Chemicals Limited, (PIL) has recorded a Profit before Tax of ₹ 80.86 lakhs, for the year under review.

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

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

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

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

Consolidated Financial Statements

Consolidated Financial Statements are prepared by your Company in accordance with the applicable Accounting Standards issued by the Institute of Chartered Accountants of India and the same together with Auditors' Report thereon forms part of the Annual Report. The financial statements have been prepared as per Schedule III issued by the Ministry of Corporate Affairs.

Personnel

The relations, during the year, between the employees and the management of your Company continued to be cordial.

Your Directors wish to thank all the employees for their continued support and co-operation during the year under review.

Stock Options

In terms of your approval, read with the SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999, the details required to be provided under the SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999, are set out in **Annexure"C"** to this Report.

Particulars of Employees

The information required under Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, are provided in **Annexure "F"**

Appointment/Reappointment of Directors and Key Managerial Personnel

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

During the Financial Year under review, there has been no change in the Board of Directors and Key Managerial Personnel of the Company.

Auditors

Pursuant to the requirement of Section 139(1) of the Companies Act, 2013, M/s Deloitte Haskins and Sells LLP, Chartered Accountants, Mumbai were appointed as Statutory Auditors, for financial years 2014-15, 2015-16 and 2016-17. They have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed there under for re-appointment as Auditors of the Company. As required under Regulation 33(1) (d) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India. As required by Section 139(1) of the Companies Act, 2013, the appointment of Statutory Auditors is placed before the Members for ratification.

Cost Auditors

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the Company are required to be audited. Your Directors had, on the recommendation of the Audit Committee, appointed M/s Kishore Bhatia & Associates to audit the cost accounts of the Company for the financial year 2016-17 on a remuneration of ₹ 5 lakhs.

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

The Audit Committee has obtained a certificate from the Cost Auditor certifying their independence and arm's length relationship with the Company. The Cost Audit Report in respect of F.Y. 2015-16 will be filed on or before the due date i.e. 27 September 2016.

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

Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors has appointed M/s Hemanshu Kapadia & Associates, a firm of Company Secretaries in Practice to carry out the Secretarial Audit of the Company. The Report of the Secretarial Audit is annexed herewith as **Annexure "B"**.

Report on Corporate Governance

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

Report on Management Discussion and Analysis

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

Corporate Social Responsibility

Your Company has always been in the forefront in discharging its social responsibilities. Accordingly, at the recommendation of the CSR Committee, your Board sanctioned a sum of ₹ 41.50 Lakhs and ₹ 38.85 lakhs by way of a donation to Shri Sadguru Seva Sangh Trust, and Sri Chaitanya Seva Trust respectively. Shri Sadguru Seva Sangh Trust has been conducting over 140,000 eye operations annually in the rural areas and also provides quality and affordable education to the children of the economically weaker sections of the society, support in the field of women empowerment, dairy farming and has also provided relief to those affected by natural calamities and disasters. Sri Chaitanya Seva Trust is running Bhakti Vedanta Hospital equipped with all sophisticated medical facilities and provides affordable medical aid to the poor and needy patients in the tribal areas in the vicinity.

Your Company, in addition to its continued endeavours in greening it's surrounding areas, also participates directly / indirectly in "Swachha Bharat Abhiyan". It also provides assistance to local schools, Medical Aid to the nearby villages on various occasions. It also organises Disaster Management / Safety Training Programmes for its neighbouring industries.

In line with the provisions of the Companies Act, 2013 and the rules framed there under with respect to the Corporate Social Responsibility (CSR), your Company has formulated a Policy on CSR and has also constituted a CSR Committee to recommend and monitor expenditure on CSR. The details of CSR Expenditure are given in the prescribed format and forms part of this Report. The same is annexed as **Annexure "A".**

Other Particulars

Additional information on conservation of energy, technology absorption, foreign exchange earnings and outgo as required to be disclosed in terms of Section 134(3)(m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules 2014 is set out in **Annexure "D"** and forms a part of this Report.

Green Initiative

Your Directors would like to draw your attention to Section 20 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, as may be amended from time to time, which permits paperless compliances and also service of notice/documents (including annual report) through electronic mode to its members. To support this green initiative of the Central Government in full measure, we hereby once again appeal to all those members who have not registered their e-mail addresses so far are requested to register their e-mail address in respect of electronic holdings with their concerned Depository Participants and / or with the Company.

Acknowledgements

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

For and on behalf of the Board of Directors

Place : Mumbai
Date : 5 May 2016

Hrishikesh A. Mafatlal
Chairman

ANNEXURE "A"

Report on Corporate Social Responsibility (CSR) Activities

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

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

2. Composition of the CSR Committee
   - Mr. H.A.Mafatlal – Chairman
   - Mr. C.L.Jain – Independent Director
   - Mr. Vishad P. Mafatlal – Non Independent Director
   - Mr. C.R.Gupte – Managing Director

3. Average Net Profit of the Company for last three financial years
   - ₹ 5129.28 lakhs

4. Prescribed CSR Expenditure [two per cent of the amount as in item 3(above)]
   - The Company is required to spend ₹ 102.58 lakhs towards CSR.

5. Details of Amount incurred towards CSR during the financial year
   a. Total amount to be spent for the financial year - ₹ 102.58 lakhs
   b. Amount unspent, if any - Nil
   c. Manner in which the amount spent during the financial year is detailed below:

(₹ in lakhs)

Sr. No.	CSR project or activity identified	Sector in which the project is covered	Location District (State)	Amount outlay (budget) project or programme wise	Amount spent on the projects or programmes Sub-heads: Direct expenditure on projects or programmes. Overheads (Direct Expenditure)	Cumulative expenditure upto the reporting period.	Amount spent: Direct or through implementing agency
1	Towards supply of 70 Garbage Bins	Swachha Bharat Abhiyan	Navi Mumbai, Maharashtra	2.92	2.92	2.92	Direct
2	Indian Rubber Institute	Education	Chennai, Tamil Nadu	5.00	5.00	5.00	Direct
3	Primary School at Village Padariya, Dahej	Education	Dahej, Gujarat	1.34	1.34	1.34	Direct
4	Sanjeevan Deep, a project by Paraplegic Foundation	Health Care	Navi Mumbai, Maharashtra	2.00	2.00	2.00	Direct
5	Shri Sadguru Seva Sangh Trust	Charitable & Philanthropic viz. Education Health-care & Rural Development	Chitrakoot, Dist. Satna & Anandpur, Dist. Vidisha-Madhya Pradesh	41.50	41.50	41.50	Direct
6	Sri Chaitanya Seva Trust	Charitable & Philanthropic viz. Health-care	Mira Road, Dist. Thane Maharastra	38.50	38.50	38.50	Direct
7	The National Association of Disabled's Enterprises	Education/ Rehabilitation of disabled Children / Adults	Mumbai. Maharshtra	3.00	3.00	3.00	Direct
8	Marathi Vidnyan Parishad	Education	Mumbai, Maharashtra	10.00	10.00	10.00	Direct
9	ISKCON, Chennai	Flood Relief Rehabilitation	Chennai, Tamil Nadu	3.00	3.00	3.00	Direct
			Total	**107.26**	**107.26**	**107.26**	

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

ANNEXURE "B"

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial year ended 31st March 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance - mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by NOCIL Limited ("the Company") for the financial year ended on 31st March 2016, according to the provisions of:

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

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

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

iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (**Not Applicable to the Company during the Audit period as there were no Foreign Direct Investments, Overseas Direct Investments in the Company and no External Commercial Borrowings were made by the Company);**

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

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

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (upto 14th May 2015) ;

c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (with effect from 15th May 2015);

d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not Applicable to the Company during the Audit period as the Company has not issued any new securities);**

e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not Applicable to the Company during the Audit period as the Company has not issued any Debt instruments/ Securities);**

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

h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not Applicable to the Company during the Audit period as delisting of securities did not take place);**

i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not Applicable to the Company during the Audit period as the Company has not Bought back its securities);** and

j) Listing Agreement (upto 30 November 2015) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (with effect from 1 December 2015)**;**

vi) Other laws applicable specifically to the Company namely:

(i) The Petroleum Act, 1934;

(ii) The Inflammable Substances Act, 1952;

(iii) Manufacturing, Storage and Import of Hazardous Chemicals Rules, 1989;

(iv) Chemical Accidents (Emergency Planning, Preparedness and Response) Rules, 1996;

(v) Chemical Weapon Convention Act, 2000 and Chemical Weapon Convention Appeal Rules, 2005;

(vi) Petroleum Rules, 2002;

(vii) Gas Cylinder Rules, 2004;

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

(i) Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with the BSE Ltd. and National Stock Exchange of India Ltd.

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

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were

sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

We further report that during the audit period, there were no instances of:

(i) Public/Rights/Preferential issue of shares / debentures/ sweat equity.

(ii) Redemption / buy-back of securities.

(iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013.

(iv) Merger /amalgamation /reconstruction etc.

(v) Foreign technical collaborations.

For **Hemanshu Kapadia & Associates**

Hemanshu Kapadia
Proprietor
C.P. No.: 2285
Membership No.: 3477

Date : 5 May 2016

Place : Mumbai

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

Appendix A

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

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

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

For **Hemanshu Kapadia & Associates**

Hemanshu Kapadia
Proprietor
C. P. No.2285
Membership No. 3477

Date : 5 May, 2016
Place : Mumbai

ANNEXURE "C"

Disclosure in the Directors' Report as per SEBI Guidelines:

	Particulars	Till the year ended March 31, 2016	
	Options outstanding as at the beginning of the year	27,96,200	
a	Options granted during the year	13,73,000	
b	Pricing Formula	Exercise Price shall be the latest available closing market price of the equity shares of the Company, prior to the date of grant	
c	Options Vested**	27,96,200	
d	Options Exercised**	0	
e	Total no. of shares arising as result of exercise of Options	0	
f	Options lapsed *	0	
g	Variation in terms of Options	None	
h	Money realised by exerise of Options (in lakhs)	0.00	
i	Total number of options in force**	41,69,200	
	** The number of options have been reported as on 31.03.2015		
	* Lapsed Options includes options cancelled/lapsed.		
j	Employee wise details of options granted to:	**For the Grant made in 2015-16**	
		Name of the employee	**No. of options granted**
	- Senior Management	Given herein below*	
	- any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	Nil	
	- employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding warrants and conversions) of the Company at the time of grant	Nil	
k	Diluted earnings per share pursuant to issue of shares on exercise of option calculated in accordance with AS 20 'Earnings per Share'	4.78	
l	Impact of employee compensation cost calculated as difference between intrinsic value and fair market value in accordance with SEBI Guidelines on ESOP	₹ 116.36 lakhs	
m (i)	Weighted average exercise price of Options granted during the year whose		
	Exercise price equals market price	37.65	
m (ii)	Weighted average fair value of options granted during the year whose		
	Exercise price equals market price	16.27	
n	Description of method and significant assumptions used to estimate the fair value of options	The fair value of the options granted has been estimated using the Black-Scholes option pricing Model. Each tranche of vesting have been considered as a separate grant for the purpose of valuation. The assumptions used in the estimation of the same has been detailed below:	
		Weighted average values for options granted during the year	
	Variables		
	Stock Price	37.65	
	Volatility	44.82%	
	Risk free Rate	7.80%	
	Exercise Price	37.65	
	Time To Maturity	6.25	
	Dividend yield	3.64%	

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

Name	Designation	No. of Options granted
1. C.R. Gupte	Managing Director	16,52,700
2. S.R. Deo	Deputy Managing Director	8,59,400
3. R.M. Gadgil	President - Marketing	7,21,100
4. P. Srinivasan	Sr. Vice President - Finance, Legal and Secretarial	5,74,400
5. Dr. C.N. Nandi	Vice President - Research & Development	1,35,300
6. Dr. N.D. Gangal	Vice President - QA, Analytical and Outsourced Research	1,21,300
7. R.M. Desai	Vice President - Operations, Corporate HR and Personnel	1,05,000
		41,69,200

Note:

All the grants are being given at the price of equity shares of the Company on the day prior to the date of grant. Hence there is no impact on account of grant of ESOP in the statement of Profit and Loss

ANNEXURE "D"

Statement pursuant to Section 134(3)(m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the year ended 31 March 2016.

CONSERVATION OF ENERGY

a) Energy conservation measures taken in 2015-16

1. Combining process air and Nitrogen plant air compressor at Dahej has resulted into saving of ₹ 6.00 Lakhs on annualized basis.
2. Optimization of air compressors operations at Navi Mumbai plant has resulted in energy saving of ₹ 16.00 Lakhs on annualized basis.
3. Use of higher efficiency pump for cooling tower at Dahej plant has resulted into savings of ₹ 5.00 Lakhs annually.
4. High efficiency refrigeration compressor system has resulted into savings of ₹ 48.00 lakhs on annualized basis.
5. Part replacement of CFL lights by LED has resulted into savings of ₹ 2.00 Lakhs on annualized basis.

b) Energy conservation measures to be taken in 2016-17

1. Installation of optimum capacity pumps for cooling tower system in utility will result in electrical energy savings of ₹ 10.00 Lakhs per annum.
2. Optimisation of chiller operation with heat recovery will result in energy savings of ₹ 17.00 Lakhs per annum.
3. Installation of rain protection for steam header lines will result in savings of ₹ 8.00 Lakhs per annum.
4. Installation of vacuum pump in place of steam jet ejector will result in saving of ₹ 36.00 Lakhs per annum.
5. Installation of optimum capacity energy efficient boiler will result in saving of ₹ 40.00 Lakhs per annum.
6. Co-generation plant at Dahej will result into savings of ₹ 100.00 Lakhs per annum.

FORM - A

Disclosure of particulars with respect to conservation of energy

A	POWER AND FUEL CONSUMPTION		2015-16	2014-15
	1. Electricity (For Manufacturing)			
	(a) Purchased			
	Unit	MWH	31309.10	33476.82
	Total amount	₹ Lakhs	2242.83	2451.18
	Rate/Unit (average)	₹ /KWH	7.16	7.32
	(b) Own Generation			
	(Through Diesel Generator)			
	Unit	MWH	122.00	95.00
	Unit/MT of Diesel Oil	MWH	4.41	4.45
	Fuel Cost/Unit	₹ /KWH	13.28	15.86
	2. Fuel (For Manufacturing)			
	a) Coal			
	Quantity	MT	36745.67	39554.98
	Total Cost	₹ Lakhs	1821.91	2273.97
	Average rate	₹ /MT	4958.00	5749.00
	b) Furnace Oil			
	Quantity	MT	361.17	360.87
	Total Cost	₹ Lakhs	85.81	99.89
	Average rate	₹ /MT	23760.00	27681.00
	(c) Low Sulphur Heavy Stock (LSHS)			
	Quantity	MT	148.28	43.69
	Total Cost	₹ Lakhs	41.46	18.27
	Average Rate	₹. /MT	27959.00	41812.00
	(d) Piped Natural Gas (PNG)			
	Quantity	M3	1745.08	2378.68
	Total Cost	₹ Lakhs	474.43	900.03
	Average Rate	₹ /M3	27187.00	37837.00
B	**CONSUMPTION PER UNIT OF PRODUCTION**			
	Electricity	MWH/MT	0.88	0.84
	Fuel/LSHS	MT/MT	0.01	0.00
	Furnace Oil	MT/MT	0.01	0.01
	Coal	MT/MT	1.03	0.98
	Piped Natural Gas	M3/MT	0.06	0.07

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

A. RESEARCH AND DEVELOPMENT

1. **Specific areas in which R&D is carried out by the Company**
   a) Development of new processes, new unit operations for improving the efficiency of manufacturing in terms of yield, usages and energy consumption.
   b) Development of technology for recovery of valuable chemicals from waste solid, liquid streams to move the manufacturing towards " green technology".
   c) Implementing effective IPR systems by patenting the valuable research of the Company.
   d) To study the feasibility of adopting latest concept in unit operations/ unit processes in the existing technology.
   e) Development of valuable molecules by modifying the existing chemical processes.
2. **Benefits derived as a result of R&D**
   a) Reduction in solid waste by recovering valuable chemicals.
   b) Purification and recycle of waste stream.
   c) Recycle of valuable chemicals by eliminating cumbersome unit operations.
   d) Reduction in usages by process optimisation.
3. **Future Plans:**
   a) Development of heterogeneous catalysts for optimising the processes and reduction of effluent streams.
   b) Development of energy efficient unit operations for conservation of natural resources.
   c) Development / modification of molecules for value added products.
   d) Continuous improvement in existing processes in terms of yields, usages, reduction in waste streams.

B. TECHNOLOGY ABSORPTION

Efforts in brief made towards technology absorption

a) In house technology developed for manufacturing intermediate at Dahej is further optimised to improve usages, yield and quality.
b) Implementation of ion exchange and adsorption technology to trap ppm level impurities.
c) Process optimisation for reduction in natural resources.

Benefits derived as a result of above efforts.

a) Conservation of natural resources.
b) Quality and usage improvement.
c) Capacity enhancement without adding hardware.
d) Recognition by national and international customers as research oriented Company.

Expenditure on R & D.

(₹ in Lakhs)

	2015-16	2014-15
Capital	188.11	55.71
Recurring	428.31	361.77
Total	616.42	417.48
Total R&D expenditure as % to total turnover	0.79	0.53

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

	Foreign exchange used	₹ in Crore
i)	Raw materials, stores and spare parts, Capital goods and other products	113.65
ii)	Expenditure in foreign currency	2.04
	Foreign exchange earned	
	Export of goods on FOB basis, Commission and Service Charges.	193.84

For and on behalf of Board of Directors

Place : Mumbai
Date : 5 May 2016

Hrishikesh A. Mafatlal
Chairman

ANNEXURE "E"

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31 March 2016

[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	:	L99999MH1961PLC012003
ii)	Registration Date	:	11 May 1961
iii)	Name of the Company	:	NOCIL LIMITED
iv)	Category/Sub-Category of the Company	:	Public Limited Company having Share Capital.
v)	Address of the Registered office and contact details	:	Mafatlal House, 3rd Floor, H.T. Parekh Marg, Backbay Reclamation, Churchgate, Mumbai-400020 Tel.: 9122-66576100, 66364062 Fax: 9122-66364060 Email: investorcare@nocil.com Website: www.nocil.com
vi)	Whether listed Company	:	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent*, if any:	:	Sharepro Services (I) Pvt Ltd. 13 A-B, Samhita Warehousing Complex 2nd Floor, Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road, Sakinaka, Mumbai-400072 Tel.: 022-6772 0300 / 022-6772 0400 Fax.: 022-2859 1568 / 022-2850 8927

(Note: The Company will be appointing Karvy Computershare Private Limited as the Registrar and Share Transfer Agent. The address for Investor Correspondence forms part of the Report on Corporate Governance Report.)

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change in shareholding during the year
	Demat	Physical	Total	% of Total-Shares	Demat	Physical	Total	% of Total-Shares	
A. Promoter									
(1) Indian									
Individual/ HUF	8,77,040	--	8,77,040	0.54	8,59,660	--	8,59,660	0.53	(0.01)
Central Govt	--	--	--	--	--	--	--	--	-
State Govt	--	--	--	--	--	--	--	--	-
Bodies Corporate	5,86,19,739	--	5,86,19,739	36.46	5,96,19,739	--	5,96,19,739	37.08	0.62
Banks/ FI	--	--	--	--	--	--	--	--	
Any other	--	--	--	--	--	--	--	--	-
Any other	--	--	--	--	--	--	--	--	-
Sub-total (A) (1):	**5,94,96,779**	**--**	**5,94,96,779**	**37.00**	**6,04,79,399**	--	**6,04,79,399**	**37.61**	**0.61**
(2) Foreign									
NRIs- Individuals	--	--	--	--	--	--	--	--	--
Other Individuals	--	--	--	--	--	--	--	--	--
Bodies Corporate	--	--	--	--	--	--	--	--	--
Banks/FI	--	--	--	--	--	--	--	--	--
Any other	--	--	--	--	--	--	--	--	--
Sub-total (A) (2):	--	--	--	--	--	--	--	--	--
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	--	--	--	--	--	--	--	--	--
	5,94,96,779	**--**	**5,94,96,779**	**37.00**	**6,04,79,399**	**--**	**6,04,79,399**	**37.61**	**0.61**
B. Public Shareholding									
1. Institutions									
Mutual Funds	4,121	41,890	46,011	0.03	4,057	41,890	45,947	0.03	-
Banks/FI	5,76,957	20,550	5,97,507	0.37	8,77,193	55,340	9,32,533	0.58	0.21
Central Govt	--	--	--	-	--	--	--	-	-
State Govt	500	380	880	-	500	380	880	-	-
Venture Capital Funds	--	--	--	-	-	-	-	-	-
Insurance Companies Funds	23,47,304	1,160	23,48,464	1.46	17,81,550	1,160	17,82,710	1.11	(0.35)
Others (specify) FIIs, FPIs	2,53,728	35,790	2,89,518	0.18	10,87,473	1,000	10,88,473	0.67	0.49
Sub-total (B) (1):	**31,82,610**	**99,770**	**32,82,380**	**2.04**	**37,50,773**	**99,770**	**38,50,543**	**2.39**	**0.35**
2. Non- Institutions									
Bodies Corporate									
i) Indian	2,03,33,938	1,09,871	2,04,43,809	12.72	2,14,60,692	1,07,101	2,15,67,793	13.41	0.69
ii) Overseas	5,000	--	5,000	--	5,000	--	5,000	--	-
Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	4,74,90,231	43,65,264	5,18,55,495	32.25	4,59,79,287	42,24,767	5,02,04,054	31.22	(1.03)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	2,43,28,617	1,54,560	2,44,83,177	15.23	2,30,18,071	154,560	2,31,72,631	14.41	(0.82)
Others (specify) NRI & NBFCs	11,21,620	98,720	12,20,340	0.76	14,08,840	98,720	15,07,560	0.94	0.18
Sub-total (B)(2):	**9,32,79,406**	**47,28,415**	**9,80,07,821**	**60.96**	**9,18,71,890**	**45,85,148**	**9,64,57,038**	**60.00**	**(0.96)**
Total Public shareholding (B)=(B)(1)+(B) (2)	**9,64,62,016**	**48,28,185**	**10,12,90,201**	**63.00**	**9,56,22,663**	**46,84,918**	**10,03,07,581**	**62.39**	**(0.61)**
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	**15,59,58,795**	**48,28,185**	**16,07,86,980**	**100.00**	**15,61,02,062**	**46,84,918**	**16,07,86,980**	**100.00**	**-**

