NOCIL LIMITED

Arvind Mafatlal Group
The ethics of excellence

48TH ANNUAL REPORT 2009-10

Contents

REGISTRAR AND SHARE TRANSFER AGENTS:

M/s. Sharepro Services (India) Pvt. Ltd.,
Unit: NOCIL Limited
13 A-B, Samhita Warehousing Complex,
Near Sakinaka Telephone Exchange Lane,
Off Andheri Kurla Road, Sakinaka,
Andheri (East)
Mumbai-400072

Tel Nos.022- 67720300 / 022-67720400
Fax No. 022-2859 1568 / 022-2850 8927]
E-mail: sharepro@shareproservices.com

INVESTOR RELATIONS CENTRE:

912, Raheja Centre
Free Press Journal Road
Nariman Point
Mumbai-400 021
Tel: 022-6613 4700
Fax: 022-2282 5484

For Members Attention

1. The Register of Members and the Share Transfer Books of the Company will remain closed from Monday, 19 July 2010 to Friday, 30 July 2010.

2. The Shares of the Company have been brought under Compulsory dematerialization. Those shareholders who have 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 in all correspondence and also to notify immediately, change of address, if any to the Registrar and Share Transfer Agents viz. Sharepro Services (I) 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 to the Annual General Meeting, as the practice of distributing copies of the Report at the Meeting has been discontinued and also to bring with them 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.

48^{th} ANNUAL GENERAL MEETING

Date : 30 July 2010
Day : Friday
Time : 4.00 P.M.
Place : Rama Watumull Auditorium
K. C. College, Dinshaw Wacha Road,
Churchgate, Mumbai - 400 020.

Corporate Information

Arvind N. Mafatlal	*Chairman – Emeritus*

BOARD OF DIRECTORS

Hrishikesh A. Mafatlal	*Chairman*
Rohit Arora	
Berjis Desai	
V.R. Gupte	
C.L. Jain	
Vishad P. Mafatlal	
D.N. Mungale	
N. Sankar	
C.R. Gupte	*Managing Director*

COMPANY SECRETARY

V.K. Gupte

MANAGEMENT TEAM

C.R. Gupte	Managing Director
S.R. Deo	Senior Vice President-Technical
R.M. Gadgil	Senior Vice President-Marketing
P. Srinivasan	Vice President – Finance
C.S. Inamdar	Assistant Vice President - Marketing Technical Services
C. Nandi	Assistant Vice President - Research & Development
A. Sivaraman	Assistant Vice President -Purchase
R.M. Desai	Assistant Vice President - Production and Personnel.

REGISTERED OFFICE

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

PLANT

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

CONTACT DETAILS

Telephone: 022-66364062
Fax : 022-66364060
E-mail: investorcare@nocilindia.com
Website: www.natocil.com

BANKERS

HDFC Bank Ltd.
AXIS Bank Ltd.

AUDITORS

Deloitte Haskins & Sells
Chartered Accountants

SOLICITORS & ADVOCATES

PDS Legal
Vigil Juris

NOTICE

NOTICE is hereby given that the forty eighth Annual General Meeting of the Members of NOCIL Limited will be held at 4.00 p.m. on Friday, the 30 July 2010, at Rama Watumull Auditorium, K. C. College, Dinshaw Wacha Road, Churchgate, Mumbai-400 020, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Profit & Loss Account, Cash Flow Statement of the Company for the year ended 31 March 2010 and the Balance Sheet as at 31 March 2010 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. C.L. Jain who retires by rotation under Article 145 of the Articles of Association of the Company and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. D.N.Mungale who retires by rotation under Article 145 of the Articles of Association of the Company and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. N. Sankar who retires by rotation under Article 145 of the Articles of Association of the Company and being eligible, offers himself for re-appointment.
6. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT Messrs Deloitte Haskins and Sells, Chartered Accountants, Mumbai be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting, to examine and audit the accounts of the Company for the financial year 2010-11, at such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors plus reimbursement of out of pocket expenses and applicable taxes."

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

V. K. Gupte
Company Secretary

Registered Office:

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

Dated : 25 May 2010

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.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from Monday, the 19 July 2010 to Friday, the 30 July 2010 (both days inclusive).
3. The dividend as recommended by the Directors, if approved, at the Annual General Meeting, will be paid at par on or after 5 August 2010 :

   a) to those Members who hold shares in physical form and whose names appear on the Company's Register of Members as holders of Equity Shares on Saturday, 17 July 2010.

   b) in respect of Shares held in electronic form, to the beneficial owners of the Shares as at the close of business hours on Saturday, 17 July 2010 as per the details to be furnished by National Securities Depository Ltd and Central Depository Services (India) Ltd.
4. **Reappointment of Directors:**

   At the ensuing Annual General Meeting, Mr. C. L. Jain, Mr. D.N.Mungale and Mr. N. Sankar are due to retire by rotation and have offered themselves for re-appointment.

   Pursuant to Clause 49 of the Listing Agreement, the particulars of Mr. C.L.Jain, Mr. D.N.Mungale and Mr. N. Sankar are given below:

Mr. C.L.Jain	
Age & Qualifications:	76. M.Com., Member of the Institute of Company Secretaries of India, The Institute of Chartered Accountants of India, The Institute of Chartered Secretaries & Administrators, London, The Chartered Management Institute, London.
Expertise in Specific Functional Areas	Mr. Jain has more than 40 years of working experience with various organizations including ICI, Hindustan Lever Ltd, Hoechst India Ltd etc. He was the Finance Director of Hoechst india Ltd and later President of Ceat Asset Management Ltd. (Ceat Mutual Fund). He was visiting faculty Member of the Bajaj Institute of Management and other Institutes for 2 decades. He was also Chairman of the Banking and Finance Committee of the Bombay Chamber of Commerce and Industry for 4 years (1992-1996).
Directorships held in other Companies	1. Brescon Corporate Advisors Ltd. 2. Asit C. Mehta Investment Intermediates Ltd. 3. United Breweries Ltd. 4. Millennium Beer Industries Ltd. 5. Shaw Wallace Breweries Ltd. 6. RPG Life Science Ltd. 7. Practical Financial Services Pvt. Ltd.
Memberships / Chairmanships of Committees of other Companies	Audit Committee Chairman - RPG Life Science Ltd. Member - Brescon Corporate Advisors Ltd. United Breweries Ltd. Millennium Beer Industries Ltd. Investors Grievance Committee Member - United Breweries Ltd.
Number of shares held in the company	Nil
Disclosure of relationship	Mr. C.L.Jain is not related to any Director of the Company.

Mr. D.N.Mungale	
Age & Qualifications:	56 B.Com., LL.B., Member of the Institute of Chartered Accountants of India
Expertise in Specific Functional Areas	Mr. Mungale has a varied experience in Corporate Finance and Banking with several reputed organisaions and had worked in senior positions in Colour Chem Ltd, (Now Clariant (India) Ltd.), DSP Financial Consultants Ltd. Bank of America NT & SA, Mumbai and in London U.K. and DSP Merrill Lynch Ltd., Mumbai
Directorships held in other Companies	1. Indoco Remedies Ltd 2. Caprihans India Ltd. 3. Mahindra & Mahindra Financial Services Ltd. 4. Chowgule Steamships Ltd. 5. Camlin Ltd. 6. LIC Housing Finance Ltd. 7. Tamilnadu Petroproducts Ltd. 8. Sical Logistics Ltd.

Mr. D.N.Mungale	
Memberships / Chairmanships of Committees of other Companies	**Audit Committee** Chairman - Camlin Ltd. Indoco Remedies Ltd. Chowgule Steamships Ltd. Mahindra & Mahindra Financial Services Ltd. Member - LIC Housing Finance Ltd. Sical Logistics Ltd. Tamilnadu Petroproducts Ltd. **Compensation Committee** Chairman - Sical Logistics Ltd. Member - Chowgule Steamships Ltd. - Mahindra & Mahindra Financial Services Ltd. - Tamilnadu Petroproducts Ltd. **Shareholders Grievances Committee** Member - Mahindra & Mahindra Financial Services Ltd. **ALCO Committee** Member - Mahindra & Mahindra Financial Services Ltd
Number of shares held in the company	Nil
Disclosure of relationship	Mr.D.N.Mungale is not related to any Director of the Company.

Mr. N.Sankar	
Age & Qualifications:	64 Master Degree in Chemical Engineering from the Illinois Institute of Technology, Chicago, U.S.A.
Expertise in Specific Functional Areas	Mr. Sankar is Chairman of the Sanmar Group, which has interest in the fields of Chlorochemicals, Speciality Chemicals, Shipping, Engineering, Insurance and Cement.
Directorships held in other Companies	1. Sanmar Holdings Ltd. 2. SHL Securities (Alpha) Ltd. 3. Bata India Ltd. 4. N. Kumar Investment Holdings Pvt. Ltd 5. NS Family Consolidations Pvt. Ltd. 6. NS Family Investments Pvt. Ltd. 7. N. Sankar Properties and Holdings Pvt. Ltd. 8. Vijay Sankar Investment Holdings Pvt. Ltd. 9. Chandra Sankar Investment Holdings Pvt. Ltd. 10. Madhurika Sankar Investment Holdings Pvt. Ltd. 11. FL Smidth Pvt. Ltd. 12. SHL Research Foundation 13. Chennai Willingdon Corporate Foundation 14. Chennai Heritage 15. Sanmar Overseas Investment AG.
Memberships / Chairmanships of Committees of other Companies	Audit Committee Member - Bata India Ltd.
Number of shares held in the company	Nil
Disclosure of relationship	Mr. N. Sankar is not related to any Director of the Company.

Registered Office:
Mafatlal House,
H.T. Parekh Marg, Backbay Reclamation,
Churchgate, Mumbai 400 020.
Date : 25 May 2010

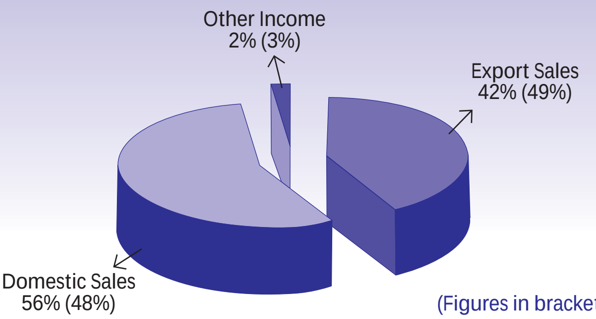
By Order of the Board
For **NOCIL Limited**

V.K.Gupte
Company Secretary

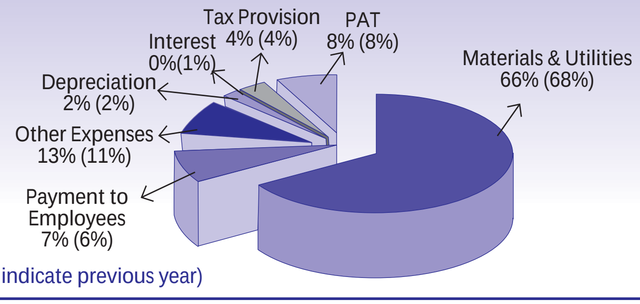
Rs. in Lakhs

SUMMARISED FINANCIAL DATA						
Sl.	**Particulars**	**2005-06**	**2006-07**	**2007-08**	**2008-09**	**2009-10**
	PROFIT & LOSS ACCOUNT					
1	Total Income	39155.46	32654.94	38988.49	47980.12	44607.69
2	Profit before Depreciation, Interest and Tax	7413.79	4210.90	2531.57	6574.48	5790.37
3	Interest	68.88	31.41	109.99	398.38	14.73
4	Depreciation	637.66	654.05	761.01	761.08	762.53
5	Profit before Tax from Operations	6707.25	3525.44	1660.57	5415.02	5013.11
6	Exceptional Items	0.00	0.00	0.00	0.00	0.00
7	Profit before Tax	6707.25	3525.44	1660.57	5415.02	5013.11
8	Profit after Tax	6093.31	2435.34	1120.75	3616.15	3402.68
9	Earning per share (EPS) Rs	4.11	1.51	0.70	2.25	2.12
10	Dividend (Rs. per Share)	0.50	0.50	0.50	0.60	0.60
	BALANCE SHEET					
11	Net Fixed Assets	16798.56	17763.28	17449.17	10456.30	10300.46
12	Investments	302.31	1503.31	1444.31	2483.13	2483.13
13	Net Current Assets	15332.99	14775.86	19144.80	18704.50	19850.14
14	Borrowings	73.42	19.94	4097.22	3148.23	1671.07
15	Share Capital	16078.70	16078.70	16078.70	16078.70	16078.70
16	Reserves and Surplus	6280.18	7774.95	7955.13	10442.61	12716.62
17	Total Net Worth	22358.88	23853.65	24033.83	26521.31	28795.32
18	Deferred Tax Liability/(Deferred Tax Asset)	-157.87	912.13	1444.69	1974.39	2167.35
19	Book Value per Equity Share (Rs) (17/no of shares) (Face value-Rs 10 per share)	13.91	14.84	14.95	16.49	17.91
20	Debt / Equity Ratio (14/17)	0.00	0.00	0.17	0.12	0.06
21	Operating EBIDTA (%) (2/1)	19%	13%	6%	14%	13%
22	Profit before Tax from Operations (%) (5/1)	17%	11%	4%	11%	11%
23	Return on Net Worth (%) (5/17)	30%	15%	7%	20%	17%
24	Return on Capital Employed (%) {2/(11+12+13)}	23%	12%	7%	21%	18%

Rupees Earned



Rupees Spent



(Figures in brackets indicate previous year)

DIRECTORS' REPORT

Dear Members,

Your Directors present their Report together with the Audited Accounts of the Company for the year ended 31 March 2010.

FINANCIAL RESULTS		*Rs. in Crore*
Particulars	**For the year ended 31 March 2010**	**For the year ended 31 March 2009**
Profit before Depreciation, Interest and Taxation	57.91	65.74
Less: Depreciation	7.63	7.61
Less: Interest	0.15	3.98
Profit before Tax	50.13	54.15
Provision for Taxation (including wealth tax and fringe benefit tax)	16.10	17.99
Profit after Tax	34.03	36.16
(Deficit) / Surplus brought from previous period	21.12	(3.76)
Proposed Dividend	9.65	9.65
Tax on Dividend	1.64	1.64
Balance carried to Balance Sheet	43.86	21.12

PERFORMANCE OF THE COMPANY

The turnover of the Company for the year under review was Rs.460 crore as compared to Rs.499 crore representing a decrease of 7.87% over the previous year. The production of rubber chemicals and their intermediates was 36697 MT for the year under review as against 33573 MT representing an increase of 9.30 % as compared to the previous year.

The year 2009-10 started with an unprecedented negative outlook due to the global financial meltdown. Fortunately, the situation in India had started turning positive as compared to the Western world. As a result, the domestic Tyre industry got back to normal production levels and consequently demand for our rubber chemicals showed a healthy trend in the domestic market.

We are therefore happy to inform you that the Company experienced positive volume growth during the year under review and this growth as mentioned earlier was driven mainly by Domestic Sales. However on the export front, after a very sudden drop in volumes, your Company managed to substantially recover its volumes in the Second Half.

The selling prices remained more or less flat for the most part of the year in the domestic market although costs kept going up. During the last quarter of the year, an attempt was made to increase the selling prices of select products to recover some of the cost increases witnessed during the period.

Raw material prices started hardening from the beginning of the 2nd half of the year consequent to crude prices surging to US$ 80 per barrel. We are happy to inform you that despite the cost increases, through a combination of timely bookings of raw materials at best possible prices, better management of various operational parameters coupled with some increases in selling prices, the actual profits for the year remained more or less at the same level as that of the previous year.

During the year, the Company managed to pay off all its secured loans in the first quarter of the year itself. Even the unsecured loan taken from SICOM has been paid during May 2010. We are happy to inform you that as of date, the Company is completely debt free and this is particularly significant since we are in the process of raising funds for the proposed expansion Project in Dahej, Gujarat.

EXPORTS

During the year under review, the Company was able to achieve exports of Rs. 181 crore as against Rs. 231 crore in the previous year. The export volumes also, were lower by about 8% as compared to the previous year due to reduced demand in the international market. Rupee appreciation also adversely affected our exports realizations. Export volumes did however improve substantially in the 2nd half of the year under review over the 1st half consequent to partial recovery in the overseas markets. Given this background, we are hopeful of further recovery in volumes in the FY 2010-11 as compared with the FY 2009-10.

BUSINESS SCENARIO

Although the global economic scenario has shown some signs of improvement, we need to carefully watch the developments in the coming year.

The Rubber Chemicals market remained competitive and the dumping by international exporters into India continues to be a concern.

China's export subsidies and undervalued currency continues to keep our product pricing depressed, although input costs have risen significantly over the year putting pressure on margins. Due to weak demand in their own domestic markets, competition from developed countries in the European Union region as well as South Korea continues to be intense in the Indian market. The Company is responding to this with concerted efforts to improve its share with existing customers as well as trying to create new opportunities in untapped markets.

Despite these problems, your Board is pleased to convey that most of the major international tyre customers continue to rely on and do healthy business with the company for their regular requirements of rubber chemicals. The Company continues to maintain a very strong and long term relationship with all its domestic and international customers and they in turn have accepted the status of the Company as one of the leading global manufacturers of rubber chemicals with very high technological capabilities.

PROJECT

As informed to you last year, the Company had decided to go slow on the proposed expansion Project in Dahej, Gujarat, due to the global recessionary conditions. Given the present automobile sector growth in India and also the major expansion plans being implemented by the Domestic Tyre Companies coupled with the fact that the Global Tyre industry is also operating close to their normal levels, we are confident that the Company can now go ahead and implement the first phase of the Project and we see more than adequate demand for the additional capacities that will come up with this Project. A suitably modified plan for the said project has been finalized and we are happy to inform you that the overall Engineering Package is in the advanced stages of completion. The Company now plans to implement this phase of the project at a cost of approximately Rs. 250 crore. Discussion for financing the project are at an advanced stage with prospective lenders.

The project is expected to be commissioned during the Second half of FY 2011-12. On its successful implementation, your Company's position in the market place will strengthen not only in terms of higher market share but also in terms of more cost effective and cleaner processes.

As already stated in the previous reports, all the necessary Clearances from the Central and the State Government authorities have also been obtained. Most of the infrastructural work too has been completed. The Company has so far spent a sum of Rs.24 crore on the project.

DIVIDEND

Your directors are pleased to recommend payment of dividend of Re. 0.60 per share of Rs.10/- each (6%), on the equity share capital of the Company. The dividend, together with the tax on Dividend, will absorb a sum of Rs. 11.29 crore.

TRANSFER OF UNPAID DIVIDEND TO THE INVESTOR EDUCATION AND PROTECTION FUND

As per the provisions of section 205C of the Companies Act, 1956, all unpaid dividends including and up to final dividend for the year 1997-98 and the Fixed Deposits lying unclaimed with the Company up to 31 March 2003 have been transferred to the Investor Education and Protection Fund.

FIXED DEPOSITS

As on 31 March 2010, fixed deposits amounting to Rs. 0.20 crore have not been claimed by the depositors from the Company. The fixed deposits which have matured on or before 31 March 2003 but remained unclaimed since then, have been transferred to Investor Education & Protection Fund, as required under Section 205C of the Companies Act, 1956.

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 Company is certified for ISO 14001:2004 (Environment Management Systems) and BS OHSAS 18001:2007 (Occupational Health & Safety System Standards), and ensures continuous improvements in the area of Health, Safety and Environment.

The Company follows a well established and responsible policy on health, safety and environment, which every employee is expected to follow and also carefully monitor various practices and procedures which are adopted. The sustainability of the business itself reflects the sincere commitment of the management to implement the health, safety and environment policy in totality. Direct and indirect employees are trained in technical skills required to handle various hazardous chemicals, fire fighting jobs and first aid cases. The Company conducts pre-employment as well as regular periodic medical checkups across all employees including contractors' employees to monitor their health on a regular basis. The Company's management wishes to reiterate its deep and abiding commitment to this cause. I am happy to inform you that your Company has been regularly extending support on Safety & Medical front to those affected in the vicinity of our plant including the fire department of Navi Mumbai Municipal Corporation as part of our continued Corporate Social responsibility.

TOTAL QUALITY MANAGEMENT

As mentioned above, the Company continues to be certified for **"Total Quality Management System"** which comprises of ISO 9001:2008 (Quality Management Systems), ISO 14001:2004 (Environment Management Systems) and BS OHSAS 18001:2007 (Occupational Health & Safety System Standards). We are happy to mention that the Company enjoys an exemplary track record in Total Quality Management System in view of continual improvements in this area. The Quality Control Laboratory of the Company has also been certified for ISO 17025 (Quality Assurance System) which is a unique feature in this field and assures highest quality standards to all its internal and external customers.

RESEARCH & DEVELOPMENT

Your Board would like to make a special mention about the excellent work done by the R&D and Technology groups of the Company. Some of the initiatives taken in this connection by the Company are expected to yield excellent long term benefits for the organization. The expansion project in Dahej which is now under implementation is based on the processes developed in house by these groups. The Company has also patented some of the work by its R&D.

RISK ASSESSMENT AND MANAGEMENT

The Company has a well defined Risk Management System in place as a part of its good Corporate Governance practices. All the risks are identified at various departmental levels and suitable mitigation measures are adopted. These are subjected to a quarterly review by the Risk Co-ordination Committee as well as the Audit Committee of your Board. The Company has assigned the key risks to various Risk Owners and has made them responsible for mitigation plans and review of these risks from time to time.

There are adequate internal controls, systems, and checks in place, commensurate with the size of the Company and the nature of its business. The management exercises financial control on the operations through a well defined budget monitoring process and other standard operating procedures. The Company has appointed an external professional agency to conduct the internal audit and the findings and recommendations of the Internal Auditors are placed before the Audit Committee of your Board regularly for further corrective actions.

SUBSIDIARY COMPANIES

The Annual Reports of its three subsidiaries viz. Ensen Holdings Limited, Urvija Investments Limited and PIL Chemicals Private Limited for the year ended 31 March 2010 are enclosed separately and form an integral part of the Annual Report of NOCIL Limited.

We are pleased to inform you that PIL Chemicals Pvt Ltd, a Company which was acquired by your Company has not only started making profits but also managed to wipe out its accumulated losses in its 3rd year of operation under the NOCIL Management.

In view of insignificant operations of both Ensen Holdings Ltd and Urvija Investments Ltd and to consolidate the operations of subsidiary companies, the Board of Directors of the respective subsidiary Companies approved in principle the merger of M/s. Ensen Holdings Ltd. and M/s. Urvija Investments Ltd., with M/s PIL Chemicals Pvt. Ltd. which is operating company and doing processing work for your Company with effect from 1 April 2010.

The subsidiary companies are in the process of filing necessary Petition with Hon'ble Bombay High Court for approval of Scheme of Merger.

Pursuant to the requirements of Clause 32 of the Listing Agreement, the details of Loans / Advances made to and investments made in the subsidiaries have been furnished in Schedules forming part of the Accounts.

A statement pursuant to Section 212 of the Companies Act, 1956, relating to the Company's interest in the Subsidiary Companies is provided separately.

CONSOLIDATED FINANCIAL STATEMENTS

The 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 form part of the Annual Report.

PERSONNEL

The relations between the employees and the management, during the year, have been cordial. The 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 Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999, the details required to be provided under the Securities and Exchange Board of

India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999, are set out in Annexure – I to this Report.

PARTICULARS OF EMPLOYEES

Information as per Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 forms a part of this Report and will be sent on demand to the shareholders. Any shareholder interested in obtaining a copy of the said statement may write to the Company Secretary.

DIRECTORS

At the forthcoming Annual General Meeting, Mr. C. L. Jain, Mr. D.N. Mungale and Mr. N. Sankar will retire by rotation pursuant to Article 145 of the Articles of Association of the Company. Being eligible, they offer themselves for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under section 217(2AA) of the Companies Act, 1956, we hereby state that:-

1. In the preparation of the annual accounts, all the applicable accounting standards have been followed along with proper explanations relating to material departures, if any.
2. The Directors selected such accounting policies and applied them consistently and made judgments and estimates 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 2010 and of the profit for the year ended on that date.
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The Directors have prepared the annual accounts on a going concern basis.

REPORT ON CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS

As required under the Listing Agreement with Stock Exchanges, reports on "Corporate Governance" and "Management Discussion and Analysis" are attached and forms a part of this Report.

OTHER PARTICULARS

Additional information on conservation of energy, technology absorption, foreign exchange earnings and outgo as required to be disclosed in terms of section 217(1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is set out in Annexure – II and forms a part of this Report.

AUDITORS

The term of M/s. Deloitte Haskins and Sells, Chartered Accountants, Mumbai as Statutory Auditors, expires at the conclusion of this Annual General Meeting and are eligible for re-appointment. The Audit Committee has recommended to the Board the re-appointment of M/s. Deloitte Haskins and Sells, Chartered Accountants as Statutory Auditors of the Company. The Auditors have given a Certificate to the effect that the re-appointment, if made, will be within the prescribed limits specified under section 224 (1B) of the Companies Act,1956.

ACKNOWLEDGEMENTS

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

For and on behalf of the Board of Directors

Hrishikesh A. Mafatlal
Chairman

Mumbai
Dated : 25 May 2010.

ANNEXURE I TO THE DIRECTORS' REPORT

Information to be disclosed under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999:

(a)	Options granted till 31 March 2010	850200
(b)	The Pricing Formula	Exercise Price shall be the market price of the equity shares of the company on the previous day of the date of grant.
(c)	Options vested till 31 March 2010	212550
(d)	Options Exercised	Nil
(e)	The Total number of shares arising as a result of exercise of Options.	Nil
(f)	Options Lapsed	Nil
(g)	Variation of terms of Options	None
(h)	Money realized by exercise of Options	Nil
(i)	Total number of Options in force	850200
(j)	Employee-wise details of Options granted to:	
	(i) Senior Managerial personnel.	Given herein below *
	(ii) 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
	(iii) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	Nil
(k)	Diluted Earnings Per Shares (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 'Earnings per Share'.	Same as basic
(l)	Impact of employee compensation cost calculated as difference between intrinsic value and fair market value in accordance with SEBI Guidelines on ESOP.	Rs. 30.93 lakhs
(m)	Weighted average exercise prices and weighted average fair values of options disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	
	(i) Weighted average exercise price	Rs. 24.3750 per share
	(ii) Weighted average fair value (black scholes model)	Rs.16.06
(n)	Description of the method and significant assumptions used during the year to estimate the fair values of options.	
	Variables	
	a) Risk-free rate	6.68%
	b) Expected Life	10 years
	c) Volatility expected	65.25%
	d) Expected Dividend	2.37%
	e) Exercise Price	Rs. 25.35 and Rs. 23.40

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

Name	Designation	No of Options granted
1. Mr. C.R. Gupte	Managing Director	420000
2. Mr. S.R. Deo	Senior Vice President- Technical	157400
3. Mr. R.M. Gadgil	Senior Vice President- Marketing	157400
4. Mr. P. Srinivasan	Vice President- Finance	115400
		850200

Annexure II

Statement pursuant to Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31 March 2010.

CONSERVATION OF ENERGY

Energy conservation measures taken in the year 2009-10

1. Coal fired boiler was operated at it's name plate capacity resulting into annualized savings of Rs 896 lakhs
2. Water conservation measures in plants has resulted in saving of MIDC water of Rs 1.6 lakh per annum.
3. Steam conservation measures in plants have resulted in fuel saving of Rs 15.75 lakhs per annum on annualized basis.
4. Modification of distillation system in process plant in plant has resulted in electrical energy saving of Rs 6.84 lakhs per annum.
5. Optimized operations of strip still in process plant has resulted in electrical energy saving of Rs 1.3 lakh per annum.
6. Replacement of cooling tower pump in process plant has resulted in electrical energy saving of Rs 4.35 lakh per annum.

Energy conservation measures to be taken in 2010-11

1. Thermal Energy conservation plan could yield a savings of Rs 40 lakhs .
2. Replacement of tertiary pump by an optimum capacity submersible pump will result in electrical energy saving of Rs 1.70 lakh per annum.
3. Installation of energy efficient motor for main cooling tower pump will result in electrical energy saving of Rs 1.5 lakh per annum.
4. Installation of energy efficient motor for chilled water pump will result in electrical energy saving of Rs 2.0 lakh per annum
5. Replacement of boiler feed water pump will result in electrical energy saving of Rs 4.0 lakh per annum.

FORM - A

Disclosure of particulars with respect to conservation of energy

A	POWER AND FUEL CONSUMPTION				2009-10	2008-09
	1.	ELECTRICITY (FOR MANUFACTURING)				
		(a)	**Purchased**			
			Unit	MWH	25699.32	24058.88
			Total amount	Rs.Lakhs	1380.04	1147.00
			Rate/Unit (average)	Rs./KWH	5.37	4.77
		(b)	**Own Generation**			
			(Through Diesel Generator)			
			Unit	MWH	6	344
			Unit/MT of Diesel Oil	MWH	3.85	4.18
			Fuel Cost/Unit	Rs./KWH	11.58	10.53
			Through Steam/Turbine Generator		NIL	NIL
	2.	COAL				
		Quantity		MT	16033.13	5867.27
		Total Cost		Rs.Lakhs	607.66	279.72
		Average rate		Rs/MT	3790	4767
	3.	FURNACE OIL				
		Quantity		MT	3820.83	2825.34
		Total Cost		Rs.Lakhs	918.73	658.92
		Average rate		Rs/MT	24045	23322
	4.	OTHER / INTERNAL GENERATION				
		(a)	**Low Sulphur Heavy Stock (LSHS)**			
			Quantity	MT	3828.34	8282.93
			Total Cost	Rs.Lakhs	909.39	2503.71
			Average Rate	Rs/MT	23754	30227
		(b)	**Internally Generated Fuel**			
			Quantity	TNEF	NIL	NIL
B	CONSUMPTION PER UNIT OF PRODUCTION					
	Electricity			MWH/MT	0.82	0.82
	Fuel/LSHS			MT/MT	0.12	0.28
	Furnace Oil			MT/MT	0.12	0.10
	Coal			MT/MT	0.51	0.20

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

i) Continuous process improvement in all the existing product range to achieve reduced raw material consumptions, improved quality, capacity enhancement at lowest capital expenditure to be competitive in national and international markets.

ii) Development of new processes/ products to meet the current and perceived demand of the customers arising out of environmental friendly products.

iii) Pollution abatement by converting waste streams into value added products.

iv) Commercialization of the development work by translating the R&D work into Technology.

2. Benefits derived as a result of R&D

a) Higher annual production in the same set of hardware with minor changes

b) Improved quality, raw material consumption and lower energy cost.

c) Reduction in consumption of natural resources

3. Future plans

- Development of new products as per the emerging international environmental standards.
- Continuous improvements in the existing product range in terms of capacity, quality and yields.
- Development of new technologies to create a long term sustainable business advantage.

4. Expenditure on R & D (Rs. in Lakhs)

	2009-10	2008-09
Capital	81.26	74.26
Recurring	248.48	203.14
Total	329.74	278.10
Total R&D expenditure as % to total turnover	0.72	0.56

B. TECHNOLOGY ABSORPTION

1. Efforts in brief made towards technology absorption and innovation

i) Development of new technology in laboratory and translating it into pilot plant to built commercial plant.

ii) Laboratory trials to fine tune the existing processes and translating them into plants to achieve better yield and quality.

iii) Development green technology and products to meet the future demand of national and international rubber industry.

2. Benefits derived as a result of above efforts

a) Reduction in raw material consumption per ton production

b) Reduction in specific energy consumption

c) Approval of new products in Rubber industry.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

a) Activities relating to export, initiatives taken to increase exports, development of new export market and services, and export plans:

Please refer to the para on Exports in the main report.

b) Total foreign exchange used and earned:

Foreign Exchange used	Rs. in crores
i) Raw materials, stores and spare parts, Capital goods and other products	121.19
ii) Expenditure in foreign currency	1.68
Foreign Exchange Earned	
Export of goods on FOB basis, Commission and Service Charges.	183.44

For and on behalf of the Board of Directors

Mumbai
Dated : 25 May 2010

Hrishikesh A. Mafatlal
Chairman

Report on Corporate Governance

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 embodied in the provisions of Clause 49 of the Listing Agreement. The Company has also adopted the Code of Conduct for the Directors and senior management personnel. The Company also has a Code for Prevention of Insider Trading for the Directors and the designated employees of the Company.

1. Policies and procedures

The Company's well-structured systems and procedures for conducting day-to-day functioning of various departments comprise the following:

i. The Company has adopted its accounting policies in line with the Accounting Standards and such other relevant guidelines as are prescribed by the Institute of Chartered Accountants of India.

ii. The Company possesses a well documented framework on risk management, which is subjected to a quarterly review by the concerned departments and a report on the status of the various risks identified in the framework is placed before the Board Meeting.

iii. The Personnel Policy Manual prescribes the policy on recruitment, perquisites, allowances, and benefits due to each employee of the Company.

iv. The Contract Policy formulates the procedure for placement of contracts by the various departments and contains standard terms and conditions for placement of orders on contractors.

v. The Company has issued Authority Sheets to the senior management to help them supervise the financial matters and exercise control over the expenditure incurred in its day-to-day operations.

vi. The Company places high priority on health and safety of its employees and of other persons working in its plants and gives due regard to the conservation of the environment and has declared a well defined policy on health, safety and environmental conservation.

vii. The Company follows a stringent quality policy to maintain product quality in line with the requirements of its internal and external customers.

2. Board of Directors

The Board has a Non-Executive Chairman and the number of Independent Directors is more than half of the total strength of Directors. The composition of the Board is in conformity with Clause 49 of the Listing Agreement.

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. H.A.Mafatlal, Chairman and Mr.Vishad P.Mafatlal, Director belong to the promoter group and are related to each other.

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

All Directors are professional with respective expertise and experience in General Corporate Management Practice, Finance and Legal field. Mr.C.R.Gupte, Managing Director and Mr.V.R.Gupte, Director are related to each other. None of the Directors are related to each other, other than as stated above.

The broad composition of the Board and details of attendance of each Director at the Board Meetings, Committee Meetings and at the last Annual General Meeting are as under:

Sr. No.	Name of Director	Category of Director	No.of Board meetings attended	No. of Audit Committee meetings attended	Remuneration Committee	Attendance at last AGM held on 29th July, 2009
1.	Hrishikesh A. Mafatlal @	Chairman –Non-Executive Promoter Group Director	6	-	-	Yes
2.	Vishad P. Mafatlal @	Non-Executive Promoter Group Director	6	-	-	Yes
3.	Rohit Arora + $	Non-Executive Independent Director	3	1	-	Yes
4.	Berjis Desai @	Non-Executive Independent Director	2	-	-	Yes
5.	V.R. Gupte+	Non-Executive Director	5	3	-	Yes
6.	N. Sankar + $	Non-Executive Independent Director	4	3	1	Yes
7.	C.L.Jain +	Non-Executive Independent Director	6	4	-	Yes
8.	D. N. Mungale + $	Non-Executive Independent Director	6	4	1	Yes
9.	C.R. Gupte @	Managing Director.	6	-	-	Yes

+ Members of Audit Committee
@ Members of Investors' Grievance Committee
$ Members of Remuneration Committee.