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	%of Shares Pledged / encumbered to total shares	
1.	Hrishikesh A Mafatlal	1,77,900	0.12	-	1,77,900	0.12	-	-
2.	Hrishikesh A Mafatlal as Trustee of Hrishikesh A. Mafatlal Family Trust No. 1	5,030	0.01	-	5,030	0.01	-	-
3.	Hrishikesh Arvind Mafatlal (as Trustee of Sushilaben Trust)	12,000	0.00		12,000	0.00	-	-
4.	Vishad P. Mafatlal	200	0.00		200	0.00	-	-
5.	Vishad P. Mafatlal as Trustee of Vishad P. Mafatlal Family Trust No. 1	5,030	0.01	-	5,030	0.01	-	-
6.	Rekha Hrishikesh Mafatlal	22,000	0.01	-	22,000	0.01	-	-
7.	Priyavrat Hrishikesh Mafatlal	5,05,000	0.32	-	5,05,000	0.32	-	-
8.	Rupal Vishad Mafatlal	1,32,500	0.08	-	1,32,500	0.08	-	-
9.	Maithili Narendra Desai	17,380	0.01	-	0	0.00	-	(0.01)
10.	Mafatlal Industries Ltd	2,30,36,469	14.33	14.35	2,30,36,469	14.33	14.35	-
11.	Arvi Associates Pvt Ltd	1,06,43,026	6.62	-	1,06,43,026	6.62	-	-
12.	Mafatlal Exim Pvt. Ltd.	75,88,540	4.72	-	75,88,540	4.72	-	-
13.	Shripad Associates Pvt Ltd	68,99,964	4.29	-	68,99,964	4.29	-	-
14.	Suremi Trading Pvt. Ltd.	23,84,220	1.48	-	23,84,220	1.48	-	-
15.	Navin Fluorine International Ltd.	68,50,000	4.26	-	68,50,000	4.26	-	-
16.	Altamount Products and Services Pvt. Ltd.	4,41,800	0.27	-	4,41,800	0.27	-	-
17.	Krishnadeep Engineers Pvt Ltd	3,50,000	0.22	-	3,50,000	0.22	-	-
18.	Sarvamangala Holdings Pvt. Ltd.	3,50,000	0.22	-	13,50,000	0.84	-	0.62
19.	Mafatlal Impex Pvt. Ltd.	23,920	0.01	-	23,920	0.01	-	-
20.	MilapTexchem Pvt. Ltd.	220	0.00	-	220	0.00	-	-
21.	MilekhaTexchem Company Pvt. Ltd.	220	0.00	-	220	0.00	-	-
22.	Pamil Investments Pvt. Ltd.	28,580	0.02	-	28,580	0.02	-	-
23.	Shamir Texchem Pvt. Ltd.	220	0.00	-	220	0.00	-	-
24.	Sumil Holdings Pvt. Ltd.	220	0.00	-	220	0.00	-	-
25.	Sushripada Investments Pvt. Ltd.	22,340	0.01	-	22,340	0.01	-	-
	Total	**5,94,96,779**	**37.00**	14.35	**6,04,79,399**	**37.61**	14.35	0.61

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

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	At the beginning of the year	5,94,96,779	37.00	5,94,96,779	37.00
2	Additions during the year - acquisition from Secondary Market.	10,00,000	0.62	6,04,96,779	37.62
3	Deletions during the year - Sale of shares	(17,380)	(0.01)	6,04,79,399	37.61
4	At the End of the year	6,04,79,399	37.61	6,04,79,399	37.61

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

Sr. No.	For each of the Top 10 Shareholders	Share holding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Minal B. Patel	22,00,000	1.37	6,87,889	0.43
2	The New India Assurance Company Ltd.	16,11,640	1.00	16,11,640	1.00
3	Bluebell Clothing Pvt Ltd	10,76,500	0.67	-	-
4	Vibgyor Investors and Developers Pvt. Ltd.	10,00,000	0.62	10,00,000	0.62
5	Madhuri Kela	10,00,000	0.62	10,00,000	0.62
6	Runner Marketing Pvt. Ltd.	10,00,000	0.62	-	-
7	The Oriental Insurance Company Ltd.	7,35,620	0.46	1,70,620	0.11
8	Par Investments Ltd.	7,32,182	0.46	8,17,182	0.51
9	P & Y Estate Pvt. Ltd.	6,70,000	0.42	-	-
10	Dolly B Khanna	6,19,131	0.39	21,80,801	1.36
11	Finquest Securities Private Limited	-	-	49,60,300	3.09
12	Nirmal Bang Financial Services Pvt Ltd	-	-	11,40,000	0.71
13	Axis Bank Limited	93,330	0.06	6,68,051	0.42
14	Edelweiss Securities Ltd	3,87,355	0.24	6,24,576	0.39

(v) Shareholding of Directors and Key Managerial Personnel

Sr. No.	For Each of the Directors and KMP	Beginning of the year		End of the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total Shares of the Company
A. Directors					
1	Hrishikesh A. Mafatlal*	1,94,930	0.12	1,94,930	0.12
2	Vishad P. Mafatlal#	5,230	0.00	5,230	0.00
3	Rohit Arora	-	-	-	-
4	Vilas R. Gupte@	600	-	600	-
5	N. Sankar	-	-	-	-
6	C.L.Jain	-	-	-	-
7	D. N. Mungale	-	-	-	-
8	P.V.Bhide	-	-	-	-
9	Ms. Dharmishta N. Raval	-	-	-	-
10	C.R. Gupte@	600	-	600	-
11	S.R. Deo$	10	-	10	-
B. Key Managerial Personnel					
1	R.M. Gadgil	-	-	-	-
2	P.Srinivasan	-	-	-	-
3	V.K.Gupte	-	-	-	-
	At the beginning of the year (A + B)	2,01,370	0.12	2,01,370	0.12
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NIL	-	NIL	-
	At the End of the year	2,01,370	0.12	2,01,370	0.12

* including 17,030 shares held as a Trustee of Hrishikesh A. Mafatlal Family Trust No. 1 (5,030 shares) and Sushilaben Trust (12,000 shares).

including 5,030 shares held as Trustee of Vishad P. Mafatlal Family Trust No. 1

@ Shares held as Jt. Holder

$ out of 10, 5 shares held as Jt. Holder

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (₹ In lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtednes
Indebtedness at the beginning of the financial year				
i) Principal Amount	14,730.81	-	158.38	14,889.19
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	101.47	-	-	101.47
Total (i + ii + iii)	14,832.28	-	158.38	14,990.66
Change in Indebtedness during the financial year				
Addition	-	-	5.00	5.00
Reduction	12,224.11	-	-	12,224.11
Net Change	(12,224.11)	-	5.00	12,219.11
Indebtedness at the end of the financial year				
i) Principal Amount	2,586.70	-	163.38	2,750.08
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	21.47	-	-	21.47
Total (i + ii + iii)	2,608.17	-	163.38	2,771.55

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		C.R. Gupte Managing Director	S.R.Deo Deputy Managing Director	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	94.39	96.90	191.29
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	17.78	7.18	24.96
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	16,52,700	8,59,400	-
3	Sweat Equity	-	-	-
4	Commission			
	-- as % of profit	-	-	-
	Others, please specify	-	-	-
5	Others, (Includes retirement benefits and variable pay)	130.70	63.46	194.16
	Total (A)	242.87	167.54	**410.41**
	Ceiling as per the Act			**1,235.60**

B. *Remuneration to other directors:*

(₹ in Lakhs)

Particulars of Remuneration	Name of Directors						Total Amt
1. Independent Directors	**CLJ**	**NS**	**RA**	**DNM**	**PVB**	**DNR**	
• Fee for attending board committee meetings	2.20	2.00	1.60	2.40	1.20	1.00	10.40
• Commission	9.00	9.00	9.00	9.00	9.00	9.00	54.00
• Others, please specify	-	-	-	-	-	-	-
Total (1)	**11.20**	**11.00**	**10.60**	**11.40**	**10.20**	**10.00**	**64.40**
2. Other Non-Executive Directors	**HAM**	**VPM**	**VRG**				
• Fee for attending board committee meetings	1.60	1.40	1.80				4.80
• Commission	12.00	9.00	9.00				30.00
• Others, please specify	-	-	-				
Total (2)	**13.60**	**10.40**	**10.80**				**34.80**
Total(B) = (1+2)							**99.20**
Total Managerial Remuneration (A+B)							**509.61**
Overall Ceiling as per the Act							**1359.17**

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

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

Sr. no.	Particulars of Remuneration	Key Managerial Personnel			
		R.M. Gadgil President - Marketing	P. Srinivasan Chief Financial Officer	V.K.Gupte Company Secretary	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 196	72.88	69.30	33.75	**175.93**
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	3.72	2.15	0.49	**6.36**
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2	Stock Option	721,100	574,400	-	***12,95,500***
3	Sweat Equity	-	-	-	**-**
4	Commission	-	-	-	**-**
	- as % of profit	-	-	-	**-**
	others, specify…	-	-	-	**-**
5.	Others (Includes retirement benefits and variable pay)	17.46	17.89	4.77	**40.12**
	Total	94.06	89.34	39.01	**222.41**

VII. Penalties / Punishment / Compounding of Offences :

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

ANNEXURE "F"

Disclosure u/s 197(12) and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1 Ratio of remuneration of each director to the median remuneration of the employees of the company for the financial year ended 31 March 2016

Sr. No.	Director	Remuneration (INR in lakhs)	Median Remuneration (INR in lakhs)	Ratio
1	Mr. H. A. Mafatlal - Chairman	13.60	7.84	1.74
2	Mr. Vishad Mafatlal	10.40	7.84	1.33
3	Mr. V. R. Gupte	10.80	7.84	1.38
4	Mr. N. Sankar	11.00	7.84	1.40
5	Mr. Rohit Arora	10.60	7.84	1.35
6	Mr. C. L. Jain	11.20	7.84	1.43
7	Mr. D. N. Mungale	11.40	7.84	1.45
8	Mr. P. V. Bhide	10.20	7.84	1.30
9	Ms. Dharmishta Raval	10.00	7.84	1.28
10	Mr. C. R. Gupte - Managing Director	242.87	7.84	30.98
11	Mr. S. R. Deo - Deputy Managing Director	167.54	7.84	21.37

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

Sr. No.	Director	Percentage increase
1	Mr. H. A. Mafatlal - Chairman	62
2	Mr. Vishad Mafatlal	24
3	Mr. Vilas R. Gupte	30
4	Mr. N. Sankar	25
5	Mr. Rohit Arora	19
6	Mr. C. L. Jain	27
7	Mr. D. N. Mungale	28
8	Mr. P. V. Bhide	31
9	Ms. Dharmishta Raval	30
10	Mr. C. R. Gupte - Managing Director	24
11	Mr. S. R. Deo - Deputy Managing Director	23
12	Mr. R. M. Gadgil - President - Marketing	16
13	Mr. P. Srinivasan - Chief Financial Officer	21
14	Mr. V. K. Gupte - Company Secretary	29
	Average	**23**

3 Percentage increase in the median remuneration of employees in the financial year 14%

4 The number of permanent employees on the rolls of the company as at 31 March 2016 448

5 The explanation on the relationship between average increase in remuneration and company performance

	2015-16	2014-15
Total Income (₹ in lakhs)	71,825	72,289
EBIDTA (₹ in lakhs)	14,119	11,576
EBIDTA as % of Total Income	20%	16%
PBT (₹ in lakhs)	11,813	8,565
PBT as % of Total Income	16%	12%

Average increase of 22% (including retirement benefits) in the remuneration of employees is in line with the current year's performance, market dynamics and as a measure to motivate the employees for a better future performance to achieve organisations's growth expectations.

6 Comparison of remuneration of Key Managerial Personnel against the performance of the Company. Average increase in remuneration of Key Managerial Personnel is 23% and is based on individual performances, company's performance and as a measure to motivate the employees for a better future performance to achieve organisations's growth expectations.

7 Variations in the market capitalisation of the company as at the closing date of the current financial year and the previous financial year:

(i) The market capiltalisation as on 31 March 2016 was ₹ 74,122.80 lakhs and as on 31 March 2015 was ₹ 60,536.30 lakhs.

(ii) Variation in Price Earnings Ratio as at the closing date of the current financial year and the previous financial year: Price earnings ratio as on 31.03.2016 was 9.54 and as on 31.03.2015 was 10.67.

(iii) Percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variation in the net worth of the capital as at the close of the current financial year and previous financial year;

Not Applicable since the company has never come out with any public offer

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

Average increase in salaries of employees other than the managerial personnel is 22% (including retirement benefits). Non managerial employees also get increase in Dearness Allowance as per Consumer Price Index. Therefore average increase in total remuneration is approximately 22% (including retiral benefits) which is in line with average increase in the remuneration of Key Managerial Personnel.

9 Comparison of each remuneration of the Key Managerial Personnel against the performance of the company:

	2015-16	2014-15
Total Income (₹ in lakhs)	71,825	72,289
EBIDTA (₹ In lakhs)	14,119	11,576
EBIDTA as % of Total Income	20%	16%
PBT (₹ in lakhs)	11,813	8,565
PBT as % of Total Income	16%	12%

Increase in remuneration of Key Managerial Personnel

Mr. C. R. Gupte - Managing Director - 24%,

Mr. S. R. Deo - Deputy Managing Director - 23%,

Mr. R. M. Gadgil - President Marketing - 16%,

Mr. P Srinivasan - Chief Financial Officer - 21%,

Mr. V.K. Gupte - Company Secretary - 29%

10 The key parameters for any variable component of remuneration availed by the directors: Please refer to the salient features of Remuneration Policy given in the Corporate Governance Report.

11 The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid directors during the year; None

12 It is affirmed that the remuneration paid is as per the Remuneration Policy of the company.

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

(A) The following details are given in respect of employees employed throughout the year and were in receipt of remuneration of not less than Rs. 60 lakhs per annum:

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

1. Mr. C. R. Gupte (66) Managing Director, ₹ 242.87 lakhs, B. Sc., FCA, (40), 09.12.1976, None, Related to Mr. Vilas R. Gupte (Director of the company) 2. Mr. S. R. Deo (61), Deputy Managing Director, ₹ 167.54 lakhs, M.Tech -Chemical Engineering from I.I.T. Kanpur (36), 01.11.1979, None. 3. Mr. R.M. Gadgil (63), President -Marketing, ₹ 94.05 lakhs, B. Tech Chemical Engineering from I.I.T. Mumbai (34), 01.11.1982, None. 4. Mr. P. Srinivasan (50), Chief Financial Officer, ₹ 89.34 lakhs, B.Com. & A.C.A, (11), 25.01.2005, Flamingo Pharmaceuticals Limited, General Manager - Finance, (3).

(B) Name of the employees employed for the part of the year and were in receipt of remuneration of not less than ₹ 5 lakhs per month None

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

Not Applicable

Notes:

1 Remuneration as above includes, salary, company's contribution to Provident Fund and Superannuation Schemes, Gratuity fund and other Long Service funds, Leave Encashment, Leave Travel benefits, reimburement of Medical expenses, Medical insurance premium, House Rent allowance, Compensatory allowances, Personal/ Special Allowance, Commission whereever applicable, Personal Accident Insurance, Monetary value of perquisites calculated in accordance with provision of Income Tax Act, 1961 and rules made thereunder in respect of Housing, Company's furniture and equipments etc.

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

3 None of the employees of the Company are related to any Director of the Company except Mr. Hrishikesh A. Mafatlal - Chairman of the company and Mr. Vishad P. Mafatlal - Director of the Company and Mr. C. R. Gupte - Managing Director of the company and Mr. Vilas R. Gupte - Director of the company.

For and on behalf of the Board of Directors

Place : Mumbai
Date : 5 May 2016

Hrishikesh A. Mafatlal
Chairman

ANNEXURE "G"

Form No. AOC - 2

(Pursuant to to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8 (2) of the Companies (Accounts) Rules, 2014

1 Details of contracts or arrangements or transactions not at arm's length basis

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of contracts/ arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transaction	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which the Ordinary* resolution was passed in general meeting as required under the first proviso to section 188
Nil								

* As per the Companies (Amendment) Act, 2015 notified by Ministry of Corporate Affairs on 26th May 2015

2 Details of material contracts or arrangements or transactions at arm's length basis

(₹ In Lakh)

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of contracts/ arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board	Amount paid as advances, if any
1	Mafatlal Industries Limited (Promoter)	Reimbursement of Miscellaneous expenses	Continuing arrangement	₹ 17.18	NA	Nil
2	Navin Fluorine International Limited (Promoter)	Purchase of materials	Continuing arrangement	₹ 4.02	NA	Nil
		Payment of Rent	3 years	₹ 156.78#	NA	Nil
3	PIL Chemicals Limited (Wholly-owned subsidiary)	Processing charges	Continuing arrangement	₹ 1086.99	NA	Nil
4	Shri Sadguru Seva Sangh Trust*	Donation under CSR	Donation is as per CSR Policy	₹ 41.50	NA	Nil
5	Sri Chaitanya Seva Trust*	Donation under CSR	Donation is as per CSR Policy	₹ 38.50	NA	Nil

\# Amount incurred for the Financial Year 2015-16

* Mr. H.A. Mafatlal and Mr. Vishad P. Mafatlal are Trustees / Relative of Trustees of Shri Sadguru Seva Sangh Trust and Sri Chaitanya Seva Trust having no beneficial interest.

For NOCIL Limited

H. A. Mafatlal
Chairman

Place : Mumbai
Date : 5 May 2016

Report on Corporate Governance

1. Company's philosophy on Corporate Governance

The Company's policy on Corporate Governance is based on the principles of full disclosure, fairness, equity, transparency and accountability in the various aspects of its functioning, leading to the protection of the stakeholders' interest and an enduring relationship with stakeholders. The Management's commitment to these principles is reinforced through the adherence of all Corporate Governance practices which now forms part of the Regulation Nos. 17 to 27 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 ['Listing Regulations'] which has replaced the erstwhile Listing Agreement effective 1st December 2015. The Company has also adopted the Code of Conduct for the Directors and senior management personnel. The Company has in place a Code for Fair Disclosure and Conduct as required under the SEBI (Prohibition of Insider Trading) Regulations, 2015.

2. Board of Directors

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

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

Mr. Hrishikesh A. Mafatlal, Chairman and Mr. Vishad P. Mafatlal, Director belong to the promoter group and are related to each other. Mr. C.R. Gupte, Managing Director and Mr. Vilas R. Gupte, Director are related to each other. None of the Directors are related to each other, other than as stated above.

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

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

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

Composition of Board of Directors as on 31 March 2016:

Category	No. of Directors
Independent Directors	6
Other Non-Executive Directors, including Chairman	3
Managing Director & Deputy Managing Director	2
Total	**11**

Sr. No.	Name of Director	Category of Director	No. of Shares held as on 31-03-2016	No. of Board meetings attended during FY 2015-16	No. of Directorship in Public Companies as on 31-3-2016*	No. of Board Committee Membership held in Public Companies as on 31-3-2016**		Attendance at last AGM held on 23rd July 2015
						Chairman	Member	
1.	Hrishikesh A. Mafatlal	Chairman – Non-Executive Promoter Group Director	194930@	5	4	-	2	Yes
2	Vishad P. Mafatlal	Non-Executive Promoter Group Director	5230 @@	5	4	-	2	Yes
3	C.L.Jain	Independent Director	-	5	4	3	2	Yes
4	N. Sankar	Independent Director	-	4	5	-	1	Yes
5	Rohit Arora	Independent Director	-	3	2	2	1	Yes
6	Vilas R. Gupte	Non-Executive Director	600 #	5	2	-	2	Yes
7	D. N. Mungale	Independent Director	-	5	8	1	7	Yes
8	P. V. Bhide	Independent Director	-	5	8	1	6	Yes
9	Ms. Dharmishta N. Raval	Independent Director	-	4	8	-	-	Yes
10	C.R. Gupte	Managing Director	600 #	5	1	-	1	Yes
11	S.R. Deo	Deputy Managing Director	10 ##	5	1	-	-	Yes

@ including 5,030 shares held as Trustee of Hrishikesh A. Mafatlal Family Trust No. 1 and 12,000 shares held as Trustee of Sushilaben Trust.

@@ including 5,030 shares held as Trustee of Vishad P. Mafatlal Family Trust No. 1.

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

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

\# Shares held as Joint holders.

Out of 10, 5 shares are held as Joint holder.

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

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

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

Sr. No.	Date of Meeting	Board Strength	No. of Directors present
1.	30.4.2015	11	8
2.	23.7.2015	11	11
3.	30.10.2015	11	11
4.	27.1.2016	11	11
5.	29.3.2016	11	10

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

Dates for the Board Meetings in the ensuing year are decided well in advance and communicated to the Directors. Board Meetings are held at the Registered Office of the Company. The Agenda along with the Notes are sent in advance to the Directors. Additional Meetings of the Board are held when deemed necessary by the Board. As required by Secretarial Standards, certain Unpublished Price Sensitive Information (UPSI) such as Unaudited / Audited Financial Results with Presentation thereon is being circulated to the Board Members at a shorter Notice as per the general consent given by the Board of Directors at the first Board Meeting held at each financial year.

The Fifty Third Annual General Meeting was held on 23 July 2015.

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

Familiarization Programme

Periodically, the Company provides familiarization programme to the Independent Directors to enable them to understand the business of the Company. At the meetings of the Board of Directors held on quarterly basis, presentations on the Manufacturing, Marketing, financial and technical operations are made. Moreover, the Management has also endeavored to apprise the Directors regarding their responsibilities under the new Listing Regulations vis-à-vis those contained in the erstwhile Listing Agreement. The details of the familiarization programme has been displayed on the Company's website and its weblink is http://www.nocil.com/images/fckeditor/file/Familiarization-Programme-for-IDS.pdf

3. Audit Committee

The total strength of the Audit Committee is 5 out of which, 4 members fall under the Independent Category. The norms require 2/3rd of the members to be independent directors. The scope of the activities of the Audit Committee is as set out in Regulation 18 of the Listing Regulations read with Section 177 of the Companies Act, 2013.