The Company has clearly defined the role, 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 six meetings of the Board were held in Mumbai on the following dates:
9 June, 2009, 29 July, 2009, 30 October, 2009, 16 December, 2009, 27 January, 2010 and 17 March, 2010
The maximum gap between two Board Meetings held during the year was not more than 4 (four) months.
The Forty Seventh Annual General Meeting was held on 29 July 2009.
The number of Directorships and Committee memberships held by each Director in public limited companies (including NOCIL and excluding private and foreign companies) and number of Committees, if any, of which each of them is a Chairman, are given in the following statement:

Sr. No.	Name of the Director	Number of Directorships	Number of Board Committee membership#
1.	Hrishikesh A. Mafatlal	8(5)	3(1)
2.	Rohit Arora	5	2(1)
3.	Berjis Desai	9	10(3)
4.	V.R. Gupte	2	2
5	C. L. Jain	7	6(1)
6	Vishad P. Mafatlal	5	1
7	D. N. Mungale	9	9(4)
8.	N. Sankar	4(2)	2(1)
9.	C.R. Gupte	3	1

#Membership/Chairmanship of Audit Committee and Shareholders'/Investors' Grievance Committee is considered.
(Figures in bracket indicate number of Chairmanships held by the Director)

Pursuant to requirements of Clause 49 of Listing Agreement, none of the Company's Directors is a member of more than 10 committees or Chairman of more than 5 committees across all companies in which he is a Director.

3. Audit Committee

The Audit Committee has been setup for reviewing the internal audit reports and the financial statements at periodic intervals. The Audit Committee comprises following five members having strong accounting and financial management background. Except Mr. V.R.Gupte, all are independent directors.

Mr. N. Sankar, Chairman

Mr. Rohit Arora

Mr. V.R. Gupte

Mr. C.L. Jain

Mr. D.N. Mungale

Role of Audit Committee

The terms of reference of the Audit Committee are in accordance with Clause 49 of the Listing Agreement, entered into with stock exchanges of India and comprise the following important points:

i) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

ii) Recommending to the Board, the appointment, re-appointment and if required, replacement and removal of the Statutory Auditors and fixation of the audit fees.

iii) Approval of payment to Statutory Auditors for any other services rendered by them.

iv) Reviewing the annual financial statements with the management before submission to the Board for approval, with particular reference to :

   a) Matters required to be included in the Director's Responsibility Statement as a part of the Board's report in terms of Section 217 (2AA) of the Companies Act, 1956.

   b) Changes if any, in the accounting policies and practices and reasons for the same.

   c) Major accounting entries involving estimates based on the exercise of judgment by the management.

   d) Significant adjustments to be made in the financial statements arising out of the audit findings.

   e) Compliance with listing and other legal requirements relating to financial statements.

   f) Disclosure of any related party transactions.

   g) Qualifications in the draft audit report.

v) Reviewing with the management, the quarterly financial statements before submission to the Board for approval.

vi) Reviewing the performance of statutory and internal auditors and adequacy of internal control systems with the management.

vii) Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.

viii) Discussion with internal auditors, any significant findings and follow-up thereon.

ix) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud, irregularity or failure of internal control systems of a material nature and reporting the matters to the Board.

x) Discussions with the Statutory Auditors before audit commences about the nature and scope of audit as well as post audit discussions to ascertain any area of concern.

xi) Investigations into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

xii) Carrying out any other function mentioned in the terms of reference of the Audit Committee.

During the year four meetings of the Audit Committee were held in Mumbai, which are as follows:

Dates of Audit Committee meetings	Number of committee members present
9 June 2009	3
29 July 2009	5
30 October 2009	3
27 January 2010	4

The Board of Directors has appointed M/s. Borkar & Muzumdar, Chartered Accountants as Internal Auditors to conduct the internal audit of the various 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 Listing Agreement of the stock exchanges.

4. Share Transfer Committee

The members of the Share Transfer Committee are Mr. Berjis Desai, Chairman, Mr. Hrishikesh A. Mafatlal, Mr. Vishad P. Mafatlal and Mr. C.R. Gupte. The Committee approves cases such as the transfer of shares in physical form, issue of duplicate share certificates and requests regarding transmission of shares received from the heirs of the deceased shareholders etc. The Committee meets at least twice a month to approve the transfer requests received from the investors during the previous week to ensure prompt delivery of securities to the shareholders. The share department verifies the signature of the transferor on the transfer deed with the specimen signature registered with the Company and recommends the transfer of shares to the Committee.

5. Investors' Grievance Committee

The present members of the Committee comprises Mr. Berjis Desai, Chairman, Mr. Hrishikesh A. Mafatlal, Mr. Vishad P. Mafatlal and Mr. C.R. Gupte. The committee meets once in every month and reviews the complaints received by the Company from its investors and the action taken by the management to sort out these complaints.

The Company received 12 complaints from shareholders in 2009-10 and all the complaints were resolved to the satisfaction of the investors.

As on 31 March 2010, there were 5 transfers and 5 Demat cases pending. These demat and transfers were processed and approved on 15th April 2010. Most of the complaints were routine in nature i.e Non-receipt of Share Certificates after transfer, Issue of Duplicate Share Certificate and Transmission of shares etc.

6. Remuneration Committee

The Remuneration Committee was reconstituted by inducting Mr. D.N.Mungale on 3rd June, 2009. The present members of the Remuneration Committee comprises Mr. Rohit Arora, Chairman, Mr. N. Sankar and Mr. D.N.Mungale. The Remuneration Policy of the Company is reviewed by the Committee members on the basis of its performance from time to time in line with market trends to attract the right talent. During the year one meeting of the Remuneration Committee was held on 9 June 2009 and during the meeting the Committee approved Re-appointment of and revision in remuneration to the Managing Director, Determination of Performance Bonus to the Managing Director, Remuneration to the Senior Management Personnel and grant of Employee Stock Options to Designated Employees. The said Meeting was attended by two members of Remuneration Committee .

7. Remuneration to Directors

(Rupees in Lakhs)

Name of the Director	Salary and allowances	Per-quisites	Contribution to Funds	Total
Mr. C. R. Gupte Managing Director	116.50	18.99	25.83	161.32

The remuneration committee in their meeting held on 9 June. 2009 granted 210000 Stock Options under Employees Stock Options Scheme to the Managing Director.

The appointment of the Managing Director is for a period of five years from 1 August 2005 and may be terminated by either party giving six months notice in writing or the Company paying six months salary in lieu thereof. The members of the Company have already approved the re-appointment of Mr. C.R.Gupte as Managing Director for a further period of five years w.e.f. 1st August, 2010 and revision in remuneration w.e.f. 1st April, 2009, at the previous Annual General Meeting held on 29th July, 2009.

Commission / Sitting Fees to Non-Executive Directors for the financial year 2009-10

(Rs. In Lakhs)

Commission	Sitting Fees
28.00	5.50

8. Means of communication

The Board takes on record the unaudited quarterly financial results in the format prescribed by Clause 41 of the Listing Agreement with the stock exchanges within prescribed time limit from the closure of the quarter and announces the results to all the stock exchanges where the shares of the Company are listed. The quarterly unaudited financial results are also published 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 then 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.natocil.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 Listing Agreement the Company has created a separate e-mail address viz. investorcare@nocilindia.com to receive complaints and grievances of the investors.

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

10. Compliance Officer

Mr. V.K. Gupte, General Manager-Legal and Company Secretary is the Compliance Officer of the Company.

11. General meetings

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

Financial year	Date	Location	Time
2006 - 2007	27 August 2007	Patkar Hall, Mumbai	4.00 p.m.
2007 - 2008	22 July 2008	Patkar Hall, Mumbai	4.00 p.m..
2008 - 2009	29 July 2009	Patkar Hall, Mumbai	4.00 p.m.

The numbers and particulars of special resolutions, which were passed in the last three Annual General Meetings, are as follows:

Date of Annual General Meeting	Nos. and particulars of special resolutions
27 August 2007	1. Change of Name of the Company from 'National Organic Chemical Industries Ltd'. to 'NOCIL Ltd.' 2. Approval for introduction of Employees Stock Option Scheme.
22 July 2008	Nil
29 July, 2009	1. Payment of revised remuneration to Mr. C.R.Gupte, Managing Director. 2. Payment of Commission to Non-Executive Directors. 3. Modification in Employees Stock Option Scheme-2007 4. Keeping the Register of Members, Index of Members and other related books at the new premises of the Company's Registrar and Transfer Agents viz. Sharepro Services (India) Pvt. Ltd.

No special resolutions were passed through postal ballot at the last Annual General Meeting nor any proposal at the ensuing Annual General Meeting.

12. Disclosures

A. Disclosure on materially significant related party transactions i.e. transactions of the Company of material nature with its Promoters, Directors or the management, their subsidiaries or relatives etc. who may have potential conflict with the interests 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 Listing Agreement have been complied with by the Company.

Except constitution of Remuneration Committee the Company has not adopted other non-mandatory requirements as specified in Annexure I D of the clause 49.

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

In compliance with SEBI's regulation on prohibition and prevention of Insider Trading, 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 share 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.

14. General shareholders' information

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

ii) Annual General Meeting

Date and time : 30 July 2010 at 4.00 p.m.

Venue : Rama Watumull Auditorium, K. C. College, Dinshaw Wacha Road, Churchgate, Mumbai-400 020

iii) Financial Year of the Company

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

Financial reporting for FY 2010-11 (Indicative) :

Quarter ending on June 2010 : 30 July 2010

Half year ending on September, 2010 : end of October 2010

Quarter ending on December, 2010 : end of January 2011

Year ending on March, 2011 : May 2011

Annual General Meeting (2010-11) : July/August 2011

iv) Date of book closure

Monday, 19 July 2010 to Friday, 30 July 2010 (both days inclusive)

v) Dividend Payment Date

On or after 5 August 2010 (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. up to financial year 2010-11.

vii) Demat information

The shares of the Company were brought under compulsory demat mode with effect from 29 May 1999. As on 31 March 2010 about 96.34% shareholding representing 154895956 shares of the Company has been converted into demat form. The Company has executed agreements with both NSDL and CDSL for demat of its shares.

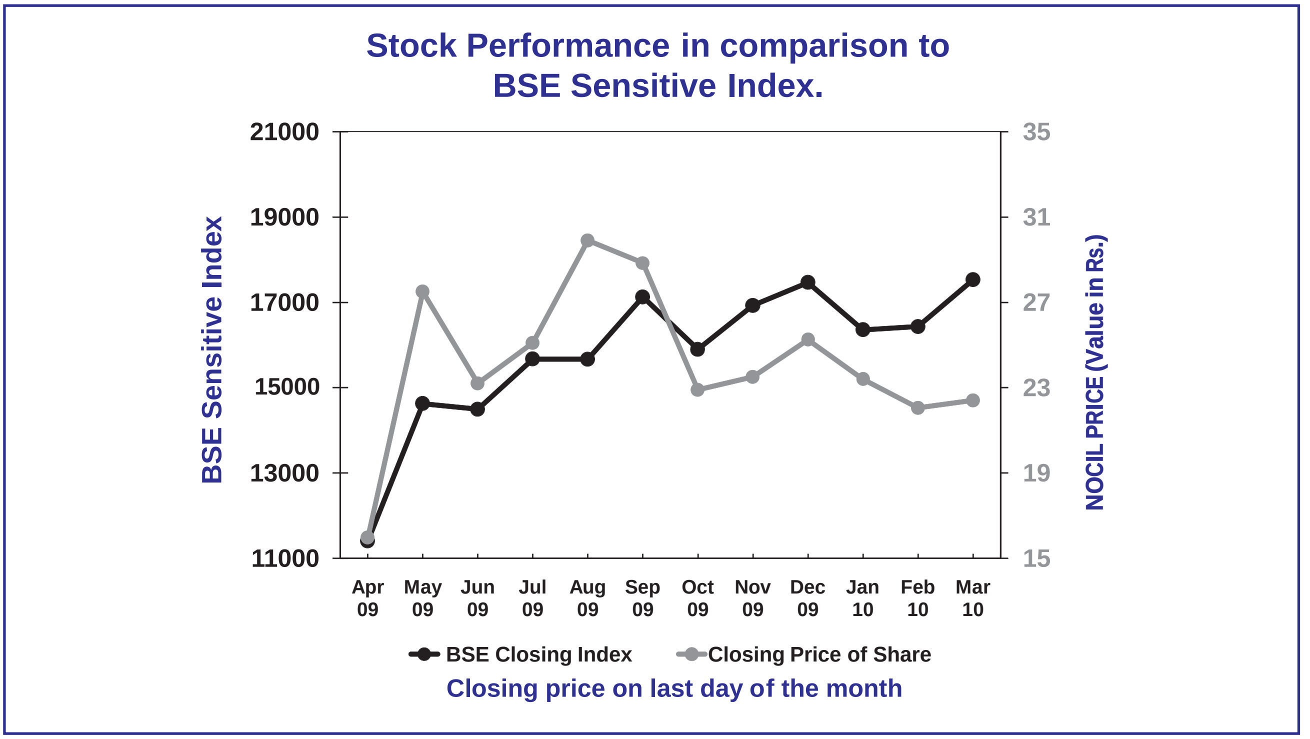
ISIN numbers in NSDL and CDSL for equity shares	:	INE163A01018

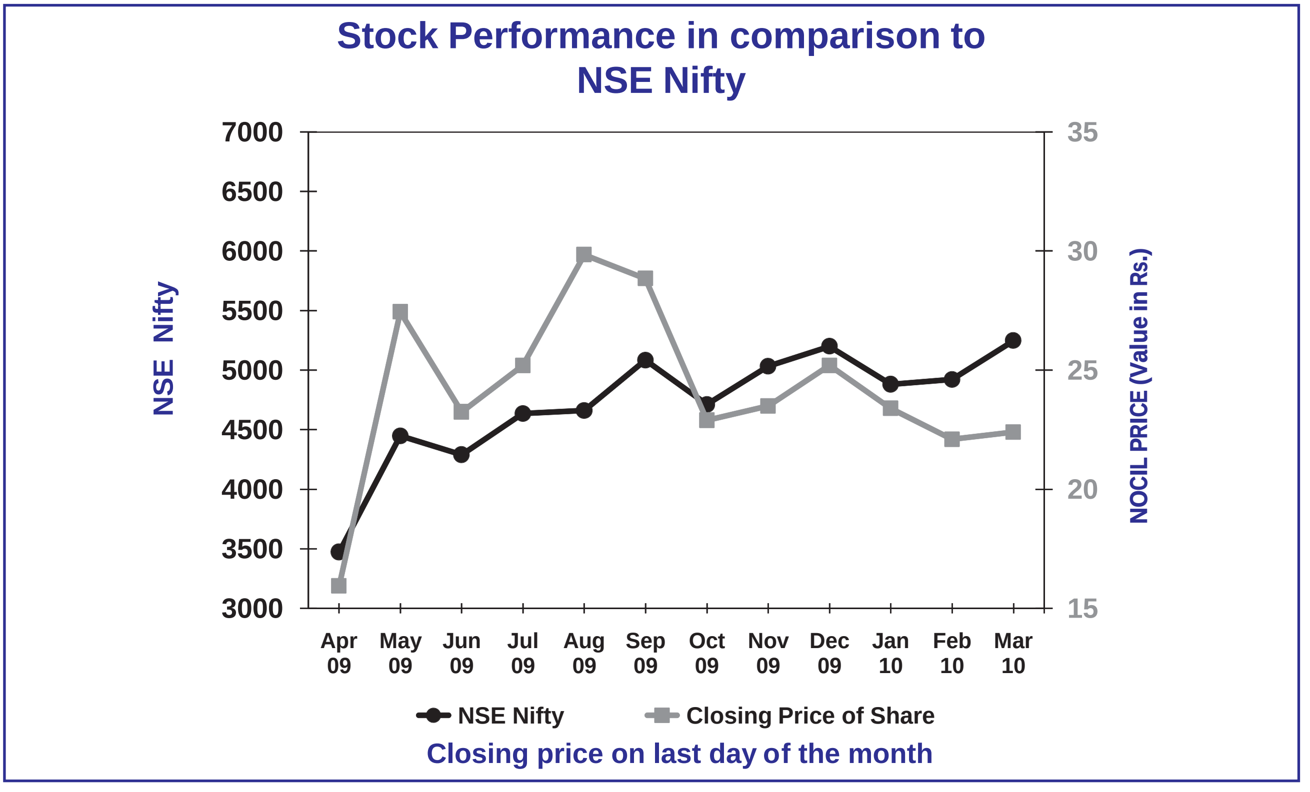
viii) Stock market data

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

Bombay Stock Exchange Ltd.			National Stock Exchange Ltd.		
Month	High	Low	Month	High	Low
April, 2009	19.20	11.36	April, 2009	19.25	11.40
May, 2009	30.45	16.00	May, 2009	30.55	15.95
June, 2009	29.75	21.60	June, 2009	29.50	21.35
July, 2009	27.40	18.75	July, 2009	29.20	18.15
August, 2009	32.70	23.30	August, 2009	32.70	23.35
September, 2009	31.20	27.20	September, 2009	31.20	27.10
October, 2009	29.65	22.65	October, 2009	29.60	22.65
November, 2009	27.25	21.25	November, 2009	27.30	21.15
December, 2009	26.20	23.50	December, 2009	26.15	23.50
January, 2010	28.60	22.50	January, 2010	28.65	22.40
February, 2010	24.85	21.60	February, 2010	24.90	21.85
March, 2010	24.00	21.00	March, 2010	23.70	21.00

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





ix) Registrar and transfer agents :

M/s Sharepro Services (India) Pvt. Ltd. act as Registrar and Transfer Agents for the Company. M/s. Sharepro Services has a dedicated management team comprising professionally qualified managers, headed by Mr. G.R. Rao who is a qualified Company Secretary possessing 28 years experience in handling the share transfer work. The organization has a proven track record and is committed to maintain quality of service of the highest standards. Sharepro Services has demonstrated high volume handling capacity with a commendable flexibility to quickly upgrade the capacity at a short notice.

x) Distribution of shareholding as on 31 March 2010

No. of Equity shares held	No. of shareholders	% of shareholders	No. of shares held	% of shareholding
Up to 500	123288	81.36	22689206	14.11
501 to 1000	15640	10.32	13403019	8.34
1001 to 2000	6656	4.39	10604035	6.59
2001 to 3000	2121	1.40	5558053	3.46
3001 to 4000	909	0.60	3348402	2.08
4001 to 5000	944	0.62	4581538	2.85
5001 to 10000	1144	0.76	8714792	5.42
10001 and above	839	0.55	91887935	57.15
Total	**151541**	**100**	**160786980**	**100.00**

xi) Sharehoding pattern as on 31 March 2010

	Category	No. of shares held	% of shareholding
1	Indian Promoters	52778779	32.82
2	Mutual funds	10970	0.01
3	Banks, financial institutions, insurance companies, etc.	10107618	6.29
4	NRI / OCBs / FIIs	2877970	1.79
5	Private corporate bodies	16807839	10.45
6	Indian public	78203804	48.64
	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) Plant location : C-37, Trans Thane Creek Industrial Area
Off Thane Belapur Road,
Navi Mumbai - 400 705.
Telephone Number : 022 - 27672735

22. Address for Investor correspondence

For any assistance regarding dematerialization of shares, share transfers, transmissions, change of address, non-receipt of dividend, interest and any other query relating to the shares of the Company, please write to:

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

Investors' Relation Centre
912, Raheja Centre, 9th floor,
Free Press Journal Road,
Nariman Point,
Mumbai – 400 021.

Telephone No. : 022-66134700
Fax No. : 022-22825484

ANNEXURE TO CORPORATE GOVERNANCE REPORT

Declaration regarding affirmation of Code of Conduct

In terms of the requirements of amended clause 49 of the Listing Agreement, 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 2010.

Mumbai
Dated : 25 May 2010

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 2010 as stipulated in Clause 49 of the listing agreement of the Company with the stock exchanges in India.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion, and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreement.
4. 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**
Chartered Accountants
(Registration No. 117366W)

P. B. Pardiwalla
Partner
(Membership No. 40005)

Mumbai
Dated: 25 May 2010

MANAGEMENT DISCUSSION AND ANALYSIS

Economic Review

The meltdown in the global economy affected the Indian industry quite severely in the second half of financial year 2008-09. However, the Government of India acted positively by providing fiscal and monetary packages to help revive the economy. Moreover, with the results of national elections providing a stable Government at the Centre, positive sentiments and confidence returned to the Indian markets.

The Indian economy and more particularly the Automotive and related segments recovered much faster than most of the counterparts across the world. It is surely heartening to note that India's Index of Industrial Production showed a growth of 10.4% for the year as a whole indicating that the growth has regained its momentum.

The automotive OEM industry and the Tyre and Auto component industry saw very strong demand growth over the previous year because of a combination of factors. Due to incentives in the form of Excise Duty reduction and the effect of severely depleted inventories from earlier quarter's higher demand, a quick reinstatement of normal production levels were restored.

The global economy too has started showing signs of revival after facing unparalleled pressure by way of economic crises. As a consequence of this, we witnessed, particularly in the 2nd half of the financial year, a steep rise in the prices of all major commodities such as oil, steel, cement etc. Most of our Raw Materials and other input prices also witnessed substantial increases.

Rubber Chemicals Industry

In line with the global recession, the automobile and other related industries such as the tyre, rubber auto-components etc. suffered major setback. Consequently, the rubber chemicals industry also experienced stiff challenges by way of major demand shrinkage across all segments and geographies, more particularly from the International Tyre Companies. Fortunately, the domestic demand for Rubber Chemicals started picking up from the beginning of the Financial Year itself. The pick up on the exports front however was much slower and volumes started improving from the 2nd half of the year. Your Company, through its wide range of products and well diversified customer base, managed to post healthy margins by better management of input costs and by inventory optimisation of production in line with fast-changing demand patterns.

Industry structure and developments

Your Company is engaged in the manufacture and sale of rubber chemicals and has its manufacturing facilities in the Trans Thane Creek Industrial area at Navi Mumbai, Maharashtra. In addition, the company has dedicated ancillary manufacturing facilities in the GIDC industrial area at Vapi, Gujarat, and also has its wholly-owned subsidiary PIL Chemicals Private Limited. The Company's regional sales offices are located in Mumbai, Delhi, Chennai and Kolkata.

The products manufactured by the Company are used by the tyre industry and all other segments of the rubber-processing industry. These chemicals not only accelerate the vulcanisation of rubber, but also extend the life of rubber products.

The Company is constantly working towards achieving further improvements in the technological and operational efficiency of the existing products in their application. It also strives to develop new products to increase its participation in the market and enlarge its product range. The company is also, through its strong Research initiatives, engaged in developing new products which would meet the environmental challenges of future.

Opportunities and threats

The Company as mentioned earlier, is continuing its progress on the development of new products and technologies and is working closely with select tyre majors towards these objectives.

The expansion project at Dahej will create a long term commercial and technological advantage for our business. To expedite the project activity and to avail of the benefits of lower cost of production, through more efficient processes and practices, all efforts are being made by the Management Team. Successful implementation of the project will make the company an even more important player in the market as a cost-competitive and quality manufacturer.

The presence of multiple input sources around Dahej in additional to the logistical advantage will also enable the Company to mitigate the risk arising out of single-source dependence for certain raw materials. This project will give excellent opportunities to the Company to improve its operating margins for the new products developed through advanced in-house technology. The project is estimated to cost about Rs.250 crores and will be commissioned by second half of the year 2011-12.

The positive growth witnessed by the Indian Automobile sector from the beginning of the year, together with the recommendation for anti dumping duty on Chinese radial truck tires, will improve the Company's ability to increase its share in the domestic market with sustainable margins.

Further consolidation of company's position in the international market will also help in this direction.

On the other hand, the aggressive Export incentive policies of the Chinese Government, the artificially undervalued Chinese currency and the continued dumping of unrealistically priced Rubber Chemicals from China and other countries in view of shrunken global demand, continues to remain a matter of concern.

The strengthening of the Rupee vis-à-vis the US dollar will have the effect of depressing Export revenues, at the same time making imports of Rubber Chemicals into the country more attractive.

Product-wise performance

Despite an improvement of 8% in the overall sales volumes for the year compared to the previous year, the sales for the year at Rs.460 crores declined by nearly 8% compared to the previous year. This was largely due to decline in the selling prices of our products caused by the shrinkage of the global demand by nearly 5%.

Our Domestic Sales grew by about 25% in volume terms and by about 10% in value terms. On the other hand, in tune with the international trend, our exports declined by about 8% in volume terms and by nearly 20% in value terms compared to the previous years.

Due to the antidumping duties levied on some of the rubber chemicals imports, your company experienced a more level playing field in the Domestic market. A very low level of Anti Dumping duty on the import of an important anti-oxidant from one particular country, however, remains a threat. This is further aggravated by the renewed dumping resorted to by your company's overseas competitors due to the compressed global demand of rubber chemicals caused by the global slowdown.

In general, the market for the company's products will improve once the global economy stabilises.

Business outlook

Although the export market has shrunk considerably due to global economic slowdown, the domestic tyre market has improved considerably. The Company is hopeful that given the improved domestic market, it would be in a better position to strengthen its domestic business presence. The company is also making concerted efforts to enter newer markets internationally which were hitherto untapped or under-tapped. This will boost the export volume significantly in the coming years. Recent trend in firming up of Chinese export prices (though still quite low) should help us to improve our prices in the following year.

Risks and concerns

The Company's risk management system identified various risks, collated at the departmental level and planned suitable mitigation measures. These are subjected to a quarterly review by a Risk Co-ordination Committee and the Audit Committee of the Board.

The Domestic Market for Rubber Chemicals has shown a double digit growth in volume terms on the back of boom in the Automobile industry. The export market, especially US and Europe, too has shown some recovery, though a segment like truck and bus tire continues to remain weak. Rubber chemical imports from China, Korea and some European countries continue to impact our domestic pricing and are a matter of concern, particularly as they are priced at unrealistically low levels.

Consequent to increase in Crude Oil prices from US $ 35/barrel to about US $ 80//barrel, prices of key inputs required for manufacture of Rubber Chemicals have started rising and this has become a major concern. The Company has been taking all the necessary steps and also entering into long term contracts with its vendors, thereby ensuring the minimum impact of price rise.

The Company has tried adjusting its selling prices to recover some of the input cost movements within limitations of the competitive scenario. Volatility in Rupee value also is a concern as it affects the realisation of exports proceeds, parity levels of domestic pricing and cost of inputs (both domestic and imported).

Financial performance – operational performance

Summary of financial performance of the Company is presented below :

(Rs. In crore)

Particulars	F.Y. 2009-10	F.Y.2008-09
Net Sales	435.99	465.38
Other Income	10.09	14.42
Total Income	446.08	479.80
Earnings Before Interest, Depreciation and Tax	57.91	65.74
Profit Before Tax	50.13	54.15
Profit after Tax	34.03	36.16

During the year under review, the Company achieved a profit before tax of Rs. 50.13 crore as compared to Rs. 54.15 crore in 2008-09. The Sales Volumes increased by 8% primarily due to improvement in the Domestic Market. The Production Volumes (including Intermediates captively consumed) increased by more than 9% as compared to the previous year. Due to improved liquidity conditions, the Company could manage to repay all its secured loans borrowed for normal day to day working capital requirements in the first quarter of the year itself. The Sole Unsecured Loan borrowed from SICOM has been repaid in the month of May 2010. The interest cost as a result was minimal. The comfortable liquidity conditions will enable the company to contribute to about 40% in the first phase of Dahej Project. The rupee appreciation did affect the profitability of the company being a net exporter. With a healthy financial ratio, we are hopeful that the funds required from the Banking System will be tied up at the best possible terms.

Strengthening of the rupee vis-à-vis the US Dollar has put a pressure on the export realisation of the Company; however, we have mitigated this by settling all import payments out of export earnings and covering short term export receivables when rupee depreciated.

Funds availability and their cost was an issue for the first half of the year under review. The subsequent corrective measures taken by the Reserve Bank of India have ensured availability of funds in the Banking system at a reasonable cost.

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 an independent consultant for conducting internal audit for reporting to the management and the Audit Committee of the Board, the adequacy and compliance with the internal controls and the efficiency and effectiveness of operations.

The Audit Committee of the Board of Directors regularly reviews the findings of the internal auditors, adequacy of internal 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.

8. Material developments in human resources

In the current economic slowdown, the focus during the year was to support the initiatives for cost control, creating capabilities in the workforce and ensuring organisational confidence and employee motivation that would enable the company to face current challenges and seize future opportunities.

Regular and detailed performance appraisal system is in place to evaluate the performance of all the employees and the necessary steps are taken to strengthen the areas which need improvements. The company undertakes regular training programmes on Safety Awareness, Fire Fighting and First Aid and also organises medical check up for the employees.

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

The Company is in compliance with all regulations pertaining to Safety. The Company continues to have an excellent track record in the area of Safety. The main objective is to achieve zero accident/incident and safe working environment.

The Company had 206 management employees, including trainees, and 215 non-management employees across its locations towards the close of the financial year under review. Industrial relations remained cordial during the year.

9. 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 could differ from those express 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, changes in Government regulations, tax regimes, economic developments within India and the countries in which business is conducted, and other incidental factors.

Auditors' Report

to the Members of NOCIL Limited

1. We have audited the attached Balance Sheet of NOCIL Limited ("the Company") as at 31 March 2010, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows :

   (a) we have 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 appears from our examination of those books;

   (c) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;

   (d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in sub - section (3C) of section 211 of the Companies Act, 1956.

   (e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

      (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2010;

      (ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and

      (iii) in the case of the Cash Flow statement, of the cash flows for the year ended on that date.

5. On the basis of the written representations received from the directors as on 31 March 2010 and taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Registration No. 117366W)

P. B. Pardiwalla
Partner
Membership No. 40005

Place: Mumbai
Date: 25 May 2010

Annexure to the Auditors' Report

(Referred to in paragraph 3 of our report of even date)

1. Having regard to the nature of the Company's business/ activities/result, clauses (i-c), (iii), (viii), (x), (xiii), (xiv), (xv), (xviii) and (xx) of CARO are not applicable to the Company.

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

3. In respect of its inventories:

   a) 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 have been received.

   b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.

   c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit we have not observed any major weaknesses in such internal controls.

5. In respect of contracts or arrangements entered in the register maintained in pursuance of section 301 of the Companies Act, 1956 and according to the information and explanations given to us:

   a) The particulars of the contracts or arrangements referred to in section 301 that needed to be entered into the register, maintained under the said section have been so entered.

   b) Where each of such transaction is in excess of Rs 5 lacs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.

6. According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 58A & 58AA or any other relevant provisions of the Companies Act, 1956.

7. In our opinion, the internal audit function carried out during the year by a firm of Chartered Accountants appointed by the Mangement has been commensurate with the size of the Company and the nature of its business.

8. According to the information and explanations given to us in respect of its statutory dues:

   a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Income-tax, Wealth-tax, Sales-tax, Service tax, Custom duty, Excise duty, Cess, Investor Education and Protection Fund and any other material statutory dues applicable to it with the appropriate authorities.

   b) There were no undisputed amounts payable in respect of Income-tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2010 for a period of more than six months from the date they became payable.

c) Details of dues of Income Tax, Sales Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on 31 March 2010 on account of disputes are given below :

(Rupees in Lakhs)

Name of Statute	Nature of the dues	Amount	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	668.99	1986 - 1988, 1990 – 1991, 1992 – 1993	Income Tax Appellate Tribunal
Central Sales Tax Act, 1956 and various State Sales Tax Acts	Sales Tax	127.40	Various	Sales Tax Officer
		96.14	Various	Assistant Commissioner
		167.79	Various	Deputy Commissioner
		9.82	2003 - 2004	Joint Commissioner
		403.84	Various	Appelate Tribunal
		2.45	1990 – 1991	High Court
The Custom Act,1962	Custom Duty	1.64	2004 – 2005	Commissioner (Appeal)
		718.77	1998 to 2000 & 2004	CESTAT
The Central Excise Act,1944	Excise Duty	23.93	1991 – 2000, 2004-2005	Commissioner (Appeal)
		62.34	1994 - 1996	Additional Commisioner
		8.30	1995 – 1998	Deputy Commissioner
		22.88	1991 – 1992 & 1997	CEGAT

9. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions and banks.

10. In our opinion the Company has maintained adequate documents and records in respect of loan granted in earlier years on the basis of security by way of pledge of shares.

11. To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion, term loans availed in earlier year by the Company were, prima facie, applied by the Company during the year for the purposes for which the loans were obtained.

12. According to the information and explanations given to us, and on an overall examination of the balance sheet of the Company, funds raised on short term basis have, prima facie, not been used during the year for long term investment.

13. To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud on or by the Company was noticed or reported during the year.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Registration No. 117366W)

P. B. Pardiwalla
Partner
Membership No. 40005

Place: Mumbai
Date: 25 May 2010

BALANCE SHEET AS AT 31 MARCH 2010

(Rupees in Lakhs)

As at			Schedule	31 March 2010	31 March 2009
SOURCES OF FUNDS					
Shareholders' Funds:					
1.	(a)	Capital	1	16078.70	16078.70
	(b)	Reserves and surplus	2	12716.62	10442.61
				28795.32	**26521.31**
2.	**Loan Funds:**				
	(a)	Secured loans	3	-	1148.65
	(b)	Unsecured loan	4	1671.07	1999.58
				1671.07	**3148.23**
3.	**Deferred tax liability (net) (Refer note B 8 (b) of schedule 17)**			2167.35	1974.39
TOTAL				**32633.74**	**31643.93**
APPLICATION OF FUNDS					
1.	**Fixed Assets:**				
	(a)	Gross Block	5	15920.48	15544.28
	(b)	Less: Accumulated Depreciation		7986.41	7277.75
	(c)	Net block		7934.07	8266.53
	(d)	Capital work-in-progress		2366.39	2189.77
				10300.46	10456.30
2.	**Investments**		6	2483.13	2483.13
3.	**Current assets, Loans and Advances:**				
	(a)	Inventories	7	8265.47	6939.10
	(b)	Sundry debtors	8	8611.38	8234.22
	(c)	Cash and bank balances	9	5030.96	2581.06
	(d)	Loans and advances	10	7643.66	9289.26
				29551.47	**27043.64**
	Less: Current Liabilities and Provisions:				
	(a)	Liabilities	11	6553.62	5400.68
	(b)	Provisions	12	3147.70	2938.46
				9701.32	**8339.14**
	Net current assets			19850.15	18704.50
TOTAL				**32633.74**	**31643.93**
	Significant Accounting Policies and notes to Financial Statements		17		

As per attached report of even date

for **Deloitte Haskins & Sells**
Chartered Accountants

P. B. Pardiwalla
Partner

Hrishikesh A. Mafatlal
Chairman

C. R. Gupte
Managing Director

V. K. Gupte
Secretary

Rohit Arora
C. L. Jain
D. N. Mungale
V. R. Gupte
Vishad P. Mafatlal
} Directors

Place : Mumbai
Date : 25 May 2010

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2010

(Rupees in Lakhs)