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

a) To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that financial statement is correct, sufficient and credible;

b) To engage consultants who can analyse / review the internal practices and give a report thereon to the audit committee from time to time in respect of the Company's Financial Reporting and controls thereto;

c) the recommendation for appointment, remuneration and terms of appointment of auditors of the Company;

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

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

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

g) approval or any subsequent modification of transactions for the Company with related parties;

h) scrutiny of inter-corporate loans and investments;

i) valuation of undertakings or assets of the Company, wherever it is necessary;

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

k) To review the Internal Control over Financial Reporting.

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

Mr. C.L. Jain, is the Chairman of the Audit Committee and was present at the Annual General Meeting held on 23 July 2015.

The composition of the Audit Committee and the details of meetings attended by the Members are given below:

Name of Members	Category	No. of Meetings attended during the year 2015-16
Mr. C.L. Jain, Chairman	Independent Director	4
Mr. N.Sankar	Independent Director	3
Mr. Rohit Arora	Independent Director	3
Mr. D.N.Mungale	Independent Director	4
Mr. Vilas R. Gupte	Non-Executive Director	4

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

30 April 2015, 23 July 2015, 30 October 2015, and 27 January 2016.

The requisite quorum was present at the meetings.

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

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

The Audit Committee also assures the Board about the adequate internal control procedures and financial disclosures commensurate with the size of the Company and in conformity with the requirements of the new Listing Regulations.

4. Share Transfer Committee

The present members of the Committee are Mr. H.A. Mafatlal, Chairman, Mr. C.R. Gupte, Managing Director and Mr. Vishad P. Mafatlal.

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

5. Stakeholders Relationship and Investors' Grievance Committee

The Company has constituted the Stakeholders Relationship and Investors' Grievance Committee in accordance with the provisions of the Companies Act, 2013 and the Listing Regulations (erstwhile Listing Agreement). Mr. Rohit Arora is the Chairman and Member of the Committee and was present at the Company's Annual General Meeting held on 23rd July 2015.

The Composition of the Committee is as follows and all members attended the meeting held on 27th January 2016 :

Name of Members	Category
Mr. Rohit Arora, Chairman	Independent Director
Mr. Hrishikesh A. Mafatlal	Non-Executive Director
Mr. Vishad P. Mafatlal	Non-Executive Director
Mr. C.R. Gupte	Managing Director

The Committee meets as and when the need arises. The Committee reviews the complaints received by the Company from its investors and the action taken by the management to sort out these complaints. The Minutes of the Committee meeting are circulated to the Board of Directors.

The Company received 6 complaints from shareholders in Financial Year 2015-16. Except one complaint, all the other complaints were resolved to the satisfaction of the investors. The pending complaint was also resolved by the Company on 7th April 2016.

The Company Secretary acts as the Secretary of the Committee.

6. Nomination and Remuneration Committee

The broad terms of reference of the Nomination and Remuneration Committee (NRC) are as follows:

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

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

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

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

e. Review and approval of revision in remuneration of Top Management Executives of the Company.

f. Grant of Employees Stock Options to Designated Employees.

g. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees.

h. Formulation of criteria for evaluation of Independent Directors and the Board.

i. Devising a policy on Board diversity.

j. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The Company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

The composition of the NRC is as follows and the details of meetings attended by the Members are given below:

Name of Members	Category	No. of meetings attended during the Year
Mr. Rohit Arora, Chairman	Independent Director	-
Mr. H. A. Mafatlal*	Non-Executive Director	1
Mr. N. Sankar	Independent Director	2
Mr. D.N. Mungale	Independent Director	2

* Mr. H. A. Mafatlal was appointed as a Member effective from 30 April 2015.

During the year two NRC Meetings were held on 30 April 2015 and 29 March 2016.

The performance of each Independent Director is evaluated by the entire Board of Directors (in the absence of the director being evaluated) on the basis of engagement, leadership, analysis, decision making, communication, governance, interest of stakeholders etc.

7. Remuneration Policy

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

i) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;

ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

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

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

8. Remuneration of Directors

(₹ in Lakhs)

Name of the Director	Salary, Allowances / Perquisites & Performance Bonus	Contribution to Funds	Total
Mr. C. R. Gupte, Managing Director	205.87	37.00	242.87
Mr. S. R. Deo, Deputy Managing Director	145.88	21.66	167.54

During the financial year 2015-16, 3,06,700 and 3,22,000 Stock Options were granted to Mr. C.R. Gupte and Mr. S.R. Deo respectively. The Nomination and Remuneration Committee in its meeting held on various dates so far granted in aggregate 16,52,700 Stock Options to Mr. C.R. Gupte, Managing Director and 8,59,400 Stock Options to Mr. S.R. Deo, Deputy Managing Director under Employees Stock Options Scheme. Stock Options are issued at exercise price being the closing price of equity shares on Bombay Stock Exchange Limited for the previous day of date of grant. The exercise period would commence one year from the date of grant and will expire on completion of ten years from the date of grant of options. Till date, Mr. C.R. Gupte and Mr. S.R. Deo have not exercised any Stock Options.

The existing term of appointment of the Managing Director is expiring on 31st July 2017. The appointment of Deputy Managing Director is for a period of four years from 1st April 2015. Both the appointments may be terminated by either party giving six months notice in writing or the Company paying six months salary in lieu thereof.

Commission / Sitting Fees to Non-Executive Directors for the financial year 2015-16 for attending Board and Committee Meetings.

(₹ In Lakhs)

Name of the Director	Sitting Fees	Commission*	Total
Hrishikesh A. Mafatlal	1.60	12.00	13.60
Vishad P. Mafatlal	1.40	9.00	10.40
Rohit Arora	1.60	9.00	10.60
Vilas R. Gupte	1.80	9.00	10.80
N. Sankar	2.00	9.00	11.00
C.L. Jain	2.20	9.00	11.20
D. N. Mungale	2.40	9.00	11.40
P.V. Bhide	1.20	9.00	10.20
Ms. Dharmishta N. Raval	1.00	9.00	10.00
Total	**15.20**	**84.00**	**99.20**

* On accrual basis

9. Corporate Social Responsibility (CSR) Committee

The terms of reference of the Corporate Social Responsibility (CSR) Committee broadly comprises :

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

The CSR Committee consists of the following members and all have attended the Committee meeting held on 6th January 2016.

Name of Members	Category
Mr. H.A. Mafatlal, Chairman	Non-Executive Director
Mr. C.L.Jain	Independent Director
Mr. Vishad P. Mafatlal	Non-Executive Director
Mr. C.R.Gupte	Managing Director

10 Policy on Related Party Transactions

In terms of Section 188 of the Companies Act, 2013 read with the Clause 49 of the erstwhile Listing Agreement, (now Regulation 23 of Listing Regulations) the Company had formulated a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions. During the year under review, the said Policy was modified so as to align the same with the Companies (Meetings of the Board and its Powers) Second Amendment Rules, 2015.

The Policy is intended to ensure that there is proper approval and reporting of transactions between the Company and its related parties. The modified Policy is placed on the website of the Company viz., www.nocil.com

11. Policy on Board Diversity

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

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

12. Vigil Mechanism / Whistle Blower Policy

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

Accordingly, this policy has been formulated with a view:

- To provide a mechanism for employees of the Company and other persons dealing with the Company to report to the Chairman of the Audit Committee; or Managing Director who is nominated by the Audit Committee, any instance of unethical behaviour, actual or suspected fraud or violation of the Company's Ethics Policy.
- To safeguard the confidentiality and interest of such employees / other persons dealing with the Company against victimization; who notice and report any unethical or improper practices, and
- To appropriately communicate the existence of such mechanism, within the organization and to outsiders.

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

The Policy has been posted on the website of the Company.

No personnel has been denied access to the Chairman of the Audit Committee or Managing Director in respect of reporting any of the above instances.

13. Policy on Subsidiary Companies

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

14. Independent Directors' Meeting

During the year under review, the Independent Directors met on 26 January, 2016, inter alia to discuss :

- Corporate and Board Meeting Structure.
- Board Effectiveness and Performance Evaluation.
- Other operational issues.

All the Independent Directors were present at the meeting.

15. Means of communication

During the period 1st April 2015 to 30th November 2015, the financial results were presented and published by the Company in the format as prescribed under Clause 41 of the erstwhile Listing Agreement. Effective 1st December 2015, the Listing Agreement executed with the Stock Exchanges, has been replaced by Listing Regulations. Consequent to the new Listing Regulations coming into force, the Board takes on record the Audited / Unaudited yearly / quarterly financial results in the format prescribed under Regulation 33 of the Listing Regulations read with Circular (Ref No. CIR/ CFD / CMD/ 15/2015 dated 30th November 2015) issued by SEBI within prescribed time limit from the closure of the quarter / year and announces the results to all the stock exchanges where the shares of the Company are listed. The Audited / Unaudited yearly / quarterly financial results are also published in the shortened format as prescribed by SEBI in the above mentioned Circular in the Economic Times and Maharashtra Times within 48 hours of the conclusion of the meeting of the Board in which they are approved.

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

II. The quarterly results are not sent to each shareholder as shareholders are intimated through press.

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

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

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

17. Compliance Officer

Mr. V.K. Gupte, Company Secretary is the Compliance Officer of the Company.

18. General Meetings

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

Financial year	Date	Location	Time
2012- 13	29 July 2013	Rama Watumull Auditorium, Mumbai	2.30 p.m.
2013- 14	30 June 2014	Rama Watumull Auditorium, Mumbai	2.30 p.m.
2014-15	23 July 2015	Rama & Sundri Watumull Auditorium, Mumbai	2.30 p.m.

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

Date of Annual General Meeting	Numbers and particulars of Special Resolutions passed.
29 July 2013	Nil
30 June 2014	Payment of commission to Non-Executive Directors.
23 July 2015	a. Re-appointment of Mr. C. R. Gupte as Managing Director effective 1 August 2015 b. Appointment of Mr. S. R. Deo as the Deputy Managing Director effective 1 April 2015

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

19. Disclosures

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

- The Company does not have any related party transaction, which may have potential conflict with the larger interests of the Company. The disclosures of

transactions with the related parties entered into by the Company in the normal course of business are given in the Notes to Accounts.

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

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

C. Details of compliance with mandatory requirements:

- All the mandatory requirements of Clause 49 of the erstwhile Listing Agreement and Regulations 17 to 27 of the Listing Regulations have been complied with by the Company.

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

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

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

21. General shareholders' information

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

ii) Annual General Meeting:

Date and time : 27 July 2016 at 2.30 p.m.

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

iii) Financial Year of the Company

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

Financial reporting for FY 2016-17 (Indicative):

Quarter ending on June 2016	:	27 July 2016
Half year ending on September 2016	:	26 October 2016
Quarter ending on December 2016	:	end of January 2017
Year ending on March 2017	:	end of April/May 2017
Annual General Meeting (2016-17)	:	end of July, 2017

iv) Date of Book Closure

Thursday, 21 July 2016 to Wednesday, 27 July 2016

v) Dividend Payment Date

On or after 2 August 2016 (If declared at forthcoming Annual General Meeting)

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

Equity shares of the Company are listed on

1.	Bombay Stock Exchange Limited	(Stock Code: 500730)
2.	National Stock Exchange of India Limited	(Stock Code: NOCIL)

The Company has paid the Listing Fees to Bombay Stock Exchange Limited and National Stock Exchange of India Ltd for FY 2016-17.

vii) Demat information

The shares of the Company were brought under compulsory demat mode with effect from 29 May 1999. As on 31 March 2016 about 97.09 % shareholding representing 15,61,02,062 shares of the Company have been converted into demat form. The Company has executed agreements with both NSDL and CDSL for demat of its shares.

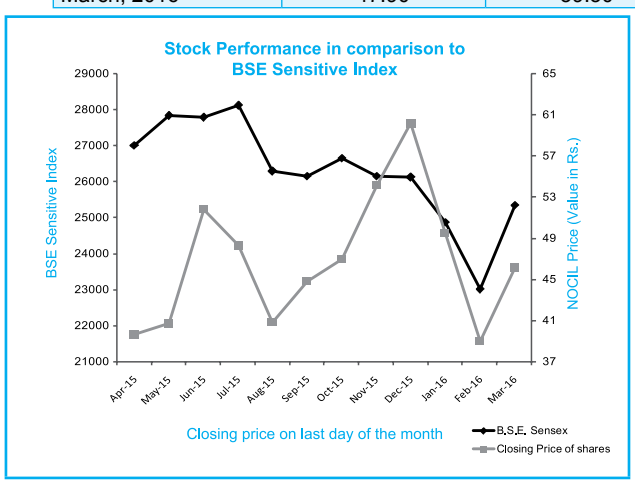
ISIN numbers in NSDL and CDSL for equity shares	INE 163A01018

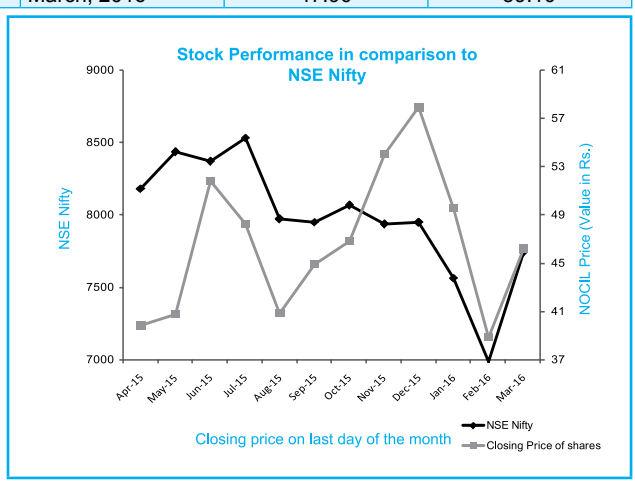
viii) Stock market data

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

(Figures in ₹)

Bombay Stock Exchange Ltd. (BSE)			National Stock Exchange of India Ltd. (NSE)		
Month	High	Low	Month	High	Low
April, 2015	45.25	37.10	April, 2015	45.20	37.00
May, 2015	44.45	37.10	May, 2015	44.45	37.10
June, 2015	52.80	38.20	June, 2015	52.85	38.10
July, 2015	55.50	47.65	July, 2015	55.50	47.55
August, 2015	53.10	36.30	August, 2015	53.00	36.40
September, 2015	46.10	37.20	September, 2015	44.65	37.15
October, 2015	51.40	43.60	October, 2015	51.45	43.55
November, 2015	55.40	44.05	November, 2015	55.40	43.80
December, 2015	64.50	53.25	December, 2015	64.50	53.05
January, 2016	60.40	44.35	January, 2016	60.40	44.30
February, 2016	53.15	37.65	February, 2016	53.15	37.50
March, 2016	47.90	39.30	March, 2016	47.90	39.10





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

x) Registrar and Share Transfer Agents:

The Company had appointed Sharepro Services (India) Pvt Ltd ['Sharepro'] as its Registrar and Transfer Agents (RTA) for the last 16 years. On the complaint received from some of the listed companies who were the clients of Sharepro in respect of certain irregularities at the functioning at the office of Sharepro, SEBI has vide its order dated 22 March 2016 restrained Sharepro from carrying on any capital market activity with immediate effect. SEBI has amongst others advised the companies to switch over to another RTA.

In line with the SEBI's Order, the Company has appointed Karvy Computershare Private Limited effective from 23rd May 2016 as the RTA.

The Management wishes to reassure each one of the members that the interests of shareholders would be kept in mind and would be of top most priority and will ensure that the transition happens with least discomfort to the shareholders.

xi) Distribution of shareholding as on 31 March 2016

No. of Equity shares held	No. of shareholders	% of shareholders	No. of shares held	% of shareholding
Up to 500	94902	81.59	16177131	10.06
501 to 1000	11209	9.64	9533598	5.93
1001 to 2000	4938	4.25	7843207	4.88
2001 to 3000	1713	1.47	4503001	2.80
3001 to 4000	807	0.69	2953060	1.83
4001 to 5000	788	0.68	3819620	2.38
5001 to 10000	1061	0.91	8167941	5.08
10001 and above	898	0.77	107789422	67.04
Total	**116316**	**100.00**	**160786980**	**100.00**

xii) Shareholding pattern as on 31 March 2016

Sr No.	Category	No. of shares held	% of shareholding
1	Indian Promoters	60479399	37.61
2	Mutual funds	45947	0.03
3	Banks, financial institutions, insurance companies, etc.	2716123	1.69
4	NRI's / OCBs / FIIs	1868873	1.16
5	Private corporate bodies	21567793	13.42
6	Indian public	74108845	46.09
	Total	**160786980**	**100.00**

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

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

xiv) Foreign Exchange Risk and Hedging activities:

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

xv) Plant locations:

Navi Mumbai : C-37, Trans Thane Creek Industrial Area
Off Thane Belapur Road,
Navi Mumbai - 400 705 - Maharashtra
Tel. Nos. : 022 – 66730551 – 4

Dahej : Plot No. 12/A/1 and 13/B/1, G.I.D.C.
Dahej, Village-Ambheta,
Tal. Vagra
Dist. Bharuch - Gujarat
Tel. Nos.: 02642 – 399200

xvi) Address for Investor correspondence

For the Financial Year 2015-16:

Sharepro Services (India) Pvt. Ltd.,
13 A-B,Samhita Warehousing Complex,
Sakinaka Telephone Exchange Lane,
Off Andheri Kurla Road, Sakinaka,
Andheri (East), Mumbai – 400 072.
Telephone Nos : 022-6772 0300, 67720400
Fax nos : 022-28591568 / 28508927
Email : sharepro@shareproservices.com

Note: From 23 May 2016:

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

ANNEXURE TO CORPORATE GOVERNANCE REPORT

Declaration regarding affirmation of Code of Conduct

In terms of the requirements of Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, this is to confirm that all the members of the Board and the Senior Management personnel have affirmed compliance with the Code of Conduct for the year ended 31 March 2016.

Place : Mumbai
Date : 5 May 2016

C.R. Gupte
Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of NOCIL Limited

1. We have examined the compliance of conditions of Corporate Governance by NOCIL Limited (the Company), for the year ended on 31 March 2016 as stipulated in:
   - Clause 49 (excluding clause 49(VII) (E)) of the Listing Agreements of the Company with stock exchange(s) for the period from 1 April 2015 to 30 November 2015.
   - Clause 49(VII) (E) of the Listing Agreements of the Company with the stock exchange(s) for the period from 1 April 2015 to 1 September 2015.
   - Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) for the period from 02 September 2015 to 31 March 2016 and
   - Regulations 17 to 27 (excluding regulation 23(4)) and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the period from 1 December 2015 to 31 March 2016.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India.
4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement and Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the year ended 31 March 2016.
5. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W / W-100018)

A B Jani
Partner
(Membership No. 46488)

Place : Mumbai
Date : 5 May 2016

MANAGEMENT DISCUSSION AND ANALYSIS

Economic Review

The Indian economy continued to record a growth of about 7.30% for the second consecutive year. However, the growth of Industrial production, was low at about 2.60% p.a. with some sectors of the industry still in the negative zone. Continued adversity in seasonal conditions in India did impact,among other sectors, the rubber industry as well. However, India being a net importer of oil and other commodities, got the benefit of lower crude oil and related commodity prices, this in turn resulted in lower inflation (CPI) levels of about 5%.

On the global front, the year was characterised by underlying weakness, across most economies and business sectors, with weak demand, falling prices and over-capacities, which took a toll on economic growth, the extent of which not only varied from country to country but also from region to region. Of these, the single most important factor was the slowing down of the Chinese economy, which resulted in a sharp drop in demand, which affected sectors as diverse as Crude oil, minerals and ores, steel, chemicals, shipping and a plethora of other commodities. On the other hand, the huge industrial capacities that China has built over the years, had to increasingly and urgently seek markets across the world, because of the slow-down in China's own domestic consumption. All major economies, such as USA, EU, Japan and Latin America faced serious challenges in shoring up their economic growth.

Financial markets witnessed a major turmoil in both the areas, viz. stocks as well as currency, due to the sudden devaluation of the Chinese Yuan (RMB) during the second quarter of FY 2015-16. Resultantly, India too witnessed a serious downturn in these areas from September 2015 onwards, although some corrections did take place during the last quarter of FY 2015-16.

The global rubber consumption witnessed a relatively flat growth on the back of negative growth in Japan, Europe and substantially lower growth in China. Rubber chemicals, essentially follow the trend of global rubber consumption. The good news on the domestic front, is that the Indian Automobile sector started showing some growth in the second half of the year, in certain segments. This growth in the automobile sector will give positive impetus to the rubber industry and in turn, to the rubber chemicals industry,which are interdependent.

The outlook for FY 2016-17 for India, continues to be positive. The continued lower crude and commodity prices augur well for the Indian Economy. It is also hoped that the recent initiatives such as,"Make in India" undertaken by the Government, will help in giving a further boost to the Indian Industrial sector. India continues and is expected to remain the fastest growing economy of the world.

Rubber Chemical Industry

Rubber Chemicals are used by manufacturers who process and convert Natural Rubber and / or Synthetic Rubber into finished products, like Tyres, Hoses, Footwear, Moulded Components for vehicles, Industrial Belts, Gloves, etc.

Of these, the Tyre segment is clearly the single largest consuming segment for Rubber Chemicals. The overall demand for Rubber Chemicals as a group, therefore, is directly linked to Total (Natural + Synthetic) Rubber Consumption, although, individual chemical-wise demand is dependent on a particular end-application.