For the year ended	Schedule	31 March 2010	31 March 2009
INCOME			
Sales (Gross)		45986.09	49912.87
Less: Excise duty		2387.45	3375.25
Sales (Net)		43598.64	46537.62
Other income	13	1009.05	1442.50
Increase in stocks of finished products and stock-in-process	14	313.08	165.36
		44920.77	**48145.48**
EXPENDITURE			
Manufacturing and other expenses	15	38932.23	41309.74
Purchase of trading products		198.17	261.26
Depreciation		762.53	1654.13
Less: Transfer from Revaluation Reserve		-	893.05
		762.53	761.08
Interest	16	14.73	398.38
		39907.66	42730.46
Profit before tax		**5013.11**	**5415.02**
Provision for Taxes (Refer note B 8 (a) of schedule 17)		1610.43	1798.87
Profit after tax		**3402.68**	**3616.15**
Profit/(Deficit) brought forward from previous years		2111.69	(375.79)
Proposed Dividend on Equity Shares		964.72	964.72
Corporate tax on dividend		163.95	163.95
Balance carried to balance sheet		**4385.70**	**2111.69**
Earnings per share (Equity shares, par value of Rs. 10/- per share)			
Basic		**2.12**	**2.25**
Diluted		**2.12**	**2.25**
Significant Accounting Policies and notes to Financial Statements	17		

As per attached report of even date

for **Deloitte Haskins & Sells**
Chartered Accountants

P. B. Pardiwalla
Partner

Hrishikesh A. Mafatlal
Chairman

C. R. Gupte
Managing Director

V. K. Gupte
Secretary

Rohit Arora
C. L. Jain
D. N. Mungale
V. R. Gupte
Vishad P. Mafatlal
} Directors

Place : Mumbai
Date : 25 May 2010

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2010

(Rupees in Lakhs)

For the year ended		31 March 2010	31 March 2009
A.	**CASH FLOW FROM OPERATING ACTIVITIES :**		
	Profit before tax	**5013.11**	**5415.02**
	Adjustments for :		
	Depreciation	762.53	761.08
	Provision for doubtful debts and advances	-	2.25
	Obsolete fixed assets written off	38.80	44.85
	Loss on sale of fixed assets (net)	5.85	2.25
	Income from Long Term Investments	(65.38)	(51.41)
	Interest on Deposits, Overdue receivables and others	(262.34)	(147.11)
	Interest expenses	14.73	398.38
	Provision for doubtful debts/advances made in previous years written back	(392.60)	(2.98)
	Profit on sale of Investments	-	(6.45)
		101.59	**1000.86**
	Operating profit before working capital changes	**5114.70**	**6415.88**
	Adjustments for :		
	Decrease in trade and other receivables	756.36	731.30
	(Increase)/Decrease in inventories	(1326.37)	524.19
	Increase /(Decrease) in trade payables	1140.30	(1192.58)
	Increase in provisions	212.83	307.82
		783.12	**370.73**
	Cash generated from operations	5897.82	6786.61
	Taxes paid	(1222.48)	(1340.36)
	Net Cash generated from operating activities	**4675.34**	**5446.25**
B.	**CASH FLOW FROM INVESTING ACTIVITIES :**		
	Purchase of fixed assets including Capital work-in-progress	(660.34)	(2282.53)
	Loans recovered	714.13	663.13
	Sale proceeds of fixed assets	8.06	3.96
	Sale proceeds of investment	-	17.63
	Interest received	262.34	147.11
	Dividend received	65.38	51.41
	Net Cash generated from/(used for) investment activities	**389.57**	**(1399.29)**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2010

(Rupees in Lakhs)

For the year ended	31 March 2010	31 March 2009
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Repayment of loan	(1477.16)	(948.99)
Unclaimed Matured Deposits paid	(8.99)	(5.38)
Interest paid	(14.73)	(398.38)
Dividend paid	(943.18)	(787.86)
Dividend tax paid	(163.95)	(136.63)
Net Cash used in financing activities	**(2608.01)**	**(2277.24)**
Net increase in cash and cash equivalents	2456.90	1769.73
Opening balance of cash and cash equivalents	2574.06	804.33
Closing balance of cash and cash equivalents	5030.96	2574.06
Note:		
Cash and cash equivalent as per balance sheet (Refer Schedule 9)	5030.96	2581.06
Less: Deposit under lien	-	7.00
Cash and cash equivalent as reported above	**5030.96**	**2574.06**

As per attached report of even date

for **Deloitte Haskins & Sells**
Chartered Accountants

P. B. Pardiwalla
Partner

Hrishikesh A. Mafatlal
Chairman

C. R. Gupte
Managing Director

V. K. Gupte
Secretary

Rohit Arora
C. L. Jain
D. N. Mungale
V. R. Gupte
Vishad P. Mafatlal
} Directors

Place : Mumbai
Date : 25 May 2010

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31 MARCH 2010

(Rupees in Lakhs)

As at	31 March 2010	31 March 2009
SCHEDULE 1: SHARE CAPITAL		
Authorised:		
1200000000 Equity shares of Rs. 10 each	120000.00	120000.00
Issued and subscribed:		
160786980 Equity shares of Rs. 10 each, fully paid-up	16078.70	16078.70
Notes: of the above:		

(a) 97302850 shares allotted as fully paid-up by way of bonus shares by capitalisation of General Reserve and Share Premium Account.

(b) 13302850 shares allotted to the shareholders of Polyolefins Industries Limited pursuant to the scheme of amalgamation without payment in cash.

(c) 38181280 shares allotted to erstwhile Secured Lenders without payment in cash in terms of the scheme of arrangement approved by the Bombay High Court.

SCHEDULE 2: RESERVES AND SURPLUS		
1. Capital Reserve:		
Balance at the commencement of the year	15.29	15.29
2. Share Premium Account:		
Balance at the commencement of the year	450.92	450.92
3. Revaluation Reserve:		
Balance at the commencement of the year	-	8462.54
Less: Amount withdrawn and credited to Profit and Loss Account	-	893.05
Less: Reversed to Fixed Assests	-	7569.49
	-	-
4. General Reserve:		
Balance at the commencement of the year	4864.71	4864.71
5. Surplus in Profit and Loss Account	4385.70	2111.69
6. Reserve for Contingency: (Refer note no B 4 of Schedule 17)		
Balance at the commencement of the year	3000.00	3000.00
TOTAL	**12716.62**	**10442.61**

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31 MARCH 2010

(Rupees in Lakhs)

As at	Notes	31 March 2010	31 March 2009
SCHEDULE 3: SECURED LOANS:	Notes		
From banks :			
- Working capital demand loan	1	-	700.00
- Packing credit loan	1	-	448.65
	TOTAL	**-**	**1148.65**

Note :

1. Secured by first pari passu charge on stock and book debts both present and future by way of hypothecation over company's entire current assets including stocks of raw materials, semi finished and finished goods, consumable stores and spares & other movables, book debts, bills, outstanding monies, receivables both present and future.

SCHEDULE 4 : UNSECURED LOANS:			
Term loan from a financial institution (since repaid)		1671.07	1999.58
(Repayable within one year Rs 471.79 lakhs (previous year Rs.328.51 lakhs))	**TOTAL**	1671.07	1999.58

SCHEDULE 5: FIXED ASSETS

	Tangible Assets						Intangible Asset		
PARTICULARS	**Land Leasehold**	**Building**	**Plant and Machinery**	**Office Equipments incl Computers**	**Furniture & Fixtures Equipments**	**Vehicles**	**Patents**	**Total**	**As at 31 March 2009**
Gross Block as at 1 April 2009 (at cost)	16.35	1272.93	12839.78	726.27	516.47	142.27	30.21	**15544.28**	31206.58
Additions	-	24.07	380.50	20.65	3.47	52.98	2.05	**483.72**	1342.62
Disposals / Retirements/Adjustments	-	18.62	49.49	6.62	4.39	28.40	-	**107.52**	17004.92
Gross Block as at 31 March 2010	16.35	1278.38	13170.79	740.30	515.55	166.85	32.26	**15920.48**	15544.28
Accumulated Depreciation as at 1 April 2009	3.24	289.67	6257.89	357.14	324.87	44.68	0.26	**7277.75**	15007.28
Depreciation for the year	0.20	31.41	612.32	58.02	43.79	13.61	3.18	**762.53**	1654.13
Depreciation on Disposal / Retirements / Adj.	-	7.86	22.44	5.13	3.95	14.49	-	**53.87**	9383.66
Accumulated Depreciation as at 31 March 2010	3.44	313.22	6847.77	410.03	364.71	43.80	3.44	**7986.41**	7277.75
Net Block as at 31 March 2010	12.91	965.16	6323.02	330.27	150.84	123.05	28.82	**7934.07**	8266.53
Net Block as at 31 March 2009	13.11	983.26	6581.89	369.13	191.60	97.59	29.95	**8266.53**	
Capital work-in-progress (including capital advance of Rs. 371.32 lakhs (previous year Rs. 467.13 lakhs)).								**2366.39**	2189.77

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31 MARCH 2010

(Rupees in Lakhs)

As at			31 March 2010	31 March 2009
SCHEDULE 6: INVESTMENTS (at cost or valuation)				
Long term investments:				
1.	**In Government Securities:**			
	National Saving Certificates (certificate deposited with Government Department)		0.01	0.01
2.	**In Subsidiary companies:**			
	37500000	Equity shares of Rs. 10 each, fully paid in Ensen Holdings Limited	230.00	230.00
		Less: Provision for diminution in the value of investment	(59.00)	(59.00)
			171.00	171.00
	1225000	Equity shares of Rs. 100 each, fully paid in Urvija Investments Limited	60.00	60.00
	7510000	Equity shares of Rs.10 each fully paid in PIL Chemicals Private Limited	2251.00	2251.00
3.	**Other Investments:**			
	566320	Equity shares of Rs. 10 each, fully paid in Mafatlal Industries Limited Re. 1	-	-
	566340	Equity shares of Rs. 10 each, fully paid in Navin Fluorine International Limited Rs. 200 (see note below)	-	-
	1000	Equity shares of Rs. 10 each, fully paid in HDFC Bank Limited	0.10	0.10
	17101	Equity shares of Rs. 100 each, fully paid in Mafatlal Engineering Industries Limited Re. 1	-	-
	1	Equity share of Rs. 2000 fully paid in Shree Balaji Sahakari Sakhar Karkhana Limited	0.02	0.02
	10000	Equity shares of Rs. 10 each, fully paid in The Bharat Co-Operative Bank Limited	1.00	1.00
TOTAL			**2483.13**	**2483.13**
	(a)	Aggregate of quoted investments		
		Cost / Carrying amount	0.10	0.10
		Market value	2473.53	586.49
	(b)	Aggregate of unquoted investments		
		Cost / Carrying amount	2483.03	2483.03

NOTE:

566320 shares of Navine 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 30 October 2002.

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31 MARCH 2010

(Rupees in Lakhs)

As at	31 March 2010	31 March 2009
SCHEDULE 7: INVENTORIES		
1. Stores and spares	448.59	441.94
2. Stock-in-trade		
(a) Raw materials	3109.24	2240.59
(b) Stock-in-process	1020.24	1090.18
(c) Finished stocks		
Manufactured products	3667.52	3147.53
Trading products	19.88	18.86
	7816.88	**6497.16**
TOTAL	**8265.47**	**6939.10**
Note : Mode of valuation - refer note A 8 of schedule 17		
SCHEDULE 8: SUNDRY DEBTORS		
Sundry debtors		
Outstanding for a period exceeding six months		
- Considered good	0.05	32.10
- Considered doubtful	6.32	206.76
Other debts (including secured debts of Rs 966.26 lakhs (previous year Rs 764.06 lakhs)]	8611.33	8202.12
	8617.70	8440.98
Less: Provision	6.32	206.76
TOTAL	**8611.38**	**8234.22**
NOTE:		
(a) Considered good	8611.38	8234.22
(b) Considered doubtful	6.32	206.76
	8617.70	**8440.98**
SCHEDULE 9: CASH AND BANK BALANCES		
1. Cash on hand (including cheques on hand Rs. 2.24 lakhs) (previous year Rs. 19.57 lakhs)]	7.11	24.14
2. Bank balances :		
With Scheduled Banks:		
In current accounts	1111.73	1549.92
In deposit account	3912.12	1007.00
(Deposit includes Rs. NIL (previous year Rs. 7.00 lakhs) on which Bank has lien)		
	5023.85	2556.92
TOTAL	**5030.96**	**2581.06**

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31 MARCH 2010

(Rupees in Lakhs)

As at	31 March 2010	31 March 2009
SCHEDULE 10: LOANS AND ADVANCES (Unsecured, unless otherwise stated)		
1. Loans and advances		
To subsidiary companies	-	52.29
To other companies @	4098.41	4760.25
2. Advances recoverable in cash or in kind or for value to be received	2423.78	3089.50
3. Advance payment of income - tax (net)	482.41	680.08
4. Balance with customs and excise	940.61	763.99
5. MAT credit entitlement	-	436.86
	7945.21	9782.97
Less: Provisions	301.55	493.71
TOTAL	**7643.66**	**9289.26**
@ Includes Rs 333.34 lakhs (previous year Rs 666.67 lakhs) secured by		
way of pledge of certain shares		
NOTE:		
(a) Considered good	7643.66	9289.26
(b) Considered doubtful	301.55	493.71
	7945.21	**9782.97**
SCHEDULE 11: CURRENT LIABILITIES		
Acceptances	1944.55	1378.84
Sundry creditors		
- Payable to Micro and Small Enterprises (Refer note B 13 of Schedule 17)	12.35	-
-others	4047.11	3576.49
Other Liabilities	416.75	371.96
Dues to subsidiary company	46.82	-
Unclaimed Dividends	66.44	44.90
Unclaimed matured Deposits	19.60	28.49
TOTAL	**6553.62**	**5400.68**
SCHEDULE 12: PROVISIONS		
Employee benefits	1300.26	1087.43
Fringe benefit tax (net)	-	3.59
Proposed dividend	964.72	964.72
Corporate tax on dividend	163.95	163.95
Custom duty claims	718.77	718.77
TOTAL	**3147.70**	**2938.46**

SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2010

(Rupees in Lakhs)

For the year ended	31 March 2010	31 March 2009
SCHEDULE 13: OTHER INCOME		
1. Income from Long Term Investments		
(i) Dividend	65.38	51.21
(ii) Interest	-	0.20
	65.38	**51.41**
2. Interest on deposits, overdue receivables and others		
(tax deducted at source Rs. 20.35 lakhs, previous year Rs. 26.34 lakhs)	262.34	147.11
3. Claim for sales tax set off	108.38	172.78
4. Export incentives	291.92	622.38
5. Provision for doubtful debts / advances written back	-	2.98
6. Profit on Sale of Investments	-	6.45
7. Excess provisions written back	111.59	19.34
8. Rent received (net) [(including tax deducted at source Rs. 52.16 lakhs (previous	57.98	99.06
year 83.05 lakhs)]		
9. Miscellaneous income	111.46	320.99
TOTAL	**1009.05**	**1442.50**
SCHEDULE 14 : INCREASE IN STOCKS OF FINISHED PRODUCTS AND STOCK-IN-PROCESS		
Stocks as at 31 March		
Stock-in-process	1020.24	1090.18
Finished stocks:		
Manufactured products	3667.52	3147.53
Trading products	19.88	18.86
	4707.64	4256.57
Stocks as at 1 April		
Stock-in-process	1090.18	1135.27
Finished stocks:		
Manufactured products	3147.53	3173.60
Trading products	18.86	27.27
	4256.57	**4336.14**
Increase/(Decrease) in excise duty on closing stock of finished products	137.99	(244.93)
Increase/(Decrease)	**313.08**	**165.36**

SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2010

(Rupees in Lakhs)

For the year ended				31 March 2010	31 March 2009
SCHEDULE 15: MANUFACTURING AND OTHER EXPENSES					
1.	**Materials consumed:**				
	(a)	Raw materials		25,027.34	27,037.63
	(b)	Packing materials		700.02	696.42
				25,727.36	**27,734.05**
2.	**Utilities:**				
	(a)	Power and fuel		4,003.02	4,793.67
	(b)	Other utilities - water		170.38	159.42
				4,173.40	**4,953.09**
3.	**Payments to and provisions for employees:**				
	(a)	Salaries, wages and bonus		2,585.32	2,356.34
	(b)	Contribution to provident and other funds		440.33	414.05
	(c)	Staff welfare		280.47	247.02
				3,306.12	**3,017.41**
4.	**Operating expenses:**				
	(a)	Stores and spares		463.13	369.28
	(b)	Processing charges		1,549.17	1,336.32
	(c)	Rent		134.29	135.32
	(d)	Rates, taxes and duties		32.20	53.10
	(e)	Insurance		103.38	124.10
	(f)	Repairs and maintenance to plant and machinery		495.75	401.65
	(g)	Repairs and maintenance to buildings		111.48	128.29
	(h)	Repairs and maintenance to - others		30.87	30.82
	(i)	Travelling		99.32	76.82
	(j)	Advertising and sales development expenses		8.35	13.09
	(k)	Freight & forwarding charges (net)		834.83	957.27
	(l)	Miscellaneous expenses		1,192.28	1,353.06
				5,055.05	**4,979.12**
5.	**Commission and discounts**			560.05	570.22
6.	**Directors sitting fees and commission**			33.50	6.50
7.	**Loans/advances/other dues written off**		424.70		-
	Less : Provision for doubtful debts and advances written back		(392.60)	32.10	-
8	**Provision for doubtful debts and advances**			-	2.25
9	**Obsolete fixed assets written off**			38.80	44.85
10	**Loss on sale of fixed assets (net)**			5.85	2.25
TOTAL				**38,932.23**	**41,307.51**
SCHEDULE 16: INTEREST					
On fixed loan				4.83	348.18
Others				9.90	50.20
TOTAL				**14.73**	**398.38**

SCHEDULE FORMING PART OF THE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2010

SCHEDULE 17: SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS

A : SIGNIFICANT ACCOUNTING POLICIES:

1. Basis of preparation of financial statements

The accompanying financial statements have been prepared under the historical cost convention, in accordance with Indian Generally Accepted Accounting Principles (GAAP) and the provisions of the Companies Act, 1956 ("The Act").

2. Use of estimates

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

3. Fixed Assets

Tangible Assets :

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

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

Intangible Assets :

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

4. Depreciation

i) Depreciation on fixed assets is provided, pro rata for the period of use, by the straight line method at the SLM rates prescribed in schedule XIV to the Act.

ii) Cost of leasehold land is written off over the period of lease.

iii) Patents are amortised uniformly over a period of 10 years.

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

5. Impairment of Assets:

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

6. Operating Lease

Operating lease receipts and payments are recognized as income or expense in the profit and loss account on a straight-line basis over the lease term.

7. Investments

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

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

SCHEDULE 17: SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS *(contd.)*

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

8. Inventories

Inventories are measured at lower of the 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 are determined on weighted average basis. Cost of stock-in-process and finished stock is determined by the absorption costing method.

Excise Duty related to finished goods is included under increase in stocks of finished products and stock-in-process (Schedule 14).

9. Employee Benefits

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

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

Actuarial Gains and losses are recognised immediately in the Profit and Loss Account.

10. Foreign currency transactions

Transactions in foreign currency are recorded at the original rates of exchange in force at the time the transactions are effected.

Foreign currency denominated assets and liabilities (monetary items) are translated into the reporting currency at the exchange rates prevailing on the Balance Sheet date.

Exchange differences arising on settlement of foreign currency transactions or restatement of foreign currency denominated assets and liabilities (monetary items) are recognized in the profit and loss account.

In case of monetary items which are covered by forward exchange contracts, the difference between the exchange rate on the date of such contracts and the year end rate is recognised in the Profit and Loss Account. Any profit/loss arising on cancellation of forward exchange contract is recognised as income or expense of the year. Premium/Discount arising on such forward exchange contracts is amortised as income/expense over the life of the contract.

11. Borrowing Costs

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

12. Revenue recognition

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

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.

13. Taxation

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

Current tax is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the applicable tax rates and tax laws.

SCHEDULE 17: SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS *(contd.)*

The tax effect of the timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a deferred tax asset or deferred tax liability. They are measured using the substantively enacted tax rates and tax regulations. The carrying amount of deferred tax assets at each balance sheet date is reduced to the extent that it is no longer reasonably certain that sufficient future taxable income will be available against which the deferred tax asset can be realized.

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

14. 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 or loss 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.

15. Stock based compensation

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

16. 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 demand deposits with banks.

17. Contingent Liabilities

Contingent liabilities as defined in Accounting Standard 29 on “Provisions, Contingent Liabilities and Contingent Assets” are disclosed by way of notes to the accounts. Disclosure is not made if the possibility of an outflow of future economic benefits is remote. Provision is made if it is probable that an outflow of future economic benefits will be required to settle the obligation.

B : NOTES TO FINANCIAL STATEMENTS

(Rs. in lakhs)

		2009 - 10	2008 - 09
1.	Estimated amount of contract remaining to be executed on capital account and not provided for (net of advances)	125.94	70.15
2.	Claims against the Company not acknowledged as debts	274.04	269.84
3.	Contingent liability in respect of:		
	(a) Central excise duty and Customs duty demands disputed	126.48	158.27
	(b) Income tax demands disputed	1261.70	1261.70
	(c) Sales tax demands disputed	807.44	772.59

4. The Company as at 31 March 2010 carries a total contingency reserve of Rs. 3000 lakhs (previous year Rs. 3000 lakhs) which, in its opinion, is adequate to meet any short fall/diminution in the ultimate realisation of its Investments, Current Assets and Loans & Advances.

5. The company is primarily engaged in the business of manufacturing and trading of rubber chemicals, which, in the context of AS 17 on ‘Segment Reporting’, constitutes a single reporting segment.

SCHEDULE 17: SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS *(contd.)*

6. The Company's significant leasing arrangements are in respect of operating leases for premises (residential, offices, go-downs, subletting etc.). These lease arrangements are ranging between 4 months to 60 months generally or longer and are renewable by mutual consent or mutually agreeable terms. The aggregate lease rentals expenses and income is Rs 379.59 lakhs (previous year Rs 394.01 lakhs) and Rs 303.27 lakhs (previous year Rs 357.74 lakhs) respectively.

7. **Related Parties**

(A) **Name of related parties and description of relationship**

(i) **Subsidiary Companies:**
Ensen Holdings Limited
Urvija Investments Limited
PIL Chemicals Private Limited

(ii) **Enterprises over which Directors and Relatives of such personnel exercise significant influence:**
Navin Fluorine International Limited
Mafatlal Industries Limited

(iii) **Key Management Personnel:**
Mr. C. R. Gupte

(iv) **Relatives of Key Management Personnel:**
Mr. V. R. Gupte
Mrs. A. C. Gupte

(B) **Transactions with related parties**

(Rs. in lakhs)

Nature of Transactions	2009 – 10	2008 – 09
Loan repaid by		
- PIL Chemicals Private Limited	(52 .29)	(43.97)
Loan taken from and repaid to		
- Urvija Investments Limited	-	65.00
- Ensen Holdings Limited	-	73.50
Loan repaid by		
- Mafatlal Industries Limited	(328.51)	(285.83)
Conversion of Loan in to Investment		
- PIL Chemicals Private Limited	-	1050.00
Purchase of Materials / Services:		
- Navin Fluorine International Limited	5.81	44.65
- PIL Chemicals Private Limited	770.73	652.44
Reimbursement of Expenses :		
- Mafatlal Industries Limited	16.87	17.96
- PIL Chemicals Private Limited	3.86	-
- Ensen Holdings Limited	0.03	-
- Urvija Investments Limited	0.04	-
Remuneration Paid to:		
Key Management Personnel		
Mr. C.R.Gupte	161.32	117.25

SCHEDULE 17: SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS *(contd.)*

Nature of Transactions	2009 – 10	2008 – 09
Refund of Office / Flat Deposit given :		-
Mafatlal Industries Limited	(92.96)	(5.00)
Relatives of KMP	(150.00)	-
Rent Paid to:		
Mafatlal Industries Limited	288.50	301.89
Navin Fluorine International Limited	28.80	28.80
Mrs. A.C.Gupte	1.05	1.80
Mr. V.R.Gupte	1.05	1.80
Interest Paid :		
Urvija Investments Limited	-	3.70
Ensen Holdings Limited	-	3.20
Interest Received/Accrued/Reimbursed :		
PIL Chemicals Private Limited	1.18	12.95
Mafatlal Industries Limited	259.49	314.65
Amount outstanding at the year end		
Loans and Advances given		
Mafatlal Industries Limited	3765.07	4093.58
PIL Chemicals Private Limited	-	52.29
Office / Flat Deposit given		
Mafatlal Industries Limited	272.18	365.14
Relatives of KMP	-	150.00
Interest Receivable		
PIL Chemicals Private Limited	-	12.95
Trade Creditors Payable		
PIL Chemicals Private Limited	46.82	-

Related party relationship is as identified by the management and relied upon by the auditors.

(C) Loans and Advances in the nature of Loans (As required by clause 32 of the listing agreement with the stock exchanges)

(Rs. in lakhs)

Name of the Company	Balance as at 31.3.2010	Maximum amount outstanding during the year
PIL Chemicals Private Limited (Note 1)	-	52.29
Mafatlal Industries Limited (Note 2 & 3)	3765.07	4093.58

Notes:

1. Loan to PIL Chemicals Private Limited is given at the interest rate of 10 % per annum.
2. Loan of Rs 2094 lakhs (previous year Rs 2094 lakhs) given to Mafatlal Industries Limited: Interest has been waived pursuant to sanctioning of Mafatlal Industries Limited's revival scheme under Sick Industrial Companies (Special Provisions) Act, 1985 and repayment of the same will be made on implementation of the said rehabilitation scheme.
3. Loan of Rs 1671.07 lakhs (previous year Rs 1999.58 lakhs) given to Mafatlal Industries Limited is @14% interest per annum and adjusted in monthly EMI.

SCHEDULE 17: SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS *(contd.)*

8. (a) Provision for taxes comprises of: *(Rs. in lakhs)*

Income Tax :	2009 - 10	2008 - 09
Current tax	1756.50	1311.00
Deferred tax	192.96	529.70
Fringe benefit tax	-	22.00
Excess provision of tax of earlier years	(340.23)	(65.03)
Wealth tax	1.20	1.20
Total	**1610.43**	**1798.87**

(b) The components of Deferred Tax Liabilities are as under: *(Rs. in lakhs)*

	2009 – 10	2008 - 09
Depreciation	1816.22	1823.94
Provision for doubtful debts and advances	(102.27)	(237.75)
Expenses allowed on payment basis	(372.20)	(327.12)
Payment for voluntary retirement	-	(13.31)
Others	825.60	728.63
Net deferred tax liability	**2167.35**	**1974.39**

9. Earnings per share (EPS):

	2009 – 10	2008 - 09
Profit available to equity shareholders (Rs. in lakhs)	3402.68	3616.15
Weighted average number of Equity shares for Basic EPS	160786980	160786980
Weighted average number of Equity shares for Diluted EPS	160786980	160786980
Nominal value of Equity share (Rs.)	10.00	10.00
Earnings per share (Rs.) – Basic	2.12	2.25
Earnings per share (Rs.) – Diluted	2.12	2.25

Note: There is no dilution to the basic EPS as the results are anti-dilutive.

10. ESOP scheme

	2009-10	2009-10	2008-09
	Grant 1	Grant 2	
Date of grant	27-Aug-07	9-June-09	27-Aug-07
Contractual life	10 years	10 years	10 years
Outstanding as on 1 April	425100	-	425100
Granted in the year	-	425100	-
Forfeited in the year	-	-	-
Exercised during the year	-	-	-
Outstanding as on 31 March	425100	425100	425100
Vesting Schedule (from the date of grant)			
First Year	25%	25%	25%
Second Year	25%	25%	25%
Third Year	25%	25%	25%
Fourth Year	25%	25%	25%
Method of settlement	Equity	Equity	Equity

SCHEDULE 17: SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS *(contd.)*

Details of ESOP granted during the year :

Estimated fair values(arrived at by applying Black Scholes Option Pricing Model) Rs.	16.06
Exercise Price Rs.	25.35
Expected Volatility	65.25%
Risk free rate of return	6.68%
The weighted average contractual life of the options outstan ing	10 years

Had fair value method been used, the compensation cost would have been higher by Rs 30.93 lakhs (previous year Rs 16.71 lakhs), profit after tax would have been lower by Rs 18.72 lakhs (previous year Rs 11.03 lakhs) and EPS – both Basic and Diluted – would have been Rs 2.11 per share (previous year Rs 2.24 per share).

11. Employment and Retirement Benefits *(Rs in lakhs)*

				31.03.2010	31.03.2009
1	**Post-Employment benefits**				
	a)	Defined contribution plans			
		i)	Company's contribution to Provident Fund	125.33	116.83
		ii)	Company's contribution to Superannuation Fund	38.36	30.65
	b)	Defined benefit scheme			
		Gratuity Funded:			
		a)	Liability recognized in Balance Sheet		
			Change in Benefit Obligation		
			Present Value of Obligations		
			As at 1 April	818.07	699.41
			Service Cost	24.23	21.73
			Interest Cost	63.09	53.56
			Actuarial Loss on Obligations	101.64	152.95
			Benefits paid	(38.12)	(109.58)
			As at 31 March	968.91	818.07
			Less: Fair Value of Plan Assets		
			As at 1 April	643.03	662.71
			Expected Return on Plan assets less loss on investment	62.08	53.42
			Contribution	175.04	36.69
			Benefits paid	(84.26)	(109.58)
			Actuarial Loss on Plan Assets	(6.74)	(0.21)
			As at 31 March	789.15	643.03
		Gratuity Unfunded:			
			Present Value of Obligations		
			As at 1 April	402.17	356.83
			Service Cost	11.91	11.08
			Interest Cost	31.05	27.33
			Actuarial Loss on Obligations	51.38	53.12
			Benefits paid	(46.14)	(46.19)
			As at 31 March	450.37	402.17

SCHEDULE 17: SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS *(contd.)*

(Rs in lakhs)

				31.03.2010	31.03.2009
		b)	Expense during the year (Included in Schedule 15 under contribution to provident and other funds)		
			Service Cost	36.15	32.81
			Interest Cost	94.11	80.89
			Expected Return on Plan assets	(62.08)	(53.42)
			Actuarial Loss on Obligations	159.79	206.28
		c)	Principal actuarial assumptions		
			Rate of Discounting	8.25%	7.75%
			Rate of Return on Plan Assets	8.00%	8.00%
			Rate of increase in salaries	4.42%	4.42%
	Breakup of Plan Assets:				
	i)	Government Bonds		347.88	257.76
	ii)	Corporate Bonds		407.47	359.27
	iii)	Special Deposit Scheme		8.71	8.71
	iv)	Others		25.09	17.29
				789.15	**643.03**

The company expects to contribute Rs 180 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 LIC 1994-96 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 Disclosure: *(Rs in lakhs)*

Particulars	2009-10	2008-09	2007-08
Defined benefit obligation	1419.28	1220.24	1056.24
Plan asset	789.15	643.03	662.71
Deficit	630.13	577.21	393.53
Experience adjustment on liabilities – loss	235.08	150.55	-
Experience adjustment on plan assets – loss	6.74	0.21	-

12. Additional information pursuant to the provisions of paragraphs 4, 4B, 4C and 4D of Part II of Schedule VI of the Companies Act, 1956:

(a) Directors' Remuneration : *(Rs in lakhs)*

	2009 - 10	2008 - 09
Salaries and allowances(including performance bonus)	116.50	85.00
Contribution to provident and other funds	25.83	14.35
Perquisites	18.99	17.90
Managerial Remuneration	**161.32**	**117.25**
Directors' sitting fees	5.50	6.50
Commission to non-executive directors	28.00	-
Total	**194.82**	**123.75**

SCHEDULE 17: SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS *(contd.)*

(b) Computation of Net Profit as per Section 349 read with Section 309 and Section 198 of the Companies Act 1956

(Rs. in lakhs)

	2009-10
Profit before income tax as per profit and loss account	5013.11
Add : Directors' remuneration	194.82
	5207.93
Less : Provision for doubtful debts / advances written back (net)	32.10
Net Profit	**5175.83**
Commission to non-executive directors	28.00

(c) Payment to auditors (Excluding service tax): *(Rs. in lakhs)*

		2009 - 10	2008 - 09
(a)	**Audit fees**	10.00	10.00
(b)	**As adviser, or in any other capacity in respect of :**		
	(i) Taxation matters	6.00	62.00
	(ii) Company law matters	-	3.95
	(iii) In any other manner (certification work, limited reviews, etc.)	4.00	4.00
	(iv) Tax audit fees	2.00	2.00
		22.00	**81.95**
(c)	**Out of pocket expenses**	-	0.13
		22.00	**82.08**

(d) Turnover: *(Rs. in lakhs)*

		2009 – 10		2008 – 09	
	Unit	**Quantity**	**Value**	**Quantity**	**Value**
Manufactured products:					
Rubber Chemicals	MT	23413	45450.40	21542	49214.07
Others			267.98		302.22
Trading products:					
Rubber Chemicals	MT	224	267.71	273	396.58
TOTAL			**45986.09**		**49912.87**

(e) Raw materials consumed: *(Rs. in lakhs)*

	Unit	2009 – 10		2008 – 09	
		Quantity	**Value**	**Quantity**	**Value**
Chlorinated aromatics & amines	MT	16031	9603.03	15025	10764.36
Solvents	MT	8536	4378.99	8594	5296.46
Chlorine	MT	1708	84.74	1643	108.32
Chemicals	MT	22156	9632.19	19570	9476.95
Other raw materials			1328.39		1391.54
TOTAL			**25027.34**		**27037.63**

SCHEDULE 17: SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS *(contd.)*

(f) Stocks: *(Rs. in lakhs)*

	Unit	2009 – 10		2008 – 09	
		Quantity	Value	Quantity	Value
Opening Stock:					
Finished stocks-manufactured products:					
Rubber Chemicals	MT	1854	3147.53	1645	3173.60
TOTAL			**3147.53**		**3173.60**
Trading products:					
Rubber Chemicals	MT	24	18.86	27	27.27
TOTAL			**18.86**		**27.27**

(g) Purchases : *(Rs. in lakhs)*

	Unit	2009 – 10		2008 – 09	
		Quantity	Value	Quantity	Value
Trading products:					
Rubber Chemicals	MT	220	198.17	271	261.26
TOTAL			**198.17**		**261.26**

(h) Closing Stocks: *(Rs. in lakhs)*

	Unit	2009 – 10		2008 – 09	
Finished stocks-manufactured products:					
Rubber Chemicals	MT	2006	3667.52	1854	3147.53
TOTAL			3667.52		**3147.53**
Trading products:					
Rubber Chemicals	MT	19	19.88	24	18.86
TOTAL			**19.88**		**18.86**

(i) Capacities and Production:

		2009 – 10	2008 -09
	Unit	Rubber chemicals and their intermediates	Rubber chemicals and their intermediates
Licensed Capacity	MT	N.A.	N.A.
Installed capacity @	MT	38950	38200
Actual production Including production Internally consumed as intermediates	MT	36697 *	33573 *

Notes:

@ Installed capacity is as certified by the management.

* Includes 5174 MT (previous year 3,845 MT) converted for the Company by third parties.