During the year 2015-16, overall activity in the Tyre industry was dampened, by weak replacement market demand (particularly for Bias Truck Tyres, Light Commercial Vehicle Tyres and Tractor Rear Tyres) which, together accounts for more than 60% of the tyre business. In the growing Radial Truck Tyre segment, the industry had to face a steep increase in the imports of Chinese Radial tyres, which are being dumped into the Indian market at very low prices. Given the poor Chinese domestic demand,coupled with the anti-dumping duties imposed on Chinese Tyres by the U.S. government, have had the combined effect in boosting further, the import of Chinese tyres into India. These imports of Chinese tyres into India have resulted in under-utilization of production capacities at our domestic customers' end, which in turn affected the demand for rubber chemicals.

The domestic non-tyre segment, especially the moulded & extruded goods segment, largely depends on the automobile sector,whose performance in general has been reasonably good during the year. Other non-tyre segments like Industrial Belting, Footwear, Re-tread rubber etc. were subdued, due to the overall weak economic conditions & the failed monsoon.

On the global business front, all major markets faced weak demand conditions. China, in particular, saw weak G.D.P. growth (one of the lowest in the last 20 years), slack demand and large over-capacities. Though, impacted by increasing environmental regulation, China continues to be burdened with gross over-capacities. Mainly as a result of these over capacities, and to some extent supported by relatively low crude oil & petrochemical price trends, export prices of Chinese Rubber Chemicals, continued to slide down through-out the year. During the second half of FY 2015-16, prices of some major Rubber Chemicals had come down to the lowest levels seen in the last two decades or so. China, Korea & the European Union, continued their approach of dumping products in the Indian market, at unrealistically low prices.

The fall in prices of some of our finished products, has reached such an extent that,the Anti-dumping duties, levied in July 2014, on these products,have been neutralized, practically in their entirety,by

the Chinese/Korean Competitors. It is important to note that this fall in the prices,is far greater than the reduction in input costs would have justified. Both these countries continue to enjoy large number of direct and indirect subsidies from their governments. It only reinforces the justification for imposition of Anti-Dumping Duties on these exporters, as was done by the Government of India, during the previous year.

Towards the quarter of Jan-March 2016, some hardening was seen in the price of Crude Oil & major raw-materials building blocks like Benzene and its derivatives. This may result in some upward movement in the cost of Rubber Chemicals, as financial year 2016-17 unfolds.

Industry Structure and Developments

The broad trend in the Rubber Chemicals Industry, over the last decade has been one of proliferation of producers in China and consequent exit of major erstwhile producers from the developed regions (like Europe, Japan and US). More than 75% of global capacity is now concentrated in China/Korea and shared by a large number of producers. While a few of these are large (some are government owned), many are provincial players with an inadequate level of Environmental and Quality standards. Of late, with environmental concerns being taken serious note of, by China, some exits have already happened. Some more consolidation of smaller players cannot be ruled out.

It is very likely however, that China with its large capacity and large number of direct, indirect and hidden export subsidies, along with currency management, will continue to be the major supplier of Rubber Chemicals to the world. The HSE related improvements and the rising wage costs, may to some extent diminish the price differentials that they could offer.

Domestically, some signs of the Auto industry coming out of the last few years of poor demand are visible. With mining, coal-related issues being gradually sorted out, vehicle movement and tyre demand should also pick up. Lower fuel prices and reducing interest rates should help improve demand for new vehicles.

Should these positive signs persist, your Company being the largest and well established player in the domestic market, is confident of taking advantage of these developments and achieve significant growth in the coming years.

Business Outlook: Opportunities & Threats

Opportunities:

Outlook for the Indian economy appears healthy with most estimates predicting a G.D.P. growth of 7.5%. Increased economic activity bodes well for transportation,leading to increased movements of commodities like coal, ores, fertilizers, cement etc. as also a host of other industrial & consumer goods. The above should occasion a boost in growth of the tyre industry and in anticipation of which, is investing in substantial expansion of its capacities and your Company expects to benefit due to these expansions.

On the supply side, increasing environmental pressures & related costs, coupled with low selling prices, are likely to lead to some more consolidation in the Rubber Chemicals industry in China. Given the concentration of Rubber Chemicals capacity in China along with the associated uncertainties, there is some sense of discomfort amongst international tyre majors, about over-dependence on a single source country. In this context, NOCIL is not only seen as a dependable and quality supplier,but also a player that offers almost a complete range of rubber chemicals. Moreover, NOCIL's strong R&D capabilities are considered as a very important strength,by these tyre majors.

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

Threats:

Though, the Indian economy promises to be relatively healthy & growing, the outlook for the global economy remains weak. Exports to international markets in the current situation are extremely challenging. The debt-ridden European economies, recessionary trends in Japan, weak-demand & slow-down in China, are all factors which can be dampeners to performance. Major concerns relate to the low priced dumping of finished Rubber Chemicals from China, Korea & Europe and are issues that can pose challenges.

Prices of key building blocks like Benzene and others,have gone up towards the end of the financial year. Selling prices of Rubber Chemicals however, have not improved because of weak-demand in certain major markets & the un-realistic dumped prices, by China/Korea & the EU. A large part of rubber chemicals business operates on quarterly or half yearly contracts and such sudden increases in costs cannot be passed on to the customers immediately.

Sentiment-driven currency changes can also impact domestic prices and profitability. The country has faced poor monsoons for the last two years & is affected by drought conditions in large number of areas. It is hoped that the country receives normal rainfall this year, for re-generating the rural demand & give a boost to the overall economy.

Risks & Concerns

Exchange-rate fluctuations,volatility in Crude Oil and down-stream petrochemicals, political unrest in the Middle-East etc. are all risks and concern areas which your Company may face from time to time.

The acute water-shortage and drought conditions in different parts of the country currently prevalent, can be a risk both to industrial production as well as overall demand.

Operating & Financial Performance for the Year

The Company's performance with regard to the domestic sales volumes, improved significantly by more than 18% for the second consecutive year. This is, despite the aggressive dumping resorted to, by our foreign competitors, falling finished goods prices etc. in addition to near flat demand. Domestic turnover in value terms however, grew by a modest 4%. On the export business front,as mentioned earlier,with acute competition from China/Korea/EU, your Company has chosen to export these products only to a certain select key accounts, keeping in mind the importance of maintaining a regular presence at these key accounts and also the equally important need to maintain our capacity utilization at desirable levels. By a combination of a better product mix with greater emphasis on speciality products and continual improvement in the efficiency of operations at all locations,the Company has managed to keep its operating margins healthy,for all the four quarters and has achieved a substantial improvement in the EBIDTA levels, for each of these quarters.

Summary of financial performance of the Company is presented below:

(₹. in crore)

Particulars	F.Y. 2015-16	F.Y. 2014-15
Net Revenues	715.21	719.00
Other Income	3.04	3.89
Total Income	718.25	722.89
EBIDTA	141.19	115.76

During the year under review, the Company achieved a profit before tax of ₹ 118.13 crore as compared to ₹ 85.65 crores in 2014-15.

Internal control systems

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

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

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

Material developments in human resources

In view of the shortage of skilled human resources prevailing in the country,for a specialised industry like ours, dealing in rubber applications area, our focus, during the year continued on enhancing capabilities of our existing workforce. In order to retain skilled talent and promote high employee motivation and confidence level, which would enable the Company to face the current challenges and seize future opportunities, various initiatives were taken. Some of the initiatives undertaken were of continual nature. In some cases, employee retention in the form of

Service Bond, with a suitable monetary compensation at the end of the tenure of the service, was extended to new recruits with good educational background, across the organisation. Incentives are also offered to young employees in terms of deferred bonus. The system of awards for suggestions is another illustration. Further, in order to encourage and promote scholastic achievement of the children of the employees, awards along with appreciation certificates are regularly given year after year.

Regular and detailed performance appraisal system is in place, to evaluate the performance of all the employees and necessary steps are taken to strengthen the areas in which they need improvement. The Company undertakes regular training programmes for development of employee skills. To promote and develop upcoming managerial talent, advanced training programmes were extended to select skilled talent, who have displayed high potential to take additional responsibilities in the challenging business environment.

An appropriate compensation & reward system is in place, commensurate with the performance of the employees.

The Company complies with all the regulations pertaining to Safety and continues to have an excellent track record in this area. The main objective is, to achieve zero accident / incident and safe working environment. Regular programmes are therefore held on safety awareness, fire-fighting and first aid, apart from other developmental programmes. Any near miss accidents, are thoroughly investigated to identify the root cause and appropriate corrective actions are put in place.

The Company has 285 management employees at Thane and Dahej, including trainees, and 163 non-management employees across its locations at the close of the financial year under review. Industrial relations remained cordial during the year.

Cautionary statement

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NOCIL LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of NOCIL Limited (the Company), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility 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 and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act.

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

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order Under section 143(11) of the Act.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
   - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
   - (e) On the basis of the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 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 the 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:
     - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 23(a) to (d) to the financial statements;
     - (ii) The Company did not have any long-term contracts, including derivative contracts for which there were any material foreseeable losses;
     - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government in terms of Section 143(11) of the Act, we give in 'Annexure B' a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

A B Jani
Partner
(Membership No. 46488)

Mumbai, Dated: May 5, 2016

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' of our report 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 NOCIL Limited (the Company) as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control 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 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 Company's internal financial controls over financial reporting 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 Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 31 March 2016, 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 **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

A B Jani
Partner
Mumbai, Dated: May 5, 2016 (Membership No. 46488)

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

Re: NOCIL Limited

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) In respect of its fixed assets:

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

b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of buildings which are freehold, are held in the name of the Company as at the Balance Sheet date. In respect of immovable properties of land that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

(ii) As explained to us, inventories were physically verified during the year by the management at reasonable intervals, except for inventories lying with third parties where confirmations of inventories held by such third parties have been received 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 making investments as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. Therefore, the provisions of clause (v) of the Order is not applicable.

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

(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, Sales-tax, Service Tax, Customs duty, Excise duty, Value Added Tax, cess and any 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, Sales-tax, Service Tax, Customs duty, Excise duty, Value Added Tax, cess and any other material statutory dues in arrears, as at 31 March 2016 for a period of more than six months from the date they became payable.

(c) Details of dues of Income Tax, Sales Tax, Customs Duty and Excise Duty which have not been deposited as on 31 March 2016 on account of disputes are given below:

(₹ in Lakhs)

Name of Statute	Nature of dues	Amount	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act, 1956 and various State Sales Tax Acts	Sales Tax	5.65	2001-2002, 2004-05	Assistant Commissioner Appeals
		29.45	2008-09	Commissioner Appeals
		358.71	1995-1999, 2003-04	Appellate Tribunal
The Central Excise Act,1944	Excise Duty	8.10	1991-1996, 1997-99	Commissioner Appeals
		5.20	1997-99	Commissioner Central Excise
		50.43	1992, 1997, 2001-02	CESTAT
Chapter V of the Finance Act, 1994	Service Tax	123.84	2011-2015	Appellate Tribunal
		72.49	2010-2011, 2015	Commissioner Central Excise
		5.94	2013-2014, 2014-2015	Commissioner Central Excise
		0.17	2014-2015,2015	Commissioner Central Excise
Income-tax Act, 1961	Income- tax	251.81	FY 1989-90, FY 2011-12, FY 2012-13	Commissioner of Income-tax Appeals

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The Company has not issued any debentures.

(ix) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company for the purposes for which they were raised. The Company has not raised monies by way of initial public offer or further public offer (including debt instruments).

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

(xi) In our opinion and according to the information and explanations given to us, the Company has paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

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

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 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 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 persons connected with him 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-I of the Reserve Bank of India Act, 1934.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

A B Jani
Partner
(Membership No. 46488)

Mumbai, Dated: May 5, 2016

BALANCE SHEET AS AT 31 MARCH 2016

(₹ in Lakhs)

	Note No.	As at 31 March 2016	As at 31 March 2015
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	2	16,078.70	16,078.70
(b) Reserves and surplus	3	30,715.00	25,263.20
		46,793.70	41,341.90
(2) Non-current liabilities			
(a) Long-term borrowings	4	1,500.00	5,050.00
(b) Deferred tax liabilities (net)	29	4,616.77	4,137.46
(c) Long-term provisions	5	1,821.21	1,331.86
		7,937.98	10,519.32
(3) Current liabilities			
(a) Short-term borrowings	6	86.70	7,547.47
(b) Trade payables	7		
i) Total outstanding dues of micro and small enterprises		99.95	119.65
ii) Total outstanding dues of creditors other than micro and small enterprises		7,299.58	8,809.74
(c) Other current liabilities	8	3,150.80	5,165.89
(d) Short-term provisions	9	2,483.18	2,209.07
		13,120.21	23,851.82
TOTAL		**67,851.89**	**75,713.04**
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10	28,559.59	28,833.77
(ii) Intangible assets	10	417.37	489.45
(iii) Capital work-in-progress	10	603.59	337.71
		29,580.55	29,660.93
(b) Non-current investments	11	4,730.58	4,730.58
(c) Long-term loans and advances	12	3,068.06	3,617.91
		37,379.19	38,009.42
(2) Current assets			
(a) Inventories	13	13,241.41	18,750.35
(b) Trade receivables	14	15,104.89	16,718.83
(c) Cash and cash equivalents	15	700.55	474.72
(d) Short-term loans and advances	12	1,395.85	1,736.51
(e) Other current assets	16	30.00	23.21
		30,472.70	37,703.62
TOTAL		**67,851.89**	**75,713.04**

See accompanying notes forming part of the financial statements

In terms of our report attached.
For Deloitte Haskins & Sells LLP
Chartered Accountants

A. B. Jani
Partner

For and on behalf of the Board of Directors

Hrishikesh A. Mafatlal
Chairman

C.R. Gupte
Managing Director

C.L. Jain
Director & Chairman- Audit Committee

S.R. Deo
Deputy Managing Director

P. Srinivasan
Chief Financial Officer

V. K. Gupte
Company Secretary

Place : Mumbai,
Dated : 5 May 2016

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2016

(₹ in Lakhs)

		Note No.	For the year ended 31 March 2016	For the year ended 31 March 2015
I	**Revenue from operations (Gross)**	17	78,860.88	78,533.40
	Less: Excise duty		7,340.14	6,633.43
	Revenue from operations (net)		71,520.74	71,899.97
II	**Other Income**	18	304.71	388.86
III	**Total Revenue**		**71,825.45**	**72,288.83**
IV	**Expenses**			
	(a) Cost of materials consumed	19.a	31,220.86	43,411.91
	(b) Purchases of stock-in-trade	19.b	337.30	384.49
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	19.c	4,392.18	(4,939.25)
	(d) Employee benefits expense	20	5,781.57	4,809.79
	(e) Finance costs	21	933.96	1,651.22
	(f) Depreciation and amortisation expense (refer note 27)	10	1,372.44	1,360.48
	(g) Other expenses	22	15,974.12	17,045.65
	Total expenses		**60,012.43**	**63,724.29**
V	**Profit before tax (III - IV)**		**11,813.02**	**8,564.54**
VI	**Tax expense:**			
	(a) Current tax expense		3,578.88	2,535.00
	(b) Short/(Excess) provision for tax relating to prior years		(19.20)	96.57
	Net current tax expense		3,559.68	2,631.57
	(c) Deferred tax		479.31	258.13
	Net tax expense		4,038.99	2,889.70
VII	**Profit for the year (V-VI)**		**7,774.03**	**5,674.84**
VIII	**Earnings per Equity Share (of ₹ 10/- each) :**	30		
	(a) Basic (in ₹)		4.83	3.53
	(b) Diluted (in ₹)		4.78	3.50
	See accompanying notes forming part of the financial statements			

In terms of our report attached.
For Deloitte Haskins & Sells LLP
Chartered Accountants

A. B. Jani
Partner

For and on behalf of the Board of Directors

Hrishikesh A. Mafatlal
Chairman

C.R. Gupte
Managing Director

C.L. Jain
Director & Chairman- Audit Committee

S.R. Deo
Deputy Managing Director

P. Srinivasan
Chief Financial Officer

V. K. Gupte
Company Secretary

Place : Mumbai,
Dated : 5 May 2016

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

(₹ in Lakhs)

	For the year ended 31 March, 2016	For the year ended 31 March, 2015
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Profit before tax	**11,813.02**	**8,564.54**
Adjustments for :		
Depreciation	1,372.44	1,360.48
Loss on fixed assets sold / scrapped / written off (net)	48.63	118.71
Income from long-term investments	(122.31)	(108.10)
Interest on deposits, overdue receivables and others	(46.50)	(232.72)
Unrealised foreign exchange flucuation	(33.13)	(12.58)
Finance costs	933.96	1,651.22
	2,153.09	**2,777.01**
Operating profit before working capital changes	**13,966.11**	**11,341.55**
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	5,508.95	(2,762.07)
Trade receivables	1,613.94	(1,946.96)
Short-Term loan and advances and other current assets	340.66	(171.00)
Long-Term loan and advances	22.27	246.12
Trade payables	(1,529.86)	(3,480.53)
Other current liabilities	(732.51)	1,181.01
Long-Term provisions	489.35	182.21
Short-Term provisions	(112.93)	21.48
Earmarked bank account (Unpaid dividend account)	(16.31)	(7.43)
	5,583.56	**(6,737.17)**
Cash generated from operations	19,549.67	4,604.38
Taxes paid	(3,057.93)	(1,876.34)
Net cash generated from operating activities	**16,491.74**	**2,728.04**
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Capital expenditure on fixed assets	(1,405.14)	(864.68)
Sale proceeds of fixed assets	4.70	14.85
Interest received	39.71	232.72
Dividend received	122.31	108.10
Net cash used in investment activities	**(1,238.42)**	**(509.01)**
C. CASH FLOW FROM FINANCING ACTIVITIES :		
(Repayments of) long-term borrowings	(4,683.33)	(2,133.33)
(Repayment of) / proceeds from short-term borrowings	(7,460.76)	1,641.56
Finance costs	(1,013.96)	(1,651.22)
Dividend paid	(1,591.56)	(957.29)
Dividend tax paid	(327.32)	(163.95)
Net cash used in financing activities	**(15,076.93)**	**(3,264.23)**
Net increase / (decrease) in cash and cash equivalents	176.39	(1,045.20)
Opening balance of cash and cash equivalents	334.18	1,366.80
Unrealised foreign exchange fluctuation on export earnings foreign currency (EEFC) account	33.13	12.58
Closing balance of cash and cash equivalents	**543.70**	**334.18**
Reconciliation of cash and cash equivalents with the Balance Sheet		
Closing balance of cash and cash equivalents (As per Note 15)	700.55	474.72
Less: Balance in earmarked accounts (Unpaid dividend accounts)	156.85	140.54
Cash and cash equivalent considered for Cash Flow	**543.70**	**334.18**

In terms of our report attached.

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors

Hrishikesh A. Mafatlal
Chairman

C.R. Gupte
Managing Director

C.L. Jain
Director & Chairman- Audit Committee

A. B. Jani
Partner

S.R. Deo
Deputy Managing Director

P. Srinivasan
Chief Financial Officer

V. K. Gupte
Company Secretary

Place : Mumbai,
Dated : 5 May 2016

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

CORPORATE INFORMATION

NOCIL Limited (the Company) was incorporated on 11 May 1961, and is engaged in manufacture of rubber chemicals. The Company has manufacturing facilities at Navi Mumbai (Maharashtra) and at Dahej (Gujarat). The products manufactured by the Company are used by the tyre industry and other rubber processing industries.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES:

a. Basis of preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013.

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 on the date of financial statements and the reported amounts of revenues and expenses during the reported period. Differences between the actual results and estimates are recognized in the period in which the results are known/materialize.

c. Fixed Assets

(i) 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.

(ii) 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 and amortisation

i) Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

ii) Leasehold land is amortised on a straight line basis over the period of the lease.

iii) Intangible assets are amortised over their estimated useful life of 10 years.

iv) Assets costing ₹5000/- or less are fully depreciated in the year of purchase.

e. Impairment of Assets

At the end of each year, the Company determines whether a provision should be made for impairment loss on fixed assets by considering the indications that an impairment loss may have occurred in accordance with Accounting Standard 28 on 'Impairment of Assets'. An impairment loss is charged to Statement of Profit and Loss in the year in which, an asset is identified as impaired, when the carrying value of the asset exceeds its recoverable value. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

f. Leases

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

g. Investments

Long-term investments are carried at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried, at the lower of cost and fair value.

h. Inventories

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

Excise Duty related to finished goods is included under changes in inventories of finished products and work-in-progress (Note 19.c).

i. Employee Benefits

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund, compensated absences, long service awards.

Defined Contribution Plans

The Company's contribution to provident fund, superannuation 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.

Defined Benefits Plans

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 determined using 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 obligation recognized in the balance sheet represents the present value of obligation as reduced by the fair value of plan assets, where applicable.

Actuarial Gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur.

j. Foreign currency transactions and translations

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Monetary items outstanding at the balance sheet date are restated at the year-end rates. The exchange difference between the rate prevailing on the date of transaction and on the date of settlement as also on translation of monetary items at the end of the year is recognised as income or expense, as the case may be.

Any premium or discount arising at the inception of the forward exchange contract is recognized as income or expense over the life of the contract.

k. Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to revenue.

l. Revenue recognition

Revenue on 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. Sales are stated net of returns and sales tax recovered. Excise duty related to sales turnover is presented as a reduction from gross sales.

Interest income is accounted on accrual basis.

Dividend income is accounted for when the right to receive it is established.

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

m. Taxation

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961 and other applicable tax laws.

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 income tax reflect the current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years / period. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available except that deferred tax assets, in case there are unabsorbed depreciation and losses, are recognized if there is virtual certainty that sufficient future taxable income will be available to realize the same.

n. Earnings Per Share

The Company reports Earnings Per Share (EPS) in accordance with Accounting Standard 20 on Earnings Per Share. Basic EPS is computed by dividing the net profit for the year by the weighted average number of equity shares outstanding during the year. 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. Employee Share based payments

The Company has constituted an Employee Stock Option Plan 2008. Employee Stock Options granted on or after 1 April, 2005 are accounted under the 'Intrinsic Value Method' stated in the Guidance Note on Employee Share Based Payments issued by the Institute of Chartered Accountants of India.

p. Cash Flow statement

The Cash Flow Statement is prepared by the indirect method set out in Accounting Standard 3 on Cash Flow Statements and presents the cash flows by operating, investing and financing activities of the company. Cash and cash equivalents presented in the Cash Flow Statement consist of cash on hand, balance in current accounts and unencumbered demand deposits with banks.

q. Provisions and contingencies

A provision is recognised when there is a present obligation as a result of past event/s and it is probable that an outflow of resources will be required to settle the obligation. Contingent liabilities, if any, are disclosed in the notes to the financial statements.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 (Contd...)

Particulars	As at 31 March 2016		As at 31 March 2015	
	Number of shares	(₹ in Lakhs)	Number of shares	(₹ in Lakhs)
Note 2: Share capital				
(a) Authorised :				
Equity Shares of the par value of ₹10/- each	1,20,00,00,000	1,20,000.00	1,20,00,00,000	1,20,000.00
(b) Issued and Subscribed :				
Equity Shares of ₹ 10/- each fully paid-up	16,07,86,980	16,078.70	16,07,86,980	16,078.70
(c) Rights, preferences and restrictions 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 remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.				
(d) Shareholders holding more than 5% Equity shares in the Company are set out below:				
Mafatlal Industries Limited				
No. of shares	2,30,36,469		2,30,36,469	
% Holding	14.33		14.33	
Arvi Associates Private Limited				
No. of shares	1,06,43,026		1,06,43,026	
% Holding	6.62		6.62	
(e) No. of shares reserved for issuance as Employee Stock Options (Refer note 31)	41,69,200		27,96,200	

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 (Contd...)

(₹ in Lakhs)

Particulars	As at 31 March 2016	As at 31 March 2015
NOTE 3: RESERVES AND SURPLUS		
(a) Capital reserve		
As per last Balance Sheet	15.29	15.29
(b) Securities premium account		
As per last Balance Sheet	450.92	450.92
(c) General reserve		
As per last Balance Sheet	4,864.71	4,864.71
(d) Surplus in Statement of Profit and Loss		
As per last Balance Sheet	19,932.28	16,227.55
Less: Depreciation on account of transitional provisions of Schedule II to the Companies Act, 2013 (refer note 27)	-	34.92
Add: Profit for the year	7,774.03	5,674.84
Less: Appropriations :		
Proposed dividend on Equity Shares (₹ 1.20/- per share) (previous year ₹ 1.00/- per share)	1,929.44	1,607.87
Corporate dividend tax	392.79	327.32
Closing balance	25,384.08	19,932.28
TOTAL	**30,715.00**	**25,263.20**
NOTE 4: LONG-TERM BORROWINGS		
Secured term loans from banks (refer note 8)	1,500.00	5,050.00
TOTAL	**1,500.00**	**5,050.00**
Details of security		
a) First pari passu charge on all moveable and immoveable fixed assets of the Company at Dahej, both present and future.		
b) Second pari passu charge on entire current assets of the Company, both present and future.		
Terms of Repayment and maturity with respect to the Balance Sheet date		
Repayable in 20/21 equal quarterly instalments commencing from Financial Year 2013-14		
NOTE 5: LONG-TERM PROVISIONS		
For employee benefits (refer notes 8 and 9)	1,761.89	1,272.54
For customs duty	59.32	59.32
TOTAL	**1,821.21**	**1,331.86**

Note:

The Company did not have any long-term contracts including derivative contracts for which any provision was required for foreseeable losses.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 (Contd...)

(₹ in Lakhs)

Particulars	As at 31 March 2016	As at 31 March 2015
NOTE 6: SHORT-TERM BORROWINGS (SECURED)		
From banks:		
Working Capital Loans	86.70	4,046.44
Packing credit loan	-	3,501.03
TOTAL	**86.70**	**7,547.47**
Details of Security		
First pari passu charge on stock and book debts both present and future by way of hypothecation over company's entire current assets including stock of raw materials, semi finished and finished goods, consumable stores and spares and other movables, book debts, bills, outstanding monies, receivables, both present and future.		
Terms of Repayment:		
Repayable on demand		
NOTE 7: TRADE PAYABLES (refer note 37)		
Trade payables:		
a) Payable to Micro and Small enterprises	99.95	119.65
b) Payable to Others		
i) Acceptances	1,453.91	1,434.70
ii) Other than Acceptances	5,845.67	7,375.04
TOTAL	**7,399.53**	**8,929.39**
NOTE 8: OTHER CURRENT LIABILITIES		
(a) Current maturities of long-term loans from banks (refer note 4)	1,000.00	2,133.33
(b) Current liability for employee benefits	606.44	289.36
(c) Interest accrued but not due on borrowings	21.47	101.47
(d) Unclaimed dividends	156.85	140.54
(e) Other payables		
(i) Statutory remittances	891.33	1,601.33
(ii) Trade/security deposits received	163.38	158.38
(iii) Creditors for capital projects	252.92	338.48
(iv) Advances from customers	58.41	403.00
TOTAL	**3,150.80**	**5,165.89**
NOTE 9: SHORT-TERM PROVISIONS		
(a) Provision for employee benefits	160.95	273.88
(b) Proposed dividend on Equity Shares	1,929.44	1,607.87
(c) Corporate dividend tax	392.79	327.32
TOTAL	**2,483.18**	**2,209.07**

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 (Contd...)

NOTE 10: FIXED ASSETS

(₹ in Lakhs)

Particulars	Gross Block (at cost)				Depreciation and Amortization					Net Block
	As at 1 April 2015	Additions	Deductions / Adjustments	As at 31 March 2016	As at 1 April 2015	For the year	Deductions	Adjustments	As at 31 March 2016	As at 31 March 2016
Tangible Assets										
Leasehold Land	931.65	-	-	931.65	24.65	10.00	-	-	34.65	897.00
	(931.65)	*(-)*	*(-)*	*(931.65)*	*(14.68)*	*(9.97)*	*(-)*	*(-)*	*(24.65)*	*(907.00)*
Buildings (refer note 2 below)										
(a) Own use	8,229.11	137.90	-	8,367.01	858.82	230.91	-	-	1,089.73	7,277.28
	(8,206.45)	*(40.13)*	*(17.47)*	*(8,229.11)*	*(637.08)*	*(228.02)*	*(-)*	*(6.28)*	*(858.82)*	*(7,370.29)*
(b) Given under operating lease	83.57	-	-	83.57	30.80	1.44	-	-	32.24	51.33
	(66.10)	*(-)*	*(17.47)*	*(83.57)*	*(23.08)*	*(1.44)*	*(-)*	*(6.28)*	*(30.80)*	*(52.77)*
Plant and Equipment	30,535.92	883.83	190.01	31,229.74	10,481.47	946.72	143.37	-	11,284.82	19,944.92
	(30,493.58)	*(458.33)*	*(415.99)*	*(30,535.92)*	*(9,833.32)*	*(920.99)*	*(288.23)*	*(15.39)*	*(10,481.47)*	*(20,054.45)*
Furniture and Fixtures	618.39	13.25	-	631.64	520.34	16.67	-	-	537.01	94.63
	(611.06)	*(7.33)*	*(-)*	*(618.39)*	*(499.55)*	*(17.97)*	*(-)*	*(2.82)*	*(520.34)*	*(98.05)*
Vehicles	224.00	12.13	41.24	194.89	109.09	25.57	34.55	-	100.11	94.78
	(220.68)	*(39.55)*	*(36.23)*	*(224.00)*	*(100.82)*	*(28.82)*	*(30.43)*	*(9.88)*	*(109.09)*	*(114.91)*
Office Equipment including computers	1,043.30	28.41	-	1,071.71	807.00	65.06	-	-	872.06	199.65
	(985.81)	*(57.49)*	*(-)*	*(1,043.30)*	*(703.65)*	*(78.53)*	*(-)*	*(24.82)*	*(807.00)*	*(236.30)*
Tangibles Total (A)	**41,665.94**	**1,075.52**	**231.25**	**42,510.21**	**12,832.17**	**1,296.37**	**177.92**	**-**	**13,950.62**	**28,559.59**
	(41,515.33)	**(602.83)**	**(452.22)**	**(41,665.94)**	**(11,812.18)**	**(1,285.74)**	**(318.66)**	**(52.91)**	**(12,832.17)**	**(28,833.77)**
Intangible Assets										
Software	304.56	3.99	-	308.55	71.81	30.63	-	-	102.44	206.11
	(245.37)	*(59.19)*	*(-)*	*(304.56)*	*(42.51)*	*(29.30)*	*(-)*	*(-)*	*(71.81)*	*(232.75)*
Patents	454.38	-	-	454.38	197.68	45.44	-	-	243.12	211.26
	(454.38)	*(-)*	*(-)*	*(454.38)*	*(152.24)*	*(45.44)*	*(-)*	*(-)*	*(197.68)*	*(256.70)*
Intangibles Total (B)	**758.94**	**3.99**	**-**	**762.93**	**269.49**	**76.07**	**-**	**-**	**345.56**	**417.37**
	(699.75)	***(59.19)***	***(-)***	***(758.94)***	***(194.75)***	***(74.74)***	***(-)***	***(-)***	***(269.49)***	***(489.45)***
TOTAL (A+B)	**42,424.88**	**1,079.51**	**231.25**	**43,273.14**	**13,101.66**	**1,372.44**	**177.92**	**-**	**14,296.18**	**28,976.96**
	(42,215.08)	***(662.02)***	***(452.22)***	***(42,424.88)***	***(12,006.93)***	***(1,360.48)***	***(318.66)***	***(52.91)***	***(13,101.66)***	***(29,323.22)***
Capital work-in-progress										**603.59**
										(337.71)
TOTAL										**29,580.55**
										(29,660.93)

Note :

1. Figures in bracket denotes previous year figures.
2. Adjustments in buildings aggregating to Nil (previous year ₹ 17.47 lakhs) represents commercial property given under operating lease during the year.
3. Deductions in Plant and Equipment includes assets written off during the year - Gross block ₹ 190.01 lakhs (previous year ₹ 365.34 lakhs) Net book value ₹ 46.64 lakhs (previous year ₹ 125.23 lakhs).
4. Adjustments under Depreciation and Amortization for the previous year was on account of transitional provisions of Schedule II to the Companies Act, 2013 (refer note 27).

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 (Contd...)

(₹ in Lakhs)

Particulars	As at 31 March 2016	As at 31 March 2015
NOTE 11: NON-CURRENT INVESTMENTS (AT COST)		
LONG-TERM INVESTMENTS :		
a. Trade Investments		
Equity Instruments (Unquoted) :		
Investment in Wholly-owned Subsidiary Company.		
8,354,833 Equity Shares of ₹ 10/- each, fully paid-up in PIL Chemicals Limited	2,504.45	2,504.45
b. Other Investments		
(i) Equity Instruments (Quoted)		
566,320 Equity Shares of ₹ 10/- each, fully paid-up in Mafatlal Industries Limited	890.00	890.00
566,340 Equity Shares of ₹ 10/- each, fully paid-up in Navin Fluorine International Limited (see note below)	1,335.00	1,335.00
5,000 Equity Shares of ₹ 2/- each, fully paid-up in HDFC Bank Limited	0.10	0.10
(ii) Equity Instruments (Unquoted)		
17,101 Equity Shares of ₹ 100/- each, fully paid-up in Mafatlal Engineering Industries Limited (₹. 1.00/-)		
1 Equity Share of ₹ 2,000/- fully paid-up in Shree Balaji Sahakari Sakhar Karkhana Limited	0.02	0.02
10,000 Equity Shares of ₹ 10/- each, fully paid-up in The Bharat Co-Operative Bank Limited	1.00	1.00
(iii) Investment in Government Securities (unquoted)		
National Saving Certificates	0.01	0.01
(Certificate deposited with Government Department)		
TOTAL	**4,730.58**	**4,730.58**
(a) Aggregate amount of quoted investments		
Cost / Carrying value	2,225.10	2,225.10
Market value	11,163.68	5,669.12
(b) Aggregate amount of unquoted investments	2,505.48	2,505.48

Note:

566,320 Equity shares of Navin Fluorine International Limited were received under the rehabilitation scheme of Mafatlal Industries Limited sanctioned by the Board for Industrial and Financial Reconstruction in its order dated 30th October, 2002.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 (Contd...)

NOTE 12: LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD UNLESS OTHERWISE STATED)

(₹ in Lakhs)

Particulars	As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015
	Long-Term		Short-Term	
(a) Capital advances	63.94	89.78	-	-
(b) Security deposits				
Considered good	404.46	393.73	-	-
Considered doubtful	300.00	300.00	-	-
Sub-Total	704.46	693.73	-	-
Less : Provision	300.00	300.00	-	-
Net	404.46	393.73	-	-
(c) Loans and advances to employees	0.50	3.45	3.33	2.79
(d) Prepaid expenses	64.68	7.13	183.66	149.89
(e) Advance income-tax [net of provisions ₹ 7,669.91 lakhs (previous year ₹ 5,046.07 lakhs) and MAT credit utilised ₹ 842.16 lakhs (previous year ₹ 667.74 lakhs)]	411.55	71.14	-	-
(f) MAT credit entitlement	-	842.16	-	-
(g) Income-tax refund receivable	1,412.46	1,412.46	-	-
(h) Balances with Government authorities :				
(i) CENVAT credit receivable	32.96	33.59	203.63	936.15
(ii) VAT credit receivable	677.06	764.47	6.56	7.46
(iii) Service Tax credit receivable	0.45	-	97.74	315.97
(i) Advance to suppliers and others				
Considered good	-	-	494.79	318.13
Considered doubtful	-	-	1.49	1.49
Sub-Total	-	-	496.28	319.62
Less : Provision	-	-	1.49	1.49
Net			494.79	318.13
(j) Export incentives receivable	-	-	406.14	6.12
TOTAL	**3,068.06**	**3,617.91**	**1,395.85**	**1,736.51**

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 (Contd...)

(₹ in Lakhs)

Particulars	As at 31 March 2016	As at 31 March 2015
NOTE 13: INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE)		
Raw materials	2,794.74	2,946.09
Work-in-progress	602.02	1,228.58
Finished goods (other than trading)	7,834.62	11,987.61
Stock-in-trade (trading)	28.04	41.44
Production consumables and stores and spares	682.03	828.14
	11,941.45	17,031.86
Details of stock-in-transit		
Raw Materials	1,280.96	1,681.35
Finished Goods	19.00	37.14
	1,299.96	1,718.49
TOTAL	**13,241.41**	**18,750.35**
NOTE 14: TRADE RECEIVABLES		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	5.14	34.23
Unsecured, considered doubtful	18.02	18.02
	23.16	52.25
Less: Provision	18.02	18.02
	5.14	34.23
Other Trade receivables		
Unsecured, considered good	15,099.75	16,684.60
TOTAL	**15,104.89**	**16,718.83**
NOTE 15: CASH AND CASH EQUIVALENTS		
Cash and Bank Balances		
(a) Cash on hand	7.56	8.59
(b) Balances with Banks		
(i) In Current accounts	247.24	154.38
(ii) In EEFC accounts	213.90	96.21
(iii) In Demand deposit accounts	75.00	75.00
(iv) In Earmarked accounts (Unpaid dividend accounts)	156.85	140.54
TOTAL	**700.55**	**474.72**
Of the above, the balances that meet the definition of Cash and Cash Equivalents as per AS 3 Cash Flow Statements is	543.70	334.18
NOTE 16: OTHER CURRENT ASSETS (CONSIDERED GOOD)		
Interest accrued on deposits	30.00	23.21
TOTAL	**30.00**	**23.21**

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 (Contd...)

(₹ in Lakhs)

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
NOTE 17: REVENUE FROM OPERATIONS		
(i) Sale of products:		
Manufactured goods		
Rubber Chemicals	76,609.92	76,829.38
Others	981.65	895.58
	77,591.57	**77,724.96**
Traded goods		
Rubber Chemicals	528.28	510.28
Sub-Total (i)	**78,119.85**	**78,235.24**
(ii) Other operating revenues:		
Sale of scrap	147.56	98.44
Duty drawback and other export incentives	495.56	14.70
Cash discount received	8.83	16.53
Excess provision for earlier years written back	80.40	44.72
Refund of Electricity Duty	0.71	102.70
Miscellaneous income	7.97	21.07
Sub-Total (ii)	**741.03**	**298.16**
TOTAL (i+ii)	**78,860.88**	**78,533.40**
NOTE 18: OTHER INCOME		
(a) Interest income (see note below)	46.50	232.72
(b) Dividend income:		
From long-term investments	122.31	108.10
(c) Excess provision for expenses of earlier years written back	78.91	-
(d) Other non-operating income (rental income)	56.99	48.04
TOTAL	**304.71**	**388.86**
Note		
Interest income comprises:		
Interest from banks on deposits	11.56	7.20
Interest on loans and advances	24.62	22.52
Interest on overdue trade receivables	-	28.47
Interest on income-tax refund	-	148.11
Interest on VAT refund	10.32	26.42
TOTAL	**46.50**	**232.72**

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 (Contd...)

(₹ in Lakhs)

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
NOTE 19.a: COST OF MATERIALS CONSUMED		
Opening stock	4,627.44	7,736.49
Add: Purchases	30,669.12	40,302.86
	35,296.56	48,039.35
Less: Closing stock	4,075.70	4,627.44
Cost of materials consumed	**31,220.86**	**43,411.91**
Materials consumed comprise:		
Chlorinated aromatics and amines	12,411.16	19,651.72
Solvents	5,871.06	9,639.92
Chemicals	10,760.50	11,135.95
Others	2,178.14	2,984.32
TOTAL	**31,220.86**	**43,411.91**
NOTE 19.b: PURCHASES OF STOCK-IN-TRADE		
Rubber Chemicals	337.30	384.49
TOTAL	**337.30**	**384.49**
NOTE 19.c: CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE (RUBBER CHEMICALS)		
Inventories at the end of the year:		
Finished goods	7,853.62	12,024.75
Work-in-progress	602.02	1,228.58
Stock-in-trade	28.04	41.44
	8,483.68	**13,294.77**
Inventories at the beginning of the year:		
Finished goods	12,024.75	6,600.92
Work-in-progress	1,228.58	804.02
Stock-in-trade	41.44	50.52
	13,294.77	**7,455.46**
(Decrease) / Increase in excise duty on closing stock of finished products	(418.91)	900.06
Net Decrease / (Increase)	**4,392.18**	**(4,939.25)**

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 (Contd...)

(₹ in Lakhs)

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
NOTE 20: EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	4,457.47	3,855.33
Contributions to provident and other funds (refer note 32)	837.58	495.34
Staff welfare expenses	486.52	459.12
TOTAL	**5,781.57**	**4,809.79**
NOTE 21: FINANCE COSTS		
Interest expense:		
(i) Borrowings from banks	895.60	1,625.94
(ii) Others (Interest on security deposits etc.)	38.36	25.28
TOTAL	**933.96**	**1,651.22**
NOTE 22: OTHER EXPENSES		
Power, fuel and Other Utilities	5,007.96	6,153.40
Processing Charges	2,805.55	2,746.77
Selling Expenses	2,314.31	2,330.67
Consumption of packing materials	1,119.48	1,222.30
Consumption of stores and spare parts	771.85	722.78
Rent including lease rentals	290.09	300.05
Repairs and maintenance - Machinery	688.70	558.59
Repairs and maintenance - Buildings	137.15	97.98
Insurance	90.70	87.96
Rates and taxes	199.63	203.87
Payments to auditors (Refer Note below)	40.66	31.21
Loss on fixed assets sold / scrapped / written off (net)	48.63	118.71
Exchange difference on foreign currency transactions and translations (net)	25.61	52.80
Expenditure on CSR activities / Donations	107.52	75.27
Miscellaneous expenses	2,326.28	2,343.29
TOTAL	**15,974.12**	**17,045.65**
Note:		
Payments to the auditors comprise (net of service tax):		
For statutory audit	26.00	26.00
For tax audit	4.00	4.00
For certification work	0.25	0.50
For others	10.00	-
For reimbursement of expenses	0.41	0.71
TOTAL	**40.66**	**31.21**

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 (Contd...)

23 Contingent liability in respect of:

(₹ in Lakhs)

		2015 – 16	2014 – 15
(a)	Claims against the Company not acknowledged as debts	**42.48**	47.12
(b)	Central excise duty and Customs duty demands disputed	**265.55**	63.11
(c)	Income-tax demands disputed	**251.81**	1,074.30
(d)	Sales tax demands disputed	**393.81**	393.81
	Note: The Company has contested / filed appeals in respect of the aforesaid disputed matters before the authorities. The management is hopeful that matters will be decided in favour of the Company.		

		2015 – 16	2014 – 15
24	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**117.76**	509.05

25. The Company is primarily engaged in the business of manufacturing and trading of rubber chemicals, which, in the context of Accounting Standard 17 on 'Segment Reporting', constitutes a single reportable segment.

26. The Company's significant leasing arrangements are in respect of operating leases for premises (residential, offices, godowns etc.). These lease arrangements are ranging between 11 months to 60 months generally or longer and are renewable by mutual consent or mutually agreeable terms. The aggregate lease rentals expense and income is ₹ 290.09 Lakhs (previous year ₹ 300.05 Lakhs) and ₹ 56.99 Lakhs (previous year ₹ 48.04 Lakhs) respectively.

Future minimum lease payments in respect of non-cancellable leases are as follows:

(₹ in Lakhs)

Particulars	2015-16	2014-15
Payable not later than one year	**10.61**	37.83
Payable later than one year but not later than five years	**-**	10.61
Payable later than five years	**-**	-

27. During the year ended 31 March 2015, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from April 1, 2014, the Company revised the estimated useful life of relevant assets to align the useful life with those specified in Schedule II. Pursuant to the transitional provisions prescribed in Schedule II to the Companies Act, 2013, the Company had fully depreciated the carrying value of the assets, net of residual value, where the remaining useful life of the asset was determined to be nil as on April 1, 2014, and adjusted an amount of ₹ 34.92 lakhs (net of deferred tax of ₹ 17.99 lakhs) against the opening balance in the Statement of Profit and Loss under Reserves and Surplus.