N.A. – not applicable

SCHEDULE 17: SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS *(contd.)*

(j) Value of Imports on CIF (on accrual basis) in respect of : *(Rs. in lakhs)*

	2009 - 10	2008 - 09
(i) Raw Materials	12039.88	12007.07
(ii) Stores and spares	8.26	33.29
(iii) Capital goods	72.13	57.84
TOTAL	**12120.27**	**12098.20**

(k) Expenditure in Foreign Currency (on accrual basis) on account of: *(Rs. in lakhs)*

	2009 - 10	2008 - 09
(i) Professional and technical fees	10.55	10.83
(ii) Interest	-	26.39
(iii) Commission on sales	118.99	137.48
(iv) Others	45.22	29.68
TOTAL	**174.76**	**204.38**

(l) Value of Raw materials and stores and spares consumed: *(Rs. in lakhs)*

	2009 -10				2008 - 09			
	Imported		Indigenous		Imported		Indigenous	
	Value	% of total consumption	Value	% of total consumption	Value	% of total consumption	Value	% of total consumption
(a) Raw materials	12390.52	49.5	12636.82	50.5	13392.88	49.5	13644.75	50.5
(b) Stores and spares	9.80	2.1	453.33	97.9	9.27	2.5	360.01	97.5

(m) Earning in foreign exchange: *(Rs. in lakhs)*

	2009 - 10	2008 - 09
F.O.B. value of goods exported	18344.41	23217.04

13. Disclosure pertaining to Micro, Small and Medium Enterprises (as per information available with the Company):

(Rupees in lakhs)

	Description	Current Year	Previous Year
a)	Principal amount outstanding as at 31 March	12.35	-
b)	Interest due on (a) above and unpaid as at 31 March	0.11	-
c)	Interest paid to the supplier	-	-
d)	Payments made to the supplier beyond the appointed day during the year	-	-
e)	Interest due and payable for the period of delay	-	-
f)	Interest accrued and remaining unpaid as at 31 March	0.11	-
g)	Amount of further interest remaining due and payable in succeeding year	0.11	-

SCHEDULE 17: SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS *(contd.)*

14. Foreign Currency Exposure

(Figures in lakhs)

	31 March 2010		31 March 2009	
	Rupees	foreign currency	Rupees	foreign currency
1) Hedge				
Debtors	-	-	256.74	USD 5.00
2) Unhedge				
Creditors for Goods	1944.55	USD 43.11	1378.84	USD 27.07
Debtors	3573.06	USD 67.37 EURO 8.86	2541.21	USD 39.85 EURO 7.60
Creditors for expenses	59.86	USD 1.17 EURO 0.12	66.49	USD 1.21 EURO 0.07

15. Figures of the previous year have been regrouped / rearranged wherever necessary to correspond with the figures of the current year. Amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

As per attached report of even date

for **Deloitte Haskins & Sells**
Chartered Accountants

P. B. Pardiwalla
Partner

Hrishikesh A. Mafatlal
Chairman

C. R. Gupte
Managing Director

V. K. Gupte
Secretary

Rohit Arora
C. L. Jain
D. N. Mungale
V. R. Gupte
Vishad P. Mafatlal
Directors

Place : Mumbai
Date : 25 May 2010

Balance Sheet Abstract At at 31 March 2010

18. SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS (Contd.)

Balance Sheet Abstract And Company's General Business Profile.

I. Registration Details

Registration No. 1 2 0 0 3 | State Code 1 1

Balance Sheet Date 3 1 (Date) 0 3 (Month) 2 0 1 0 (Year)

II. Capital raised during the year

Public Issue: NIL	Rights Issue: NIL
Bonus Issue: NIL	Private Placements: NIL

III. Position of Mobilisation and Deployment of Funds(Amount in Rs. Thousands)

Total Liabilities: 3263373	Total Assets: 3263373

Sources of Funds

Paid-up Capital: 1607870	Reserves and Surplus: 1271662
Secured Loans: NIL	Unsecured Loans: 167107
	Deferred Tax Liability: 216735

Application of Funds

Net Fixed Assets: 1030046	Investments: 248313
+ - Net Current Assets: √ (+) 1985014	Miscellaneous Expenditure: NIL
Accumulated Losses: NIL	

IV. Performance of the Company (Amount in Rs. Thousands)

Turnover: 4598609	Total Expenditure: 4097298
+ - Profit Before Tax: √ (+) 501311	+ - Profit After Tax: √ (+) 340268

(please tick appropriate box +for Profit, -for Loss)

+ - Earing per share in Rs.: √ (+) 2.12	Dividend Rate %: 06

(Refer note no. 10 of Schedule 17 B)

V. Generic Names of Three Principle Products/Services of company (as per monetary terms)

Items Code No. (ITC Code)	Product Description
29215190	Amine Function Compound
29350090	Sulphonamides
29334900	Heterocyclic Compounds with Nitrogen - Heteroatom(s)

	Hrishikesh A. Mafatlal Chairman	**C. R. Gupte** Managing Director	**Rohit Arora** **C. L. Jain** **D. N. Mungale** **V. R. Gupte** **Vishad P. Mafatlal** Directors
Place : Mumbai Date : 25 May 2010		**V. K. Gupte** Secretary	

Section 212

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO COMPANY'S INTEREST IN THE SUBSIDIARY COMPANIES

1. Name of the Subsidiary Companies	Ensen Holdings Limited	Urvija Investments Limited	PIL Chemicals Private Limited
2. The financial year of the Subsidiary Companies ended on	31 March 2010	31 March 2010	31 March 2010
3. (a) Number of shares held by NOCIL Limited in the subsidiaries as at the end of financial year of the subsidiaries companies	The entire issued equity shares consisting of 37500000 equity shares of Rs.10 each fully paid up	The entire issued equity shares consisting of 1225000 equity shares of Rs.100 each fully paid up	The entire issued equity shares consisting of 7510000 equity shares of Rs.10 each fully paid up
(b) Extent of interest of NOCIL Limited in the capital of Subsidiary Companies as at the end of the financial year of the Subsidiary Companies	100%	100%	100%
4. Net aggregate amount so far as it concerns members of NOCIL Limited and in not dealt with in the Company's accounts, of the Subsidary Companies' profit/losses			
(a) Profit / (Loss) for the Subsidary Companies financial year ended 31 March 2010	(2117756)	(337120)	12171302
(b) Profits/ (Loss) for the previous financial years of Subsidiary companies	(3272287)	1976898	(6794109)
5. Net aggregate amount of profits/losses of the Subsidiary, so far as those profits/losses are dealt with , or provision is made for those losses in NOCIL Limited's accounts			
(a) Profit/(Loss) for the Subsidary Companies financial year ended on 31 March 2010	-	-	-
(b) Profit/(Loss) for their previous financial years since they became Subsidiary Companies of NOCIL Limited	(357900000)	(116500000)	-

Hrishikesh A. Mafatlal
Chairman

C. R. Gupte
Managing Director

V. K. Gupte
Secretary

Rohit Arora
C. L. Jain
D. N. Mungale
V. R. Gupte
Vishad P. Mafatlal
} Directors

Place : Mumbai
Date : 25 May 2010

Consolidated Auditors' Report

Auditors' Report

The Board of Directors

NOCIL Limited

1. We have audited the attached group Consolidated Balance Sheet of NOCIL Limited (the Company) as at 31 March 2010, the group Consolidated Profit and Loss Account and the group Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These consolidated financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information relating to components. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. We did not audit the financial statements of one subsidiary company, whose financial statements reflect the group's share of total assets of Rs. 2,405.96 lakhs as at 31 March 2010 and, total revenue of Rs 2.28 lakhs and total cash flows amounting to Rs 123.20 lakhs for the year ended on that date. These financial Statements and other financial information have been audited by an other auditor whose report has been furnished to us by the Company's management, and our opinion is based solely on the report of the other auditor.

4. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard 21, on 'Consolidated Financial Statements' and Accounting Standard 23 on "Accounting for Investments in Associates in Consolidated Financial Statements''.

5. Based on our audit and on consideration of the report of the other auditor on the separate financial statements of a subsidiary and to the best of our information and according to the explanations given to us we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

   i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31 March 2010;

   ii) in the case of the Consolidated Profit and Loss account, of the profit of the Group for the year ended on that date; and

   iii) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For **Deloitte Haskins & Sells**
Chartered Accountants
Registration No. 117366W

P. B. Pardiwalla
Partner
Membership No. 40005

Place: Mumbai
Date: 25 May 2010

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2010

(Rupees in Lakhs)

As at			Schedule	31 March 2010	31 March 2009
SOURCES OF FUNDS					
	Shareholders' Funds:				
1.	(a)	Capital	1	16078.70	16078.70
	(b)	Reserves and surplus	2	12792.84	10421.65
				28871.54	**26500.35**
2.	**Loan Fund:**				
	(a)	Secured loans	3	-	1148.65
	(b)	Unsecured loan	4	1671.07	1999.58
				1671.07	**3148.23**
3.	**Deferred tax liability (net)**			2206.20	1974.39
TOTAL				**32748.81**	**31622.97**
APPLICATION OF FUNDS					
1.	**Fixed Assets:**		5		
	(a)	Gross Block		18364.50	17988.30
	(b)	Less: Accumulated Depreciation		8326.48	7509.30
	(c)	Net block		10038.02	10479.00
	(d)	Capital work-in-progress		2379.49	2189.77
				12417.51	12668.77
2.	**Investments**		6	20.84	43.16
3.	**Current Assets, Loans and Advances:**				
	(a)	Inventories	7	8284.82	6958.47
	(b)	Sundry debtors	8	8611.38	8234.22
	(c)	Cash and bank balances	9	5303.56	2735.69
	(d)	Loans and advances	10	7801.75	9366.54
				30001.51	27294.92
	Less: Current Liabilities and Provisions:				
	(a)	Liabilities	11	6537.25	5441.86
	(b)	Provisions	12	3153.80	2942.02
				9691.05	**8383.88**
	Net current assets			20310.46	18911.04
TOTAL				**32748.81**	**31622.97**
Significant Accounting Policies and notes to Financial statements			17		

As per attached report of even date

for **Deloitte Haskins & Sells**
Chartered Accountants

P. B. Pardiwalla
Partner

Hrishikesh A. Mafatlal
Chairman

C. R. Gupte
Managing Director

V. K. Gupte
Secretary

Rohit Arora
C. L. Jain
D. N. Mungale
V. R. Gupte
Vishad P. Mafatlal
Directors

Place : Mumbai
Date : 25 May 2010

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2010

(Rupees in Lakhs)

For the year ended	Schedule	31 March 2010	31 March 2009
INCOME			
Sales (Gross)		45986.09	49912.87
Less: Excise duty		2387.45	3375.25
Sales (Net)		43598.64	46537.62
Other income	13	1012.98	1501.75
Increase in stocks of finished products and stock-in-process	14	313.08	165.36
		44924.70	**48204.73**
EXPENDITURE			
Manufacturing and other expenses	15	38687.37	41156.72
Purchase of trading products		198.17	261.26
Depreciation		871.05	1761.38
Less: Transfer from Revaluation Reserve		-	893.05
		871.05	868.33
Interest	16	14.73	391.48
		39771.32	**42677.79**
Profit before tax		**5153.38**	**5526.94**
Provision for Taxes (Refer note B 8 (a) of Schedule 17)		1653.52	1807.80
Profit after tax		**3499.86**	**3719.14**
Surplus/(Deficit) brought forward from previous year		2032.01	(558.45)
Proposed Dividend on Equity Shares		964.72	964.72
Corporate tax on dividend		163.95	163.96
Balance carried to balance sheet		**4403.20**	**2032.01**
Earnings per share (Equity shares, par value of Rs. 10/- per share)			
Basic		2.18	2.31
Diluted		2.18	2.31
Significant Accounting Policies and notes to Financial statements	17		

As per attached report of even date

for **Deloitte Haskins & Sells**
Chartered Accountants

P. B. Pardiwalla
Partner

Hrishikesh A. Mafatlal
Chairman

C. R. Gupte
Managing Director

V. K. Gupte
Secretary

Rohit Arora
C. L. Jain
D. N. Mungale
V. R. Gupte
Vishad P. Mafatlal
} Directors

Place : Mumbai
Date : 25 May 2010

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2010

(Rupees in Lakhs)

For the year ended		31 March 2010	31 March 2009
A.	**CASH FLOW FROM OPERATING ACTIVITIES :**		
	Profit before tax	**5153.38**	**5526.94**
	Adjustments for :		
	Depreciation	871.05	868.33
	Provision for dimunition in the value of investments	22.32	-
	Provision for doubtful debts and advances	-	2.25
	Obsolete fixed assets written off	38.80	44.85
	Loss on sale of fixed assets (net)	5.85	2.25
	Income from Long Term Investments	(67.83)	(52.71)
	Interest on Deposits, Overdue receivables and others	(261.54)	(134.16)
	Interest	14.73	391.48
	Provision for doubtful debts/advances made in previous years written back	(392.60)	(2.98)
	Profit on sale/redemption of Investments	-	(75.38)
	Operating profit before working capital changes	**5384.16**	**6570.87**
	Adjustments for :		
	Decrease in trade and other receivables	738.94	757.86
	(Increase)/decrease in inventories	(1326.34)	522.25
	Increase/(decrease) in trade payables	1082.74	(1274.74)
	Increase in provisions	215.43	308.65
		710.77	**314.02**
	Cash generated/(used) from/(for) operations	6094.93	6884.89
	Direct Taxes paid	(1245.91)	(1353.73)
	Net cash generated/(used) from/(for) operating activities	**4849.02**	**5531.16**
B.	**CASH FLOW FROM INVESTING ACTIVITIES :**		
	Purchase of fixed assets including capital work in progress	(673.43)	(2315.61)
	Sale of fixed assets	8.99	3.96
	Sale proceeds of Investments	-	87.04
	Loans recovered	661.84	619.16
	Interest received	261.54	134.16
	Dividend received	67.83	52.71
	Net Cash generated from/(used) for Investment activities	**326.77**	**(1418.60)**

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2010

(Rupees in Lakhs)

For the year ended	31 March 2010	31 March 2009
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Repayment of loan	(1477.16)	(948.98)
Unclaimed Matured Deposits paid	(8.89)	(5.38)
Interest paid	(14.73)	(391.48)
Dividend paid	(943.18)	(787.86)
Dividend tax paid	(163.96)	(136.63)
Net Cash used for financing activities	**(2607.92)**	**(2270.33)**
Net decrease in cash and cash equivalents	2567.87	1842.23
Opening balance of cash and cash equivalents	2735.69	886.46
Closing balance of cash and cash equivalents	5303.56	2735.69
Note:		
Cash and cash equivalent as per balance sheet (Refer Schedule 9)	5303.56	2735.69
Less: Deposit under lien	-	7.00
Cash and cash equivalent as reported above	**5303.56**	**2728.69**

As per attached report of even date

for **Deloitte Haskins & Sells**
Chartered Accountants

P. B. Pardiwalla
Partner

Hrishikesh A. Mafatlal
Chairman

C. R. Gupte
Managing Director

V. K. Gupte
Secretary

Rohit Arora
C. L. Jain
D. N. Mungale
V. R. Gupte
Vishad P. Mafatlal
Directors

Place : Mumbai
Date : 25 May 2010

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2010

(Rupees in Lakhs)

As at		31 March 2010	31 March 2009
SCHEDULE 1: SHARE CAPITAL			
	Authorised:		
	120000000 Equity shares of Rs. 10 each	120000.00	120000.00
	Issued and subscribed:		
	16078980 Equity shares of Rs. 10 each, fully paid-up	16078.70	16078.70
	Notes: Of the above:		

(a) 97302850 shares allotted as fully paid-up by way of bonus shares by capitalisation of General Reserve and Share Premium Account.

(b) 13302850 shares allotted to the shareholders of Polyolefins Industries Limited pursuant to the scheme of amalgamation without payment in cash.

(c) 38181280 shares allotted to erstwhile Secured Lenders without payment in cash in terms of the scheme of arrangement approved by the Bombay High Court.

		31 March 2010	31 March 2009
SCHEDULE 2: RESERVES AND SURPLUS			
1.	**Capital Reserve:**		
	Balance at the commencement of the year	15.29	15.29
2.	**Share Premium Account:**		
	Balance at the commencement of the year	450.92	450.92
3.	**Revaluation Reserve:**		
	Balance at the commencement of the year	-	8462.54
	Less: Amount withdrawn and credited to Profit and Loss Account	-	893.05
	Less: Reversed to Fixed Assests	-	7569.49
		-	-
4.	**General Reserve:**		
	Balance at the commencement of the year	4864.71	4864.71
5.	**Profit and Loss Account**	4403.20	2032.01
6.	**Reserve for Contingency: (Refer note B 4 of Schedule 17)**		
	Balance at the commencement of the year	3000.00	3000.00
7.	**Reserve under Section 45 IC of Reserve Bank of India Act:**		
	Balance at the commencement of the year	58.72	58.72
TOTAL		**12792.84**	**10421.65**

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2010

(Rupees in Lakhs)

As at	Note	31 March 2010	31 March 2009
SCHEDULE 3: SECURED LOANS:			
From banks			
- Working capital demand loan	1	-	700.00
- Packing credit loan	1	-	448.65
TOTAL		**-**	**1148.65**

Note:

Secured by first pari passu charge on stock and book debts both present and future by way of hypothecation over company's entire current assets including stocks of raw materials, semi finished and finished goods, consumable stores and spares & other movables, book debts, bills, outstanding monies, receivables both present and future.