28. Related Parties

(A) Name of related parties and description of relationship

(i) **Subsidiary Company:**

PIL Chemicals Limited (PIL)

(ii) **Enterprises over which Directors and Relatives of such personnel exercise significant influence:**

Navin Fluorine International Limited

Mafatlal Industries Limited

Shri Sadguru Seva Sangh Trust

Sri Chaitanya Seva Trust

(iii) Key Management Personnel:

Mr. C. R. Gupte

Mr. S. R. Deo

(B) Transactions and amounts outstanding with related parties

(₹ in Lakhs)

Nature of Transactions	2015 – 16	2014 –15
Purchase of Materials / Services:		
- Navin Fluorine International Limited	**4.02**	2.34
- PIL Chemicals Limited	**1087.00**	1037.88
Reimbursement of Expenses :		
- Mafatlal Industries Limited	**17.18**	16.38
Office Deposit received back		
- Mafatlal Industries Limited	**-**	22.28
Remuneration Paid:		
Key Management Personnel		
Mr. C. R. Gupte	**242.87**	196.53
Mr. S. R. Deo	**167.54**	136.15
Rent Paid to:		
Navin Fluorine International Limited	**156.78**	163.80
Expenditure on CSR activities		
Shri Sadguru Seva Sangh Trust	**41.50**	20.00
Sri Chaitanya Seva Trust	**38.50**	20.00
Dividend received from		
- Mafatlal Industries Limited	**16.99**	16.99
- Navin Fluorine International Limited	**104.77**	90.61
Dividend paid to		
- Mafatlal Industries Limited	**230.36**	138.22
- Navin Fluorine International Limited	**68.50**	41.10
Amount outstanding at the year end		
Trade Creditors Payable:		
PIL Chemicals Limited	**169.13**	600.94
Mafatlal Industries Limited	**2.50**	1.73

Related parties have been identified by the management and relied upon by the Auditors

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 (Contd...)

29. Deferred tax

The components of Deferred tax liabilities (net) are as under:

(₹ in Lakhs)

	2015-16	2014- 15
Depreciation	**4,117.41**	3,555.39
Provision for doubtful debts and advances	**(110.58)**	(108.60)
Provision for employee benefits	**(613.20)**	(499.59)
Sales Tax set off	**1,251.30**	1,231.75
Others	**(28.16)**	(41.49)
Net deferred tax liability	**4,616.77**	4,137.46

30. Earnings per share (EPS):

	2015 – 16	2014 – 15
Profit attributable to Equity shareholders (₹ in Lakhs)	**7,774.03**	5,674.84
Weighted average number of Equity shares for Basic EPS	**16,07,86,980**	16,07,86,980
Add: Dilutive impact of Employee Stock Option granted and outstanding as at year-end	**19,66,777**	13,29,758
Weighted average number of Equity shares for Diluted EPS	**16,27,53,757**	16,21,16,738
Nominal value of Equity share (₹)	**10.00**	10.00
Earnings per share (₹) – Basic	**4.83**	3.53
Earnings per share (₹) – Diluted	**4.78**	3.50

31. ESOP scheme

The details of the Employee Stock Options are as follows:

Particulars	2015-16	2011-12	2010-11	2009-10	2007-08
	Grant 5	**Grant 4**	**Grant 3**	**Grant 2**	**Grant 1**
Date of grant	**1-April-2015**	**1-April-2011**	**25-May-2010**	**9-June-2009**	**27-Aug-2007**
Contractual life	**10 years**	**10 years**	**10 years**	**10 years**	**10 years**
Outstanding as at 1 April 2015	**-**	**973,000**	**973,000**	**425,100**	**425,100**
Granted during the year	**1,373,000**	**-**	**-**	**-**	**-**
Forfeited during the year	**-**	**-**	**-**	**-**	**-**
Exercised during the year	**-**	**-**	**-**	**-**	**-**
Outstanding as at 31 March 2016	**1,373,000**	**973,000**	**973,000**	**425,100**	**425,100**
Vesting Schedule (from the date of grant)					
First Year	**25%**	**25%**	**25%**	**25%**	**25%**
Second Year	**25%**	**25%**	**25%**	**25%**	**25%**
Third Year	**25%**	**25%**	**25%**	**25%**	**25%**
Fourth Year	**25%**	**25%**	**25%**	**25%**	**25%**
Method of settlement	**Equity**	**Equity**	**Equity**	**Equity**	**Equity**

Had fair value method been used, the compensation cost would have been higher by ₹ 116.36 Lakhs (previous year ₹12.92 Lakhs), profit after tax would have been lower by ₹75.99 lakhs (previous year ₹ 8.54 Lakhs) and EPS – Basic would have been ₹ 4.79 (lower by ₹0.04) (previous year ₹3.52 per share (lower by ₹ 0.01) and Diluted would have been ₹ 4.74 (lower by ₹ 0.04 (previous year ₹ 3.50 per share (lower by Nil)).

32. Employment and Retirement Benefits

(₹ in Lakhs)

		2015- 16	2014 – 15
1	**Post-Employment benefits**		
	a) Defined contribution plans		
	i) Company's contribution to Provident Fund	**181.60**	164.79
	ii) Company's contribution to Superannuation Fund	**49.53**	41.18
	b) Defined benefit scheme		
	Gratuity		
	Funded:		
	a) Liability recognized in Balance Sheet		
	1. Change in Benefit Obligation		
	Present Value of Obligations		
	As at 1 April	**1,410.70**	1,177.98
	Service Cost	**47.63**	38.25
	Interest Cost	**112.71**	109.91
	Actuarial Loss on Obligations	**289.44**	152.58
	Benefits paid	**(54.63)**	(68.02)
	As at 31 March	**1,805.85**	1,410.70
	Less: Fair Value of Plan Assets		
	As at 1 April	**1,200.40**	1,039.21
	Expected Return on Plan assets less loss on investment	**95.91**	90.41
	Contribution	**210.30**	138.78
	Benefits paid	**(54.63)**	(68.02)
	Actuarial Loss on Plan Assets	**16.61**	0.02
	As at 31 March	**1,468.59**	1,200.40
	Net	**337.26**	210.30
	Unfunded:		
	Present Value of Obligations		
	As at 1 April	**684.46**	570.22
	Service Cost	**23.11**	18.51
	Interest Cost	**54.69**	53.20
	Actuarial Loss/(Gain) on Obligations	**117.39**	84.47
	Benefits paid	**(36.99)**	(41.94)
	As at 31 March	**842.66**	684.46
	Net Liability	**1,179.92**	894.76
	b) Expense during the year		
	Service Cost	**70.74**	56.76
	Interest Cost	**167.40**	163.11
	Expected Return on Plan assets	**(95.91)**	(90.41)
	Actuarial Loss on Obligations	**390.21**	237.03
	Total	**532.44**	366.49
	c) Principal actuarial assumptions		
	Rate of Discounting	**7.85%**	7.99%
	Rate of Return on Plan Assets	**7.85%**	7.99%
	Rate of increase in salaries	**6.00%**	4.50%
	Rate of Attrition	**6.00%**	2.00%
2	**Breakup of Plan Assets:**		
	i) Government Bonds	**440.25**	481.16
	ii) Corporate Bonds	**231.17**	401.28
	iii) Special Deposit Scheme	**8.71**	8.71
	iv) Others	**788.46**	309.25
		1,468.59	1,200.40

The Company expects to contribute ₹ 337.26 lakhs (previous year ₹ 210.30 Lakhs) to its Gratuity plan for the next year.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 (Contd...)

In assessing the Company's Post Retirement Liabilities the Company monitors mortality assumptions and uses up-to-date mortality tables. The base being the Indian Assured Lives Mortality (2006-08) ultimate tables.

Expected return on plan assets is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

The estimates of the future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion, and other relevant factors, such as supply and demand in the employment market.

Other Disclosures: *(₹ in Lakhs)*

Particulars	2015-16	2014-15	2013-14	2012-13	2011-12
Defined benefit obligation	**2,648.51**	2,095.17	1,748.20	1,812.55	1,642.12
Plan asset	**1,468.59**	1,200.40	1,039.21	1,065.45	1,012.68
Deficit	**1,179.92**	894.77	708.99	747.10	629.44
Experience adjustment on liabilities – loss	**149.43**	92.51	145.17	38.18	55.95
Experience adjustment on plan assets – loss	**(16.61)**	(0.02)	8.41	14.62	0.32

33. Value of Imports on CIF basis in respect of :

(₹ in Lakhs)

	2015 - 16	2014 - 15
(i) Raw Materials	**11,232.21**	18,707.87
(ii) Stores and spares	**11.06**	17.49
(iii) Capital goods	**121.61**	20.70
TOTAL	**11,364.88**	18,746.06

34. Expenditure in Foreign Currency on account of:

(₹ in Lakhs)

	2015 - 16	2014 - 15
(i) Professional and technical fees	**1.75**	4.95
(ii) Commission on sales	**151.30**	171.90
(iii) Others	**51.00**	27.29
TOTAL	**204.05**	204.14

35. Value of Raw materials and stores and spares consumed:

(₹ in Lakhs)

	2015 - 16				2014 - 15			
	Imported		Indigenous		Imported		Indigenous	
	Value	% of total consumption	Value	% of total consumption	Value	% of total consumption	Value	% of total consumption
(a) Raw materials	**15,638.78**	**50.1**	**15,582.08**	**49.9**	22,932.44	52.9	20,479.47	47.1
(b) Stores and spares	**42.54**	**5.5**	**729.31**	**94.5**	30.90	4.3	691.88	95.7

36. Earning in foreign exchange:

(₹ in Lakhs)

	2015-16	2014-15
F.O.B. value of goods exported	**19,883.87**	23,004.30

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 (Contd...)

37. 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. The disclosures relating to Micro and Small Enterprises as at the year-end are as follows:

(₹ in Lakhs)

Description	2015 - 16	2014 - 15
Principal amount outstanding as at the end of the year	**99.95**	119.65
Interest due thereon remaining unpaid as at the end of the year	**-**	0.01
Interest paid to the supplier	**-**	-
Payments made to the supplier beyond the appointed day during the year	**-**	-
Interest due and payable for the period of delay	**-**	-
Interest accrued and remaining unpaid as at the end of the year	**-**	0.01
Amount of further interest remaining due and payable in succeeding year	**-**	0.01

38. Derivative Instruments and Foreign Currency Exposure

(a) The Company has entered into forward exchange contracts for hedge purposes, not intended for trading or speculation purposes, to establish the amount of currency in Indian Rupees available at the settlement date of certain receivables. The following are the outstanding forward exchange contracts entered into by the Company:

(Figures in Lakhs)

Particulars	2015 – 16		2014 – 15	
	Rupees	Foreign currency	Rupees	Foreign currency
Forward contracts	**859.95**	**USD 13.00**	-	-

(b) The year-end foreign currency exposures that have not been hedged are as follows:

(Figures in Lakhs)

	2015- 16		2014 – 15	
	Rupees	Foreign currency	Rupees	Foreign currency
Unhedged				
Creditors for Goods	**2,087.09**	**USD 28.31** **EURO 2.85**	1,905.65	USD 27.53 EURO 2.77
Debtors	**2,540.79**	**USD 35.46** **EURO 2.61**	4,562.99	USD 67.32 EURO 5.39
Creditors for expenses	**76.12**	**USD 1.09** **EURO 0.05**	77.72	USD 1.17 EURO 0.07
Advance from Customers	**6.25**	**USD 0.09**	374.33	USD 4.39 EURO 1.49
PCFC Loan	**-**	**-**	1,035.79	USD 16.59

39. Details of Loans given, Investment made and Guarantee given covered under section 186(4) of the Companies Act, 2013:

(i) The Company has not given any loans or guarantees.

(ii) Investments made by the Company as at 31 March 2016 (Refer note no. 11)

40. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

In terms of our report attached.
For Deloitte Haskins & Sells LLP
Chartered Accountants

A. B. Jani
Partner

For and on behalf of the Board of Directors

Hrishikesh A. Mafatlal
Chairman

C.R. Gupte
Managing Director

C.L. Jain
Director & Chairman- Audit Committee

S.R. Deo
Deputy Managing Director

P. Srinivasan
Chief Financial Officer

V. K. Gupte
Company Secretary

Place : Mumbai,
Dated : 5 May 2016

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NOCIL LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of NOCIL Limited(the Holding Company)and its subsidiary (collectively referred to as the Group) which comprise the Consolidated Balance Sheet as at 31st March 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the consolidated financial statements).

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements of the subsidiary, whose financial statements reflect total assets (net) of ₹ 2,834.32 lakhs as at 31st March, 2016, total revenues (net) of Nil and net cash flows amounting to ₹ 556.99 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are

in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company, none of the directors of the Group companies is disqualified as on 31st March, 2016 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 and the operating effectiveness of such controls, refer to our Report in 'Annexure A', which is based on the auditors' reports of the Holding company and subsidiary company. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding company's and its subsidiary 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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group Refer Note 23 (a) to (d) to the consolidated financial statements;

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

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

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No. 117366W/W-100018)

A B Jani
Partner
Mumbai, Dated: May 5 2016 (Membership No. 46488)

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' of our report 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')

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of NOCIL Limited (hereinafter referred to as the Holding Company) and its subsidiary company as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company and its subsidiary company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the 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 the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note 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 and the audit evidence obtained by the other auditors of the subsidiary company in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 Holding Company and its subsidiary company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31 2016, 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.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to one subsidiary company is based on the corresponding reports of the auditors of such company.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

A. B. Jani
Partner
(Membership No. 46488)

Mumbai, Dated: May 5, 2016

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2016

(₹ in Lakhs)

	Note No.	As at 31 March 2016	As at 31 March 2015
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	2	16,078.70	16,078.70
(b) Reserves and surplus	3	30,920.94	25,416.97
		46,999.64	41,495.67
(2) Non-current liabilities			
(a) Long-term borrowings	4	1,500.00	5,050.00
(b) Deferred tax liabilities (net)	29	4,798.40	4,290.37
(c) Long-term provisions	5	1,861.59	1,355.18
		8,159.99	10,695.55
(3) Current liabilities			
(a) Short-term borrowings	6	86.70	7,547.47
(b) Trade payables	7		
i) Total outstanding dues of micro and small enterprises		129.61	139.58
ii) Total outstanding dues of creditors other than micro and small enterprises		7,164.67	8,247.60
(c) Other current liabilities	8	3,153.83	5,168.93
(d) Short-term provisions	9	2,487.33	2,210.74
		13,022.14	23,314.32
TOTAL		**68,181.77**	**75,505.54**
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10	30,239.02	30,596.47
(ii) Intangible assets	10	420.88	489.64
(iii) Capital work-in-progress	10	607.65	341.54
		31,267.55	31,427.65
(b) Non-current investments	11	2,242.84	2,242.84
(c) Long-term loans and advances	12	3,283.68	3,807.61
		36,794.07	37,478.10
(2) Current assets			
(a) Inventories	13	13,263.49	18,773.07
(b) Trade receivables	14	15,104.89	16,718.83
(c) Cash and cash equivalents	15	1,537.60	754.79
(d) Short-term loans and advances	12	1,421.22	1,753.40
(e) Other current assets	16	60.50	27.35
		31,387.70	38,027.44
TOTAL		**68,181.77**	**75,505.54**
See accompanying notes forming part of the financial statements			

In terms of our report attached.
For Deloitte Haskins & Sells LLP
Chartered Accountants

A. B. Jani
Partner

For and on behalf of the Board of Directors

Hrishikesh A. Mafatlal
Chairman

C.R. Gupte
Managing Director

C.L. Jain
Director & Chairman- Audit Committee

S.R. Deo
Deputy Managing Director

P. Srinivasan
Chief Financial Officer

V. K. Gupte
Company Secretary

Place : Mumbai,
Dated : 5 May 2016

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2016

(₹ in Lakhs)

		Note No.	For the year ended 31 March 2016	For the year ended 31 March 2015
I	**Revenue from operations (Gross)**	17	78,860.88	78,533.40
	Less: Excise duty		7,340.14	6,633.43
	Revenue from operations (net)		71,520.74	71,899.97
II	**Other Income**	18	353.42	397.34
III	**Total Revenue**		**71,874.16**	**72,297.31**
IV	**Expenses**			
	(a) Cost of materials consumed	19.a	31,220.86	43,411.92
	(b) Purchases of stock-in-trade	19.b	337.30	384.49
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	19.c	4,392.18	(4,939.25)
	(d) Employee benefits expense	20	6,076.63	5,028.23
	(e) Finance costs	21	933.96	1,651.22
	(f) Depreciation and amortisation expense (refer note 27)	10	1,462.86	1,449.92
	(g) Other expenses	22	15,556.46	16,687.25
	Total expenses		**59,980.25**	**63,673.78**
V	**Profit before tax (III - IV)**		**11,893.91**	**8,623.53**
VI	**Tax expense:**			
	(a) Current tax expense		3,594.03	2,546.20
	(b) (Less): MAT credit		(15.15)	(11.20)
	(c) (Excess)/Short provision for tax relating to prior years		(19.20)	96.57
	Net current tax expense		3,559.68	2,631.57
	(d) Deferred tax		508.03	282.08
	Net tax expense		4,067.71	2,913.65
VII	**Profit for the year (V-VI)**		**7,826.20**	**5,709.88**
VIII	**Earnings per Equity Share (of ₹ 10/- each) :**	30		
	(a) Basic (in ₹)		4.87	3.55
	(b) Diluted (in ₹)		4.81	3.52
	See accompanying notes forming part of the financial statements			

In terms of our report attached.
For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors

Hrishikesh A. Mafatlal
Chairman

C.R. Gupte
Managing Director

C.L. Jain
Director & Chairman- Audit Committee

A. B. Jani
Partner

S.R. Deo
Deputy Managing Director

P. Srinivasan
Chief Financial Officer

V. K. Gupte
Company Secretary

Place : Mumbai,
Dated : 5 May 2016

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

(₹ in Lakhs)

		For the year ended 31 March 2016	For the year ended 31 March 2015
A.	**CASH FLOW FROM OPERATING ACTIVITIES :**		
	Profit before tax	**11,893.91**	**8,623.53**
	Adjustments for :		
	Depreciation	1,462.86	1,449.92
	Loss on fixed assets sold / scrapped / written off (net)	48.63	118.71
	Income from long-term investments	(123.77)	(108.44)
	Interest on deposits, overdue receivables and others	(90.58)	(240.86)
	Unrealised foreign exchange flucuation	(33.13)	(12.52)
	Finance costs	933.96	1,651.22
		2,197.97	2,858.03
	Operating profit before working capital changes	**14,091.88**	**11,481.56**
	Changes in working capital:		
	Adjustments for (increase) / decrease in operating assets:		
	Inventories	5,509.58	(2,760.42)
	Trade receivables	1,613.94	(1,946.97)
	Short-Term loan and advances and other current assets	328.77	(179.56)
	Long-Term loan and advances	24.12	245.15
	Trade payables	(1,092.91)	(3,339.84)
	Other current liabilities	(731.86)	1,181.50
	Long-Term provisions	506.40	190.72
	Short-Term provisions	(110.45)	21.87
	Earmarked bank account (Unpaid dividend account)	(16.31)	(7.43)
		6,031.28	**(6,594.98)**
	Cash generated from operations	20,123.16	4,886.58
	Taxes paid	(3,085.70)	(1,881.92)
	Net cash generated from operating activities	**17,037.46**	**3,004.66**
B.	**CASH FLOW FROM INVESTING ACTIVITIES :**		
	Capital expenditure on fixed assets	(1,416.45)	(896.90)
	Sale proceeds of fixed assets	4.69	14.85
	Interest received	60.84	240.86
	Dividend received	123.77	108.44
	Net cash used in investment activities	**(1,227.15)**	**(532.75)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES :**		
	(Repayments of) long-term borrowings	(4,683.33)	(2,133.33)
	(Repayment of) / proceeds from short-term borrowings	(7,460.77)	1,641.56
	Finance costs	(1,013.96)	(1,651.22)
	Dividend paid	(1,591.56)	(957.29)
	Dividend tax paid	(327.32)	(163.95)
	Net cash used in financing activities	**(15,076.94)**	**(3,264.23)**
	Net increase / (decrease) in cash and cash equivalents	733.37	(792.32)
	Opening balance of cash and cash equivalents	614.25	1,394.05
	Unrealised foreign exchange fluctuation on export earnings foreign currency (EEFC) account	33.13	12.52
	Closing balance of cash and cash equivalents	**1,380.75**	**614.25**
	Reconciliation of cash and cash equivalents with the Balance Sheet		
	Closing balance of cash and cash equivalents (As per Note 15)	1,537.60	754.79
	Less: Balance in earmarked accounts (Unpaid dividend accounts)	156.85	140.54
	Cash and cash equivalent considered for Cash Flow	**1,380.75**	**614.25**

In terms of our report attached.

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors

Hrishikesh A. Mafatlal
Chairman

C.R. Gupte
Managing Director

C.L. Jain
Director & Chairman- Audit Committee

A. B. Jani
Partner

S.R. Deo
Deputy Managing Director

P. Srinivasan
Chief Financial Officer

V. K. Gupte
Company Secretary

Place : Mumbai,
Dated : 5 May 2016

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

CORPORATE INFORMATION

NOCIL Limited (the Company) was incorporated on 11 May 1961, and is engaged in manufacture of rubber chemicals. The Company has manufacturing facilities at Navi Mumbai (Maharashtra) and at Dahej (Gujarat).The products manufactured by the Company are used by the tyre industry and other rubber processing industries.

The following wholly owned subsidiary company is included in the Consolidation:

Name of the Company	Country of incorporation	Nature of business
PIL Chemicals Limited	India	Processing of rubber chemical products

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES:

a. Basis of preparation of financial statements

The consolidated financial statements of the Company and its subsidiary (together the "Group") have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013.

b. Principles of Consolidation

The subsidiary company is consolidated on a line-by-line basis in accordance with Accounting Standard 21 on "Consolidated Financial Statements". Inter-company transactions and balances are eliminated on consolidation.

For the purpose of consolidation, the financial statements of the Subsidiary company are drawn up to 31 March 2016.

c. Uniform Accounting Policies

The Consolidated Financial Statements of the Company and its subsidiary company have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

d. 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 on the date of financial statements and the reported amounts of revenues and expenses during the reported period. Differences between the actual results and estimates are recognized in the period in which the results are known / materialize.

e. Fixed Assets

(i) 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.

(ii) 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.

f. Depreciation and amortisation

i) Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

ii) Leasehold land is amortised on a straight line basis over the period of the lease.

iii) Intangible assets are amortised over their estimated useful life of 10 years.

iv) Assets costing ₹ 5000/- or less are fully depreciated in the year of purchase.

g. Impairment of Assets

At the end of each year, the Group determines whether a provision should be made for impairment loss on fixed assets by considering the indications that an impairment loss may have occurred in accordance with Accounting Standard 28 on 'Impairment of Assets'. An impairment loss is charged to Statement of Profit and Loss in the year in which, an asset is identified as impaired, when the carrying value of the asset exceeds its recoverable value. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

h. Leases

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

i. Investments

Long-term investments are carried at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried, at the lower of cost and fair value.

j. Inventories

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

Cost of work-in-progress and finished stock is determined by the absorption costing method.

Excise Duty related to finished goods is included under changes in inventories of finished products and work-in-progress(Note 19.c).

k. Employee Benefits

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund, compensated absences, long service awards.

Defined Contribution Plans

The Group's contribution to provident fund, superannuation 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.

Defined Benefits Plans

Employee Benefits under defined benefit plans, such as compensation absences and gratuity which fall due for payment after a period of twelve months from rendering service or after completion of employment, are determined using 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 obligation recognized in the balance sheet represents the present value of obligation as reduced by the fair value of plan assets, where applicable.

Actuarial Gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur.

l. Foreign currency transactions and translations

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Monetary items outstanding at the balance sheet date are restated at the year-end rates. The exchange difference between the rate prevailing on the date of transaction and on the date of settlement as also on translation of monetary items at the end of the year is recognised as income or expense, as the case may be.

Any premium or discount arising at the inception of the forward exchange contract is recognized as income or expense over the life of the contract.

m. Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to revenue.

n. Revenue recognition

Revenue on 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. Sales are stated net of returns and sales tax recovered. Excise duty related to sales turnover is presented as a reduction from gross sales.

Interest income is accounted on accrual basis.

Dividend income is accounted for when the right to receive it is established.

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

o. Taxation

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961 and other applicable tax laws.

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 Group 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 Group.

Deferred income tax reflect the current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years / period. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available except that deferred tax assets, in case there are unabsorbed depreciation and losses, are recognized if there is virtual certainty that sufficient future taxable income will be available to realize the same.

p. Earnings Per Share

The Group reports Earnings Per Share (EPS) in accordance with Accounting Standard 20 on Earnings Per Share. Basic EPS is computed by dividing the net profit for the year by the weighted average number of equity shares outstanding during the year. 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.

q. Employee Share based payments

The Company has constituted an Employee Stock Option Plan 2008. Employee Stock Options granted on or after 1 April, 2005 are accounted under the 'Intrinsic Value Method' stated in the Guidance Note on Employee Share Based Payments issued by the Institute of Chartered Accountants of India.

r. Cash Flow statement

The Cash Flow Statement is prepared by the indirect method set out in Accounting Standard 3 on Cash Flow Statements and presents the cash flows by operating, investing and financing activities of the Group. Cash and cash equivalents presented in the Cash Flow Statement consist of cash on hand, balance in current accounts and unencumbered demand deposits with banks.

s. Provisions and contingencies

A provision is recognised when there is a present obligation as a result of past event/s and it is probable that an outflow of resources will be required to settle the obligation. Contingent liabilities, if any, are disclosed in the notes to the financial statements.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

Particulars	As at 31 March 2016		As at 31 March 2015	
	Number of shares	₹ in Lakhs	Number of shares	₹ In Lakhs
NOTE 2: SHARE CAPITAL				
(a) Authorised :				
Equity Shares of the par value of ₹10/- each	1,20,00,00,000	1,20,000.00	1,20,00,00,000	1,20,000.00
(b) Issued and Subscribed :				
Equity Shares of ₹ 10/- each fully paid-up	16,07,86,980	16,078.70	16,07,86,980	16,078.70
(c) Rights, preferences and restrictions 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 remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.				
(d) Shareholders holding more than 5% Equity shares in the Company are set out below:				
Mafatlal Industries Limited				
No. of shares	2,30,36,469		2,30,36,469	
% Holding	14.33		14.33	
Arvi Associates Private Limited				
No. of shares	1,06,43,026		1,06,43,026	
% Holding	6.62		6.62	
(e) No. of shares reserved for issuance as Employee Stock Options (Refer note 31)	41,69,200		27,96,200	

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 (Contd...)

(₹ in Lakhs)

Particulars	As at 31 March 2016	As at 31 March 2015
NOTE 3: RESERVES AND SURPLUS		
(a) Capital reserve		
As per last Balance Sheet	15.29	15.29
(b) Securities premium account		
As per last Balance Sheet	450.92	450.92
(c) General reserve		
As per last Balance Sheet	4,864.71	4,864.71
(d) Surplus in Statement of Profit and Loss		
As per last Balance Sheet	20,086.05	16,346.28
Less: Depreciation on account of transitional provisions of Schedule II to the Companies Act, 2013. (refer note 27)	-	34.92
Add: Profit for the year	7,826.20	5,709.88
Less: Appropriations :		
Proposed dividend on Equity Shares (₹1.20/- per share) (previous year ₹ 1.00/- per share)	1,929.44	1,607.87
Corporate dividend tax	392.79	327.32
Closing balance	25,590.02	20,086.05
TOTAL	**30,920.94**	**25,416.97**
NOTE 4: LONG-TERM BORROWINGS		
Secured term loans from banks (refer note 8)	1,500.00	5,050.00
TOTAL	**1,500.00**	**5,050.00**
Details of security		
a) First pari passu charge on all moveable and immoveable fixed assets of the Company at Dahej, both present and future.		
b) Second pari passu charge on entire current assets of the Company, both present and future.		
Terms of Repayment and maturity with respect to the Balance Sheet date		
Repayable in 20/21 equal quarterly instalments commencing from Financial Year 2013-14		
NOTE 5: LONG-TERM PROVISIONS		
For employee benefits (refer notes 8 and 9)	1,802.27	1,295.86
For customs duty	59.32	59.32
TOTAL	**1,861.59**	**1,355.18**

Note:

The Company did not have any long-term contracts including derivative contracts for which any provision was required for foreseeable losses.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 (Contd...)

(₹ in Lakhs)

Particulars	As at 31 March 2016	As at 31 March 2015
NOTE 6: SHORT-TERM BORROWINGS (SECURED)		
From banks:		
Working Capital Loans	86.70	4,046.44
Packing credit loan	-	3,501.03
TOTAL	**86.70**	**7,547.47**
Details of Security		
First pari passu charge on stock and book debts both present and future by way of hypothecation over company's entire current assets including stock of raw materials, semi finished and finished goods, consumable stores and spares and other movables, book debts, bills, outstanding monies, receivables, both present and future.		
Terms of Repayment:		
Repayable on demand		
NOTE 7: TRADE PAYABLES		
Trade payables:		
a) Payable to Micro and Small enterprises	129.61	139.58
b) Payable to Others		
i) Acceptances	1,453.91	1,434.70
ii) Other than Acceptances	5,710.76	6,812.90
TOTAL	**7,294.28**	**8,387.18**
NOTE 8: OTHER CURRENT LIABILITIES		
(a) Current maturities of long-term loans from banks (refer note 4)	1,000.00	2,133.33
(b) Current liability for employee benefits	606.43	289.36
(c) Interest accrued but not due on borrowings	21.47	101.47
(d) Unclaimed dividends	156.85	140.54
(e) Other payables		
(i) Statutory remittances	894.37	1,603.71
(ii) Trade/security deposits received	163.38	158.38
(iii) Creditors for capital projects	252.92	339.14
(iv) Advances from customers	58.41	403.00
TOTAL	**3,153.83**	**5,168.93**
NOTE 9: SHORT-TERM PROVISIONS		
(a) Provision for employee benefits	165.10	275.55
(b) Proposed dividend on Equity Shares	1,929.44	1,607.87
(c) Corporate dividend tax	392.79	327.32
TOTAL	**2,487.33**	**2,210.74**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 (Contd...)

NOTE 10: FIXED ASSETS

(₹ in Lakhs)

Particulars	Gross Block (at cost)				Depreciation and Amortization					Net Block
	As at 1 April 2015	Additions	Deductions / Adjustments	As at 31 March 2016	As at 1 April 2015	For the year	Deductions	Adjustments	As at 31 March 2016	As at 31 March 2016
Tangible Assets										
Leasehold Land	1,256.65	-	-	1,256.65	62.56	14.50	-	-	77.06	1,179.59
	(1,256.65)	*(-)*	*(-)*	*(1,256.65)*	*(48.09)*	*(14.47)*	*(-)*	*(-)*	*(62.56)*	*(1,194.09)*
Buildings (refer note 2 below)										
(a) Own use	8,568.69	137.90	-	8,706.59	937.04	240.81	-	-	1,177.85	7,528.74
	(8,546.03)	*(40.13)*	*(17.47)*	*(8,568.69)*	*(705.40)*	*(237.92)*	*(-)*	*(6.28)*	*(937.04)*	*(7,631.65)*
(b) Given under operating lease	83.57	-	-	83.57	30.80	1.44	-	-	32.24	51.33
	(66.10)	*(-)*	*(17.47)*	*(83.57)*	*(23.08)*	*(1.44)*	*(-)*	*(6.28)*	*(30.80)*	*(52.77)*
Plant and Equipment	32,513.02	890.43	190.01	33,213.44	11,247.25	1,021.98	143.37	-	12,125.86	21,087.58
	(32,452.00)	*(477.01)*	*(415.99)*	*(32,513.02)*	*(10,524.45)*	*(995.64)*	*(288.23)*	*(15.39)*	*(11,247.25)*	*(21,265.77)*
Furniture and Fixtures	620.77	13.25	-	634.02	521.05	16.82	-	-	537.87	96.15
	(613.44)	*(7.33)*	*(-)*	*(620.77)*	*(500.11)*	*(18.12)*	*(-)*	*(2.82)*	*(521.05)*	*(99.72)*
Vehicles	224.01	12.13	41.24	194.90	109.10	25.57	34.55	-	100.12	94.78
	(220.69)	*(39.55)*	*(36.23)*	*(224.01)*	*(100.83)*	*(28.82)*	*(30.43)*	*(9.88)*	*(109.10)*	*(114.91)*
Office Equipment including computers	1,044.79	28.41	-	1,073.20	807.23	65.12	-	-	872.35	200.85
	(987.28)	*(57.51)*	*(-)*	*(1,044.79)*	*(703.85)*	*(78.59)*	*(-)*	*(24.79)*	*(807.23)*	*(237.56)*
Tangibles Total (A)	**44,311.50**	**1,082.12**	**231.25**	**45,162.37**	**13,715.03**	**1,386.24**	**177.92**	**-**	**14,923.35**	**30,239.02**
	(44,142.19)	***(621.53)***	***(452.22)***	***(44,311.50)***	***(12,605.81)***	***(1,375.00)***	***(318.66)***	***(52.88)***	***(13,715.03)***	***(30,596.47)***
Intangible Assets										
Software	305.14	7.86	-	313.00	72.20	31.18	-	-	103.38	209.62
	(245.95)	*(59.19)*	*(-)*	*(305.14)*	*(42.72)*	*(29.48)*	*(-)*	*(-)*	*(72.20)*	*(232.94)*
Patents	454.38	-	-	454.38	197.68	45.44	-	-	243.12	211.26
	(454.38)	*(-)*	*(-)*	*(454.38)*	*(152.24)*	*(45.44)*	*(-)*	*(-)*	*(197.68)*	*(256.70)*
Intangibles Total (B)	**759.52**	**7.86**	**-**	**767.38**	**269.88**	**76.62**	**-**	**-**	**346.50**	**420.88**
	(700.33)	***(59.19)***	***(-)***	***(759.52)***	***(194.96)***	***(74.92)***	***(-)***	***(-)***	***(269.88)***	***(489.64)***
TOTAL (A+B)	**45,071.02**	**1,089.98**	**231.25**	**45,929.75**	**13,984.91**	**1,462.86**	**177.92**	**-**	**15,269.85**	**30,659.90**
	(44,842.52)	***(680.72)***	***(452.22)***	***(45,071.02)***	***(12,800.77)***	***(1,449.92)***	***(318.66)***	***(52.88)***	***(13,984.91)***	***(31,086.11)***
Capital work-in-progress										**607.65**
										(341.54)
Total										**31,267.55**
										(31,427.65)

Note :

1. Figures in bracket denotes previous year figures.
2. Adjustments in buildings aggregating to Nil (previous year ₹ 17.47 lakhs) represents commercial property given under operating lease during the year.
3. Deductions in Plant and Equipment includes assets written off during the year - Gross block ₹ 190.01 lakhs (previous year ₹ 365.34 lakhs) Net book value ₹ 46.64 lakhs (previous year ₹ 125.23 lakhs).
4. Adjustments under Depreciation and Amortization for the previous year was on account of transitional provisions of Schedule II to the Companies Act, 2013 (refer note 27).

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 (Contd...)

(₹ in Lakhs)

Particulars		As at 31 March 2016	As at 31 March 2015
NOTE 11: NON-CURRENT INVESTMENTS (AT COST)			
LONG-TERM INVESTMENTS :			
Other Investment			
(i)	Equity Instruments (Quoted)		
	566,320 Equity Shares of ₹ 10/- each, fully paid-up in Mafatlal Industries Limited	890.00	890.00
	566,340 Equity Shares of ₹ 10/- each, fully paid-up in Navin Fluorine International Limited	1,335.00	1,335.00
	(see note below)		
	5,000 Equity Shares of ₹ 2/- each, fully paid-up in HDFC Bank Limited	0.10	0.10
	19,900 Equity Shares of ₹10/- each, fully-up paid in Bank of India	8.96	8.96
	12,000 (previous year 2,400) Equity Shares of ₹ 2/- each (previous year of ₹ 10/- each), fully-up paid in Corporation Bank	1.89	1.89
(ii)	Equity Instruments (Unquoted)		
	17,101 Equity Shares of ₹ 100/- each, fully paid-up in Mafatlal Engineering Industries Limited (₹ 1/-)	-	-
	1 Equity Share of ₹ 2,000/- fully paid-up in Shree Balaji Sahakari Sakhar Karkhana Limited	0.02	0.02
	10,000 Equity Shares of ₹ 10/- each, fully paid-up in The Bharat Co-Operative Bank Limited	1.00	1.00
	32,000 Equity Shares of Mafatlal UK - ₹ 2/-	-	-
	22,320 Equity Shares of Mafatlal Services Limited - ₹ 1/-	-	-
(iii)	Investment in Government Securities (unquoted)		
	National Saving Certificates	0.01	0.01
	(Certificate deposited with Government Department)		
(iv)	Investment in Mutual Funds		
	50,000 Units of ₹10/- each of JM Mutual Fund	5.00	5.00
	10560 Units of ₹10/- each of UTI Master Shares	0.86	0.86
	TOTAL	**2,242.84**	**2,242.84**
	(a) Aggregate amount of quoted investments		
	Cost / Carrying value	2,241.81	2,241.81
	Market value	11,200.71	5,729.37
	(b) Aggregate amount of unquoted investments	1.03	1.03

NOTE:

566,320 Equity shares of Navin Fluorine International Limited were received under the rehabilitation scheme of Mafatlal Industries Limited sanctioned by the Board for Industrial and Financial Reconstruction in its order dated 30th October, 2002.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 (Contd...)

NOTE 12: LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD UNLESS OTHERWISE STATED)

(₹ in Lakhs)

Particulars	As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015
	Long-Term		Short-Term	
(a) Capital advances	63.94	89.78	-	-
(b) Security deposits				
Considered good	440.85	430.03	-	-
Considered doubtful	300.00	300.00	-	-
Sub-Total	740.85	730.03	-	-
Less : Provision	300.00	300.00	-	-
Net	440.85	430.03	-	-
(c) Loans and advances to employees	0.50	3.45	16.37	19.27
(d) Prepaid expenses	95.79	40.18	184.97	150.30
(e) Advance income-tax [net of provisions ₹ 7,751.51 lakhs (previous year ₹ 5,112.52 lakhs) and MAT credit utilised ₹ 842.16 lakhs (previous year ₹ 656.54 lakhs)]	450.01	96.98	-	-
(f) MAT credit entitlement	109.66	936.67	-	-
(g) Income-tax refund receivable	1,412.46	1,412.46	-	-
(h) Balances with Government authorities :				
(i) CENVAT credit receivable	32.96	33.59	203.63	936.15
(ii) VAT credit receivable	677.06	764.47	6.56	7.46
(iii) Service Tax credit receivable	0.45	-	97.74	315.97
(i) Advance to suppliers and others				
Considered good	-	-	505.81	318.13
Considered doubtful	-	-	1.49	1.49
Sub-Total	-	-	507.30	319.62
Less : Provision	-	-	1.49	1.49
Net	-	-	505.81	318.13
(j) Export incentives receivable	-	-	406.14	6.12
TOTAL	**3,283.68**	**3,807.61**	**1,421.22**	**1,753.40**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 (Contd...)

(₹ in Lakhs)

Particulars	As at 31 March 2016	As at 31 March 2015
NOTE 13: INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE)		
Raw materials	2,794.74	2,946.10
Work-in-progress	602.02	1,228.58
Finished goods (other than trading)	7,834.62	11,987.61
Stock-in-trade (trading)	28.04	41.44
Production consumables and stores and spares	704.11	850.86
	11,963.53	17,054.59
Details of stock-in-transit		
Raw Materials	1,280.96	1,681.35
Finished Goods	19.00	37.13
	1,299.96	1,718.48
TOTAL	**13,263.49**	**18,773.07**
NOTE 14: TRADE RECEIVABLES		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	5.14	34.23
Unsecured, considered doubtful	18.02	18.02
	23.16	52.25
Less: Provision	18.02	18.02
	5.14	34.23
Other Trade receivables		
Unsecured, considered good	15,099.75	16,684.60
TOTAL	**15,104.89**	**16,718.83**
NOTE 15: CASH AND CASH EQUIVALENTS		
Cash and Bank Balances		
(a) Cash on hand	7.65	8.70
(b) Balances with Banks		
(i) In Current accounts	264.20	159.34
(ii) In EEFC accounts	213.90	96.21
(iii) In Demand deposit accounts	895.00	350.00
(iv) In Earmarked accounts (Unpaid dividend accounts)	156.85	140.54
TOTAL	**1,537.60**	**754.79**
Of the above, the balances that meet the definition of Cash and Cash Equivalents as per AS 3 Cash Flow Statements is	1,380.75	614.25
NOTE 16: OTHER CURRENT ASSETS (CONSIDERED GOOD)		
Interest accrued on deposits	57.09	27.35
Other Advances	3.41	-
TOTAL	**60.50**	**27.35**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 (Contd...)

(₹ in Lakhs)

Particulars		For the year ended 31 March 2016	For the year ended 31 March 2015
NOTE 17: REVENUE FROM OPERATIONS			
(i)	Sale of products:		
	Manufactured goods		
	Rubber Chemicals	76,609.92	76,829.38
	Others	981.65	895.58
		77,591.57	77,724.96
	Traded goods		
	Rubber Chemicals	528.28	510.28
	Sub-Total (i)	**78,119.85**	**78,235.24**
(ii)	Other operating revenues:		
	Sale of scrap	147.56	98.44
	Duty drawback and other export incentives	495.56	14.70
	Cash discount received	8.83	16.53
	Excess provision for earlier years written back	80.40	44.72
	Refund of Electricity Duty	0.71	102.70
	Miscellaneous income	7.97	21.07
	Sub-Total (ii)	**741.03**	**298.16**
	TOTAL (i+ii)	**78,860.88**	**78,533.40**
NOTE 18: OTHER INCOME			
(a)	Interest income (see note below)	90.58	240.86
(b)	Dividend income:		
	- From long-term investments	123.77	108.44
(c)	Excess provision for expenses of ealier years written back	79.33	-
(d)	Other non-operating income (rental income)	56.99	48.04
(e)	Miscellaneous income	2.75	-
	TOTAL	**353.42**	**397.34**
	Note		
	Interest income comprises:		
	Interest from banks on deposits	54.96	14.09
	Interest on loans and advances	25.30	23.16
	Interest on overdue trade receivables	-	28.47
	Interest on income-tax refund	-	148.72
	Interest on VAT refund	10.32	26.42
	TOTAL	**90.58**	**240.86**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 (Contd...)

(₹ in Lakhs)

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
NOTE 19.a: COST OF MATERIALS CONSUMED		
Opening stock	4,627.44	7,736.49
Add: Purchases	30,669.12	40,302.87
	35,296.56	48,039.36
Less: Closing stock	4,075.70	4,627.44
Cost of materials consumed	**31,220.86**	**43,411.92**
Materials consumed comprise:		
Chlorinated aromatics and amines	12,411.16	19,651.72
Solvents	5,871.06	9,639.92
Chemicals	10,760.50	11,135.95
Others	2,178.14	2,984.33
TOTAL	**31,220.86**	**43,411.92**
NOTE 19.b: PURCHASES OF STOCK-IN-TRADE		
Rubber Chemicals	337.30	384.49
TOTAL	**337.30**	**384.49**
NOTE 19.c: CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE (RUBBER CHEMICALS)		
Inventories at the end of the year:		
Finished goods	7,853.62	12,024.75
Work-in-progress	602.02	1,228.58
Stock-in-trade	28.04	41.44
	8,483.68	**13,294.77**
Inventories at the beginning of the year:		
Finished goods	12,024.75	6,600.92
Work-in-progress	1,228.58	804.02
Stock-in-trade	41.44	50.52
	13,294.77	**7,455.46**
(Decrease)/Increase in excise duty on closing stock of finished products	(418.91)	900.06
Net Decrease / (Increase)	**4,392.18**	**(4,939.25)**
NOTE 20: EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	4,704.59	4,038.44
Contributions to provident and other funds (refer note 32)	878.87	526.47
Staff welfare expenses	493.17	463.32
TOTAL	**6,076.63**	**5,028.23**
NOTE 21: FINANCE COSTS		
Interest expense:		
(i) Borrowings from banks	895.60	1,625.94
(ii) Others (Interest on security deposits etc.)	38.36	25.28
TOTAL	**933.96**	**1,651.22**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 (Contd...)

(₹ in Lakhs)

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
NOTE 22: OTHER EXPENSES		
Power, fuel and Other Utilities	5,436.51	6,581.41
Processing Charges	1,718.55	1,708.89
Selling Expenses	2,314.31	2,330.67
Consumption of packing materials	1,119.48	1,222.30
Consumption of stores and spare parts	828.55	764.49
Rent including lease rentals	290.09	300.05
Repairs and maintenance - Machinery	737.84	598.26
Repairs and maintenance - Buildings	149.00	102.99
Insurance	93.86	90.73
Rates and taxes	208.66	211.27
Payments to auditors (Refer Note below)	45.67	34.79
Loss on fixed assets sold / scrapped / written off (net)	48.63	118.71
Exchange difference on foreign currency transactions and translations (net)	25.61	52.80
Expenditure on CSR activities	108.28	77.83
Miscellaneous expenses	2,431.42	2,492.06
TOTAL	**15,556.46**	**16,687.25**
Note:		
Payments to the auditors comprise (net of service tax):		
For statutory audit	29.21	28.02
For tax audit	4.57	4.56
For certification work	0.25	0.50
For others	10.00	-
For reimbursement of expenses	1.64	1.71
TOTAL	**45.67**	**34.79**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 (Contd...)

23. Contingent liability in respect of:

(₹ in Lakhs)

		2015 - 16	2014 - 15
(a)	Claims against the Company not acknowledged as debts	**42.48**	47.12
(b)	Central excise duty and Customs duty demands disputed	**265.55**	63.11
(c)	Income-tax demands disputed	**251.81**	1,074.30
(d)	Sales tax demands disputed	**393.81**	393.81
	Note: The Company has contested / filed appeals in respect of the aforesaid disputed matters before the authorities. The management is hopeful that matters will be decided in favour of the Company.		

		2015 - 16	2014 - 15
24.	Estimated amount of contract remaining to be executed on capital account and not provided for (net of advances)	**174.81**	509.05

25. The Group is primarily engaged in the business of manufacturing and trading of rubber chemicals, which, in the context of Accounting Standard 17 on 'Segment Reporting', constitutes a single reportable segment.

26. The Company's significant leasing arrangements are in respect of operating leases for premises (residential, offices, godowns, etc.). These lease arrangements are ranging between 11 months to 60 months generally or longer and are renewable by mutual consent or mutually agreeable terms. The aggregate lease rental expenses and income is ₹ 290.09 lakhs (previous year ₹ 300.05 lakhs) and ₹ 56.99 lakhs (previous year ₹ 48.04 lakhs) respectively.

Future minimum lease payments in respect of non-cancellable leases are as follows:

(₹ in Lakhs)

Particulars	2015 - 16	2014 - 15
Payable not later than one year	**10.61**	37.83
Payable later than one year but not later than five years	**-**	10.61
Payable later than five years	**-**	-

27. During the year ended 31 March 2015, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from April 1, 2014, the Group revised the estimated useful life of relevant assets to align the useful life with those specified in Schedule II. Pursuant to the transitional provisions prescribed in Schedule II to the Companies Act, 2013, the Group had fully depreciated the carrying value of the assets, net of residual value, where the remaining useful life of the asset was determined to be nil as on April 1, 2014, and adjusted an amount of ₹ 34.92 lakhs (net of deferred tax of ₹ 17.99 lakhs) against the opening Surplus balance in the Statement of Profit and Loss under Reserves and Surplus.

28. Related Parties

(A) Name of related parties and description of relationship

(i) Enterprises over which Directors and Relatives of such personnel exercise significant influence:

Navin Fluorine International Limited

Mafatlal Industries Limited

Shri Sadguru Seva Sangh Trust

Sri Chitanya Seva Trust

(ii) Key Management Personnel:

Mr. C. R. Gupte

Mr. S. R. Deo

(B) Transactions with related parties

(₹ in Lakhs)

Nature of Transactions	2015 - 16	2014 - 15
Purchase of Materials / Services:		
- Navin Fluorine International Limited	**4.02**	2.34
Reimbursement of Expenses:		
- Mafatlal Industries Limited	**17.18**	16.38
Office Deposit received back		
- Mafatlal Industries Limited	**-**	22.28
Remuneration Paid to:		
Key Management Personnel		
- Mr. C. R. Gupte	**242.87**	196.53
- Mr. S. R. Deo	**167.54**	136.15
Rent Paid to:		
- Navin Fluorine International Limited	**156.78**	163.80
Expenditure on CSR activities / Donations		
Shri Sadguru Seva Sangh Trust	**41.50**	20.00
Sri Chaitanya Seva Trust	**38.50**	20.00
Dividend received from		
Mafatlal Industries Limited	**16.99**	16.99
Navin Fluorine International Limited	**104.77**	90.61
Dividend Paid to		
Mafatlal Industries Limited	**230.36**	138.22
Navin Fluorine International Limited	**68.50**	41.10
Trade Creditors Payable		
- Mafatlal Industries Limited	**2.50**	1.73

Related parties have been identified by the management and relied upon by the auditors.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 (Contd...)

29. Deferred tax

The components of Deferred Tax Liabilities are as under:

(₹ in Lakhs)

	2015 - 16	2014 – 15
Depreciation	**4,365.71**	3,798.78
Unabsorbed depreciation and carried forward losses	**(50.96)**	(82.76)
Provision for doubtful debts and advances	**(110.58)**	(108.60)
Provision for compensated absences, gratuity and other employee benefits	**(628.91)**	(507.31)
Sales Tax set off	**1,251.30**	1,231.75
Others	**(28.16)**	(41.49)
Net deferred tax liability	**4,798.40**	4,290.37

30. Earnings per share (EPS):

	2015 - 16	2014 - 15
Profit attributable to Equity shareholders (₹ in Lakhs)	**7,826.17**	5,709.88
Weighted average number of Equity shares for Basic EPS	**160,786,980**	160,786,980
Add: Dilutive impact of Employee Stock Option granted and outstanding as at year-end	**1,966,777**	1,329,758
Weighted average number of Equity shares for Diluted EPS	**162,753,757**	162,116,738
Nominal value of Equity share (₹)	**10.00**	10.00
Earnings per share (₹) – Basic	**4.87**	3.55
Earnings per share (₹) – Diluted	**4.81**	3.52

31. ESOP scheme

The details of the Employee Stock Options are as follows:

Particulars	2015-16	2011-12	2010-11	2009-10	2007-08
	Grant 5	Grant 4	Grant 3	Grant 2	Grant 1
Date of grant	**1-April-2015**	**1-April-2011**	**25-May-2010**	**9-June-2009**	**27-Aug-2007**
Contractual life	**10 years**	**10 years**	**10 years**	**10 years**	**10 years**
Outstanding as at 1 April 2015	**-**	**973,000**	**973,000**	**425,100**	**425,100**
Granted during the year	**1,373,000**	**-**	**-**	**-**	**-**
Forfeited during the year	**-**	**-**	**-**	**-**	**-**
Exercised during the year	**-**	**-**	**-**	**-**	**-**
Outstanding as at 31 March 2016	**1,373,000**	**973,000**	**973,000**	**425,100**	**425,100**
Vesting Schedule (from the date of grant)					
First Year	**25%**	**25%**	**25%**	**25%**	**25%**
Second Year	**25%**	**25%**	**25%**	**25%**	**25%**
Third Year	**25%**	**25%**	**25%**	**25%**	**25%**
Fourth Year	**25%**	**25%**	**25%**	**25%**	**25%**
Method of settlement	**Equity**	**Equity**	**Equity**	**Equity**	**Equity**

Had fair value method been used, the compensation cost would have been higher by ₹ 116.36 Lakhs (previous year ₹ 12.92 Lakhs), profit after tax would have been lower by ₹75.99 lakhs (previous year ₹ 8.54 Lakhs) and EPS – Basic would have been ₹ 4.82 (lower by ₹ 0.05) (previous year ₹ 3.55 per share (lower by Nil)) and Diluted would have been ₹ 4.76 (lower by ₹ 0.05) (previous year ₹ 3.52 per share (lower by Nil)).

32. Employment and Retirement Benefit

(₹ In Lakhs)

		2015 - 16	2014 - 15
1	**Post-Employment benefits**		
	a) Defined contribution plans		
	i) Group's contribution to Provident Fund	**191.63**	174.73
	ii) Company's contribution to Superannuation Fund	**49.53**	41.18
	b) Defined benefit scheme		
	Gratuity		
	Funded:		
	a) Liability recognized in Balance Sheet		
	1. Change in Benefit Obligation		
	Present Value of Obligations		
	As at 1 April	**1,410.70**	1,177.98
	Service Cost	**47.63**	38.25
	Interest Cost	**112.71**	109.91
	Actuarial Loss on Obligations	**289.44**	152.58
	Benefits paid	**(54.63)**	(68.02)
	As at 31 March	**1,805.85**	1,410.70
	Less: Fair Value of Plan Assets		
	As at 1 April	**1,200.40**	1,039.21
	Expected Return on Plan assets less loss on Investments	**95.91**	90.41
	Contribution	**210.30**	138.78
	Benefits paid	**(54.63)**	(68.02)
	Actuarial Gain on Plan Assets	**16.61**	0.02
	As at 31 March	**1,468.59**	1,200.40
	Net	**337.26**	210.30
	Unfunded:		
	Present Value of Obligations		
	As at 1 April	**699.72**	579.68
	Service Cost	**25.21**	19.96
	Interest Cost	**55.91**	54.08
	Actuarial Loss on Obligations	**125.86**	88.22
	Benefits paid	**(37.44)**	(42.22)
	As at 31 March	**869.26**	699.72
	Net Liability	**1,206.52**	910.02

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 (Contd...)

(₹ In Lakhs)

		2015 - 16	2014 - 15
	b) Expense during the year		
	Service Cost	**72.84**	58.21
	Interest Cost	**168.62**	163.99
	Expected Return on Plan assets	**(95.91)**	(90.41)
	Actuarial Loss on Obligations	**398.68**	240.78
	Total	**544.23**	372.57
	c) Principal actuarial assumptions		
	Rate of Discounting	**7.85%**	7.99%
	Rate of Return on Plan Assets	**7.85%**	7.99%
	Rate of increase in salaries	**6.00%**	4.50%
	Attrition Rate	**6.00%**	2.00%
2	**Breakup of Plan Assets:**		
	i) Government Bonds	**440.25**	481.16
	ii) Corporate Bonds	**231.17**	401.28
	iii) Special Deposit Scheme	**8.71**	8.71
	iv) Others	**788.46**	309.25
		1,468.59	1,200.40

The Company expects to contribute ₹ 337.26 Lakhs (previous year ₹ 210.30 Lakhs) to its Gratuity plan for the next year.

In assessing the Company's Post Retirement Liabilities the Company monitors mortality assumptions and uses up-to-date mortality tables. The base being the Indian Assured Lives Mortality (2006-08) ultimate tables.

Expected return on plan assets is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

The estimates of the future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion, and other relevant factors, such as supply and demand in the employment market.

Other Disclosures:

(₹ in Lakhs)

Particulars	2015-16	2014-15	2013-14	2012-13	2011-12
Defined benefit obligation	2,675.11	2,110.43	1,757.66	1,820.68	1,649.65
Plan asset	1,468.59	1,200.40	1,039.20	1,065.45	1,012.68
Deficit	1,206.52	910.04	718.46	755.23	636.97
Experience adjustment on liabilities – loss	150.23	94.22	145.34	37.07	57.28
Experience adjustment on plan assets – loss	(16.61)	(0.02)	8.41	14.62	0.32

33. Derivative Instruments and Foreign Currency Exposure

(a) The Company has entered into forward exchange contracts for hedge purposes, not intended for trading or speculation purposes, to establish the amount of currency in Indian Rupees available at the settlement date of certain receivables. The following are the outstanding forward exchange contracts entered into by the Company:

(Figures in Lakhs)

Particulars	2015 - 16		2014 - 15	
	Rupees	Foreign currency	Rupees	Foreign currency
Forward contracts	**859.95**	**USD 13.00**	-	-

(b) The year-end foreign currency exposures that have not been hedged are as follows.

(Figures in Lakhs)

	2015 - 16		2014 - 15	
	Rupees	Foreign currency	Rupees	foreign currency
Unhedged				
Creditors for goods	**2,087.09**	**USD 28.31 EURO 2.85**	1,905.65	USD 27.53 EURO 2.77
Debtors	**2,540.79**	**USD 35.46 EURO 2.61**	4,562.99	USD 67.32 EURO 5.39
Creditors for expenses	**76.12**	**USD 1.09 EURO 0.05**	77.72	USD 1.17 EURO 0.07
Advance from Customers	**6.25**	**USD 0.09**	374.33	USD 4.39 EURO 1.49
PCFC Loan	**-**	**-**	1,035.79	USD 16.59

34. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

In terms of our report attached.
For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors

Hrishikesh A. Mafatlal
Chairman

C.R. Gupte
Managing Director

C.L. Jain
Director & Chairman- Audit Committee

A. B. Jani
Partner

S.R. Deo
Deputy Managing Director

P. Srinivasan
Chief Financial Officer

V. K. Gupte
Company Secretary

Place : Mumbai,
Dated : 5 May 2016

FORM AOC-1

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

Statement containing salient features of the financial statement of subsidiaries

(₹ in lakhs)

1	Sl. No.:	1
2	Name of the subsidiary:	PIL Chemicals Limited
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period:	1 April 2015 to 31 March 2016
4	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries:	Not Applicable
5	Share capital	835.48
6	Reserves & surplus	1,834.64
7	Total assets	3,003.45
8	Total Liabilities	3,003.45
9	Investments	16.71
10	Turnover	1,087.00
11	Profit before taxation	80.86
12	Provision for taxation	28.72
13	Profit after taxation	52.14
14	Proposed Dividend	4%
15	% of shareholding	100%

For and on behalf of the Board of Directors

Hrishikesh A. Mafatlal
Chairman

C.R. Gupte
Managing Director

C.L. Jain
Director & Chairman- Audit Committee

S.R. Deo
Deputy Managing Director

P. Srinivasan
Chief Financial Officer

V. K. Gupte
Company Secretary

Place : Mumbai,
Dated : 5 May 2016

NOCIL LIMITED

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

Proxy Form

(Pursuant to Section 105 (6) of the Companies Act, 2013 and Rule 19 (3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member(s) : .....

Registered address : .....

E-mail : .....

Folio no./ Client Id / DP Id : .....

No of shares : .....:

I / We, being the member(s) of the above named company, hereby appoint:

Name: ..... E-mail : .....

Address : .....

Signature: _____ or failing him / her

Name: ..... E-mail : .....

Address : .....

Signature: _____ or failing him / her

Name: ..... E-mail : .....

Address : .....

Signature: _____

as my / our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the 54th Annual General Meeting of the Company, to be held on Wednesday, 27th July 2016 at 2.30 p.m. at Rama & Sundri Watumull Auditorium, K.C. College, Vidyasagar, Principal K.M. Kundnani Chowk, 124, Dinshaw Wacha Road, Churchgate, Mumbai – 400 020, and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution
Ordinary business	
1	Adoption of Audited Statement of Accounts for FY 2015-16, etc.
2	To declare dividend on equity shares.
3	Appointment of Mr. Vilas R. Gupte as a Director.
4	Ratification of appointment and remuneration of M/s. Deloitte Haskins and Sells LLP, as Statutory Auditors of the Company for the Financial Year 2016-17.
Special business	
5	ORDINARY RESOLUTION: Ratification of payment of remuneration to M/s. Kishore Bhatia & Associates as Cost Auditors of the Company.
6	SPECIAL RESOLUTION: Change in place of keeping the Registers of Members, Index of Members and Returns etc.

Signed this ..... day of July, 2016.

Affix Re. 1 revenue stamp

....

Signature of the proxy holder(s) Signature of the member

Notes: The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting.

IMPORTANT COMMUNICATION TO MEMBERS

The provisions of the Section 20 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, as amended from time to time, permits companies to send the Annual Report and other documents by e–mail to the shareholders. To support this Green initiative of the Government in full measure, members who have not registered their e-mail addresses so far, are requested to register their e-mail addresses and changes therein from time to time along with their name, address and Folio No./Client Id No., in respect of their shareholding with :

i) The Registrar and Share Transfer Agents Viz. Karvy Computershare Private Limited for shares held in physical form and;

ii) The concerned Depository Participants in respect of shares held in electronic / demat mode

Upon registration of e-mail address(es), the Company would send Notices / Documents including Annual Report via electronic mode.

In case any Member opts / insists for physical copies of above documents, the same would be sent to him by post free of cost at the address registered with the Company.

REGISTRATION FORM FOR RECEIVING DOCUMENTS IN ELECTRONIC MODE

M/s. Karvy Computershare Private Limited
Unit: NOCIL Limited
Registered Office :
Karvy Selenium Tower B,
Plot 31-32, Gachibowli,
Financial District, Nanakramguda,
Hyderabad – 500 032

Investors' Relation Centre :
24 B, Rajabahadur Mansion, Ground Floor,
Ambalal Doshi Marg, Fort,
Mumbai - 400023, Maharashtra .

I/We is/ are member/s of M/s NOCIL Ltd and hereby exercise my/our option to receive the documents such as Notices / Circulars / Documents including Annual Reports etc. in electronic mode pursuant to the provisions of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended from time to time. Please register my following e-mail id in your records for sending communication through electronic mode.

Name of First Member .....

Joint Holder -1 .....

Joint Holder -2 .....

e-mail id for registration .....

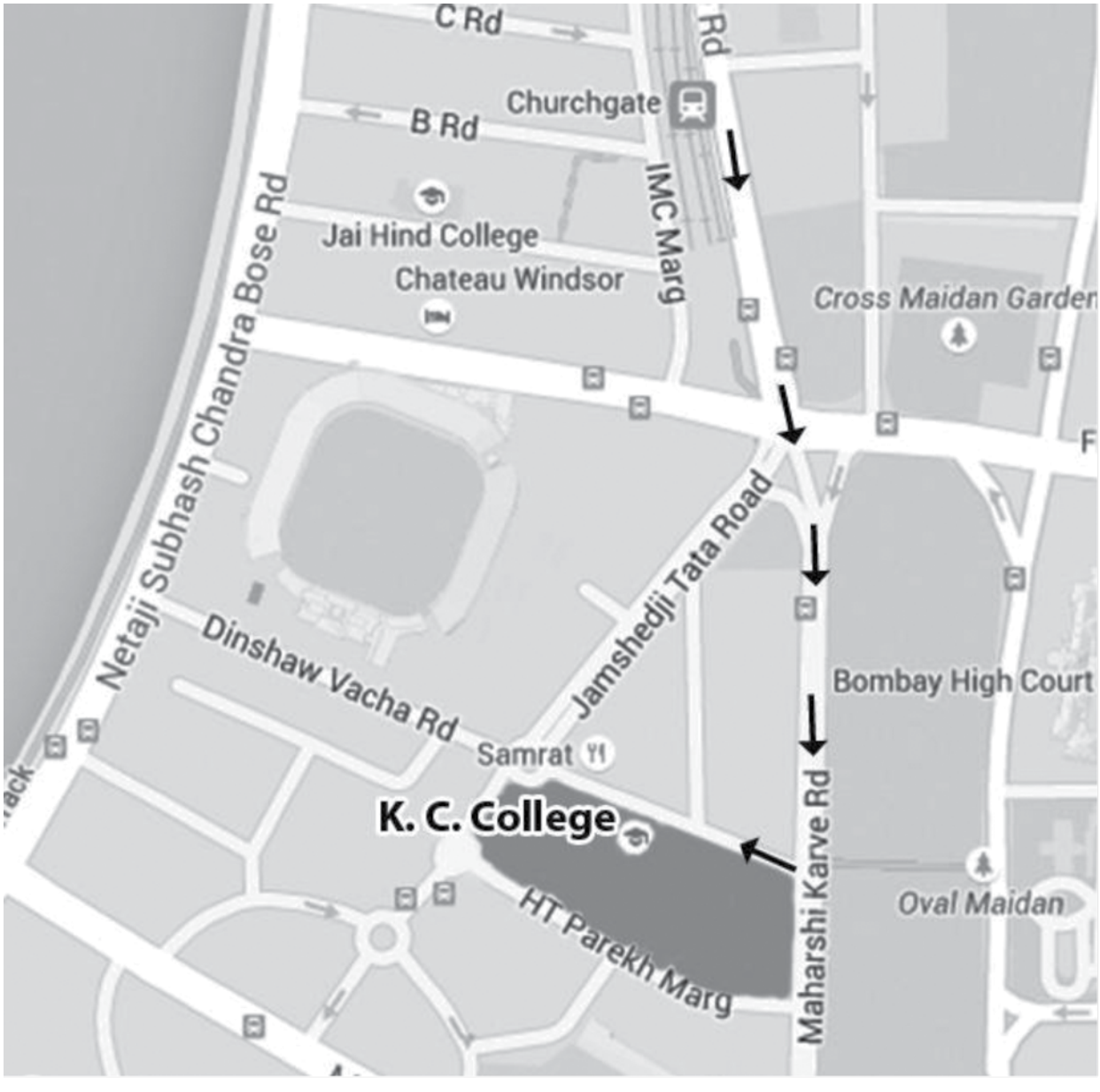
Date : Signature (1st holder) .....

Regd.Folio/Client Id No.....

ROUTE MAP TO ANNUAL GENERAL MEETING VENUE

Location: Rama and Sundri Watumull Auditorium at Kishinchand Chellaram College (K.C College),
124, Dinshaw Wacha Road, Churchgate, Mumbai-400 020

Landmark: Oval Maidan



Printed by : www.westernpress.in

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