SCHEDULE 4: UNSECURED LOAN:		
Term loan from a financial Institution (since repaid)	1671.07	1999.58
TOTAL	**1671.07**	**1999.58**

SCHEDULE 5: FIXED ASSETS

	Tangible Assets						Intangible Asset		
PARTICULARS	Land Leasehold	Building	Plant and Machinery	Office Equipments incl Computers	Furniture & Fixtures Equipments	Vehicles	Patents	Total	As at 31 March 2009
Gross Block as at 1 April 2009 (at cost)	341.35	1605.29	14625.10	726.27	517.80	142.28	30.21	**17988.30**	33303.79
Additions	-	24.07	380.50	20.65	3.47	52.98	2.05	**483.72**	1689.42
Disposals / Retirements/Adjustments	-	18.62	49.49	6.62	4.39	28.40	-	**107.52**	17004.91
Gross Block as at 31 March 2010	341.35	1610.74	14956.11	740.30	516.88	166.86	32.26	**18364.50**	17988.30
Accumulated Depreciation as at 1 April 2009	14.12	309.19	6459.03	357.13	324.89	44.68	0.26	**7509.30**	15131.55
Depreciation for the year	4.71	41.06	706.59	58.02	43.88	13.61	3.18	**871.05**	1761.38
Depreciation on Disposal / Retirements / Adj.	-	7.86	22.44	5.13	3.95	14.49	-	**53.87**	9383.63
Accumulated Depreciation as at 31 March 2010	18.83	342.39	7143.18	410.02	364.82	43.80	3.44	**8326.48**	7509.30
Net Block as at 31 March 2010	322.52	1268.35	7812.93	330.28	152.06	123.06	28.82	**10038.02**	
Net Block as at 31 March 2009	327.23	1296.10	8166.07	369.14	192.91	97.60	29.95	**10479.00**	
Capital work-in-progress (including capital advance of Rs. 371.32 lakhs (previous year Rs. 467.13 lakhs)).								**2379.49**	**2189.77**

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2010

(Rupees in Lakhs)

As at				31 March 2010	31 March 2009
SCHEDULE 6: INVESTMENTS (at cost or valuation)					
Long term investments in:					
1.	Government Securities:			0.01	0.01
2	Equity Shares		34.29		34.29
	Less : Provision for dimunition in the value of investment		22.32	11.97	
3	Bonds			3.00	3.00
4	Mutual Fund Units			5.86	5.86
TOTAL				**20.84**	**43.16**
	(a)	Aggregate of quoted investments			
		Cost / Carrying amount		16.81	16.81
		Market value		2562.96	641.06
	(b)	Aggregate of unquoted investments			
		Cost / Carrying amount		4.03	26.35

Note :

566,320 shares of Navine 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 30 October 2002.

				31 March 2010	31 March 2009
SCHEDULE 7: INVENTORIES					
1.	Stores and spares			467.94	461.31
2.	Stock-in-trade				
	(a)	Raw materials		3109.24	2240.59
	(b)	Stock-in-process		1020.24	1090.18
	(c)	Finished stocks			
		Manufactured products		3667.52	3147.53
		Trading products		19.88	18.86
				7816.88	**6497.16**
Note: Mode of valuation - refer note A 8 of schedule 17					
TOTAL				**8284.82**	**6958.47**
SCHEDULE 8: SUNDRY DEBTORS					
Sundry debtors					
Outstanding over six months					
	- Considered good			0.05	32.10
	- Considered doubtful			6.32	206.76
Other debts (including secured debts of Rs 966.26 lakhs (previous year Rs 764.06 lakhs))				8611.33	8202.12
				8617.70	**8440.98**
Less: Provision				6.32	206.76
TOTAL				**8611.38**	**8234.22**
NOTE:					
	(a)	Considered good		8611.38	8234.22
	(b)	Considered doubtful		6.32	206.76
				8617.70	**8440.98**

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2010

(Rupees in Lakhs)

As at	31 March 2010	31 March 2009
SCHEDULE 9: CASH AND BANK BALANCES		
1. Cash on hand (including cheques on hand Rs. 2.24 lakhs)		
(previous year Rs. 19.57 lakhs))	7.12	24.14
2. Bank balances :		
In current accounts	1184.32	1704.55
In deposit account	4112.12	1007.00
(Deposit includes Rs. NIL (previous year Rs. 7.00 lakhs) on which Bank has lien))		
	5296.44	2711.55
TOTAL	**5303.56**	**2735.69**
SCHEDULE 10: LOANS AND ADVANCES (Unsecured, unless otherwise stated)		
1. Loans & Advances @	4189.82	4851.66
2. Advances recoverable in cash or in kind or for value to be received	2444.11	3099.51
3. Advance payment of income - tax (net)	500.82	703.17
4. Balance with customs and excise	941.71	765.09
5. MAT credit entitlement	26.84	440.82
	8103.30	9860.25
Less: Provisions	301.55	493.71
TOTAL	**7801.75**	**9366.54**
@ Includes Rs 333.34 lakhs (previous year Rs 666.67 lakhs) secured by		
way of pledge of certain shares		
NOTE:		
(a) Considered good	7801.75	9366.54
(b) Considered doubtful	301.55	493.71
	8103.30	**9860.25**
SCHEDULE 11: CURRENT LIABILITIES		
Acceptances	1944.55	1378.84
Sundry creditors		
- Payable to Micro and Small Enterprises (Refer note B 13 of Schedule 17)	12.35	-
-others	4077.56	3617.67
Other Liabilities	416.75	371.96
Unclaimed Dividends	66.44	44.90
Unclaimed matured Deposits	19.60	28.49
TOTAL	**6537.25**	**5441.86**
SCHEDULE 12: PROVISIONS		
Employee benefits	1306.36	1090.93
Fringe benefit tax (net)	-	3.64
Proposed dividend	964.72	964.72
Corporate tax on dividend	163.95	163.96
Custom duty claims	718.77	718.77
TOTAL	**3153.80**	**2942.02**

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2010

(Rupees in Lakhs)

For the year ended		31 March 2010	31 March 2009
SCHEDULE 13: OTHER INCOME			
1. Income from Long Term Investments			
(i) Dividend		67.47	52.14
(ii) Interest from Investment (tax deducted at source Rs. 0.06 lakh			
previous year Rs. 0.07 lakh)		0.36	0.57
		67.83	**52.71**
2. Interest on deposits, overdue receivables and others			
(tax deducted at source Rs. 20.39 lakhs, previous year Rs. 27.76 lakhs)		261.54	134.16
3. Claim for sales tax set off		108.38	172.78
4. Export incentives		291.92	622.38
5. Provision for doubtful debts / advances written back		-	2.98
6. Profit on Sale/redemption of Investments		-	75.38
7. Excess provision written back		111.59	19.34
8. Rent received (net) (including tax deducted at source Rs.52.16 lakhs,			
previous year 83.05 lakhs)		57.98	99.06
9. Miscellaneous income		113.74	322.96
TOTAL		**1012.98**	**1501.75**

SCHEDULE 14: INCREASE IN STOCKS OF FINISHED PRODUCTS AND STOCK-IN-PROCESS			
Stocks as at 31 March			
Stock-in-process	1020.24		1090.18
Finished stocks:			
Manufactured products	3667.52		3147.53
Trading products	19.88		18.86
		4707.64	**4256.57**
Stocks as at 1 April			
Stock-in-process	1090.18		1135.27
Finished stocks:			
Manufactured products	3147.53		3173.60
Trading products	18.86		27.27
		4256.57	**4336.14**
Increase/(Decrease) in excise duty on closing stock of finished products		137.99	(244.93)
Increase/(Decrease)		**313.08**	**165.36**

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2010

(Rupees in Lakhs)

For the year ended				31 March 2010	31 March 2009
SCHEDULE 15: MANUFACTURING AND OTHER EXPENSES					
1.	**Materials consumed:**				
	(a)	Raw materials		25027.34	27037.63
	(b)	Packing materials		700.02	696.42
				25727.36	**27734.05**
2.	**Utilities:**				
	(a)	Power and fuel		4266.62	5053.41
	(b)	Other utilities - water		179.55	177.88
				4446.17	**5231.29**
3.	**Payments to and provisions for employees:**				
	(a)	Salaries, wages and bonus		2677.89	2439.70
	(b)	Contribution to provident and other funds		450.00	420.45
	(c)	Staff welfare		283.90	249.16
				3411.79	**3109.31**
4.	**Operating expenses:**				
	(a)	Stores and spares		483.59	396.52
	(b)	Processing charges		778.44	683.88
	(c)	Rent		134.29	135.32
	(d)	Rates, taxes and duties		34.75	62.22
	(e)	Insurance		106.35	127.95
	(f)	Repairs and maintenance to plant and machinery		533.37	444.81
	(g)	Repairs and maintenance to buildings		114.83	132.65
	(h)	Repairs and maintenance to - others		32.62	31.68
	(i)	Travelling		99.75	76.90
	(j)	Advertising and sales development expenses		8.35	13.09
	(k)	Freight & forwarding charges (net)		834.83	957.27
	(l)	Miscellaneous expenses		1248.26	1393.71
				4409.43	**4456.00**
5.	**Commission and discounts**			560.05	570.22
6.	**Directors sitting fees and commission**			33.50	6.50
7.	**Loans/advances/other dues written off**		424.70		
	Less : Provision for doubtful debts and advances		(392.60)	32.10	-
8.	**Provision for dimunition in the value of investments**			22.32	-
9.	**Provision for doubtful debts and advances**			-	2.25
10.	**Obsolete fixed assets written off**			38.80	44.85
11.	**Loss on Sale/Retirement of Assets**			5.85	2.25
TOTAL				**38687.37**	**41156.72**

SCHEDULE 16: INTEREST		
On fixed loan	4.83	348.18
Others	9.90	43.30
TOTAL	**14.73**	**391.48**

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2010

SCHEDULE 17: Significant Accounting Policies and Notes to Financial Statements

A SIGNIFICANT ACCOUNTING POLICIES:

Company Background

The Consolidated Financial Statements of the group – the parent Company, NOCIL Limited ('NOCIL' or 'the Company') and all its subsidiaries – include financial information of its other components, viz. namely associate company.

The Company is predominantly engaged in the business of manufacturing and trading of rubber chemicals.

The following components are included in the Consolidation:

Wholly owned Subsidiary Companies:

Name of the Company	Country of incorporation	Nature of business
PIL Chemicals Private Limited	India	Processing of rubber chemical products
Ensen Holdings Limited	India	Investment Company
Urvija Investments Limited	India	Investment Company

Associate Companies:

Name of the Company	Country of Incorporation	Year	Proportion of Ownership Interest	Nature of Business
Vibhadeep Investments and Trading Limited	India	2009-10	48.94 %	Investment Company
		2008-09	48.94 %	

1. Principles of Consolidation

The subsidiaries are 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.

Investments in Associates are accounted for using the Equity Method in accordance with Accounting Standard 23 on "Accounting for Investments in Associates in Consolidated Financial Statements". Unrealised profits and losses resulting from transactions between the Company and the Associates are eliminated to the extent of the Company's interest in the Associate.

For the purpose of consolidation, the financial statements of the Subsidiaries and Associates are drawn upto 31 March 2010 which is the same reporting period of the Company.

2. Uniform Accounting Policies

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

3. Use of estimates

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

4. Fixed Assets

Tangible Assets :

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

SCHEDULE 17: Significant Accounting Policies and Notes to Financial Statements *(contd.)*

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 asset are put to use.

Intangible Assets :

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

5. Depreciation

i) Depreciation on fixed assets is provided, pro rata for the period of use, by the straight line method at the SLM rates prescribed in schedule XIV to the Act.

ii) Cost of leasehold land is written off over the period of lease.

iii) Patents are amortised uniformly over a period of 10 years

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

6. Impairment of Assets:

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

7. Operating Lease

Operating lease receipts and payments are recognized as income or expense in the profit and loss account on a straight-line basis over the lease term.

8. Investments

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

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

Long term investments are stated at cost. Provision for dimunition is made to recognize a decline, other than temporary, in the value of such investments.

9. Inventories

Inventories are measured at lower of the 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 are determined on weighted average basis. Cost of stock-in-process and finished stock is determined by the absorption costing method.

Excise Duty related to finished goods is included under increase in stocks of finished products and stock-in-process (Schedule 14).

10. Employee Benefits

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

SCHEDULE 17: Significant Accounting Policies and Notes to Financial Statements *(contd.)*

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

Actuarial Gains and losses are recognised immediately in the Profit and Loss Account.

11. Foreign currency transactions

Transactions in foreign currency are recorded at the original rates of exchange in force at the time the transactions are effected.

Foreign currency denominated assets and liabilities (monetary items) are translated into the reporting currency at the exchange rates prevailing on the Balance Sheet date.

Exchange differences arising on settlement of foreign currency transactions or restatement of foreign currency denomi nated assets and liabilities (monetary items) are recognized in the profit and loss account.

In case of monetary items which are covered by forward exchange contracts, the difference between the exchange rate on the date of such contracts and the year end rate is recognised in the Profit and Loss Account. Any profit/loss arising on cancellation of forward exchange contract is recognised as income or expense of the year. Premium/Discount arising on such forward exchange contracts is amortised as income/expense over the life of the contract.

12. Borrowing Costs

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

13. Revenue recognition

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

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.

14. Taxation

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

Current tax is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the applicable tax rates and tax laws.

The tax effect of the timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a deferred tax asset or deferred tax liability. They are measured using the substantively enacted tax rates and tax regulations. The carrying amount of deferred tax assets at each balance sheet date is reduced to the extent that it is no longer reasonably certain that sufficient future taxable income will be available against which the deferred tax asset can be realized.

Tax expenses are aggregated from the amounts of tax expenses appearing in the separate financial statements of the parent and its subsidiaries.

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

15. 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 or loss 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.

16. Stock based compensation

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

17. 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 demand deposits with banks.

18. Contingent Liabilities

Contingent liabilities as defined in Accounting Standard 29 on “Provisions, Contingent Liabilities and Contingent Assets” are disclosed by way of notes to the accounts. Disclosure is not made if the possibility of an outflow of future economic benefits is remote. Provision is made if it is probable that an outflow of future economic benefits will be required to settle the obligation.

B NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

		2009 - 10	2008 - 09
1.	Estimated amount of contract remaining to be executed on capital account and not provided for (net of advances)	125.94	70.15
2.	Claims against the Company not acknowledged as debts	274.04	269.84
3.	Contingent liability in respect of:		
	(a) Central excise duty and Customs duty demands disputed	126.48	158.27
	(b) Income tax demands disputed	1261.70	1261.70
	(c) Sales tax demands disputed	807.44	772.59

4. The Company as at 31 March 2010 carries a total contingency reserve of Rs. 3,000 lakhs (previous year Rs. 3,000 lakhs) which, in its opinion, is adequate to meet any short fall/diminution in the ultimate realisation of its Investments, Current Assets and Loans & Advances.

5. The company is primarily engaged in the business of manufacturing and trading of rubber chemicals, which, in the context of AS 17 on ‘Segment Reporting’, constitutes a single reporting segment.

6. The Company’s significant leasing arrangements are in respect of operating leases for premises (residential, offices, go-downs, subletting etc.). These lease arrangements are ranging between 4 months to 60 months generally or longer and are renewable by mutual consent or mutually agreeable terms. The aggregate lease rentals expenses and income is Rs 379.59 lakhs (previous year Rs 394.01 lakhs) and Rs 303.27 lakhs (previous year Rs 357.74 lakhs) respectively.

7. 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

SCHEDULE 17: Significant Accounting Policies and Notes to Financial Statements *(contd.)*

(ii) Key Management Personnel:

Mr. C. R. Gupte

(iii) Relatives of Key Management Personnel:

Mr. V. R. Gupte

Mrs. A. C. Gupte

(B) Transactions with related parties

(Rs. in lakhs)

Nature of Transactions	2009 – 10	2008 – 09
Loan repaid by		
- Mafatlal Industries Limited	(328.51)	(285.83)
Purchase of Materials / Services:		
- Navin Fluorine International Limited	5.81	44.65
Reimbursement of Expenses:		
- Mafatlal Industries Limited	16.87	17.96
Remuneration Paid to:		
Key Management Personnel		
Mr. C.R.Gupte	161.32	117.25
Refund of Office/Flat Deposit given :		
Mafatlal Industries Limited	(92.96)	(5.00)
Relative of KMP	(150.00)	-
Rent Paid to:		
Mafatlal Industries Limited	288.50	301.89
Navin Fluorine International Limited	28.80	28.80
Mrs. A.C.Gupte	1.05	1.80
Mr. V.R.Gupte	1.05	1.80
Interest Reimbursed by :		
Mafatlal Industries Limited	259.49	314.65
Amount outstanding at the year end		
Loans and Advances given		
Mafatlal Industries Limited	3765.07	4093.58
Office / Flat Deposit given		
Mafatlal Industries Limited	272.18	365.14
Relatives of KMP	-	150.00

Related party relationship is as identified by the management and relied upon by the auditors.

SCHEDULE 17: Significant Accounting Policies and Notes to Financial Statements *(contd.)*

(C) Loans and Advances in the nature of Loans (As required by clause 32 of the listing agreement with the stock exchanges)

(Rs. in lakhs)

Name of the Company	Balance as at 31.3.2010	Maximum amount outstanding during the year
Mafatlal Industries Limited (Note 1 & 2)	3765.07	4093.58

Notes:

1. Loan of Rs 2094 lakhs (previous year Rs 2094 lakhs) given to Mafatlal Industries Limited: Interest has been waived pursuant to sanctioning of Mafatlal Industries Limited's revival scheme under Sick Industrial Companies (Special Provisions) Act, 1985 and repayment of the same will be made on implementation of the said rehabilitation scheme.
2. Loan of Rs 1671.07 lakhs (previous year Rs 1999.58 lakhs) given to Mafatlal Industries Limited is @14 % interest per annum and adjusted in monthly EMI.

8. (a) Provision for taxes comprises of: *(Rs. in lakhs)*

Income Tax :	2009 - 10	2008 - 09
Current tax	1779.40	1323.32
Deferred tax	231.81	529.70
Fringe benefit tax	-	22.27
MAT credit entitlement	(22.88)	(3.66)
Excess provision of tax of earlier years	(336.01)	(65.03)
Wealth tax	1.20	1.20
Total	**1653.52**	**1807.80**

(b) The components of Deferred Tax Liabilities are as under: *(Rs. in lakhs)*

	2009 – 10	2008 - 09
Depreciation	1997.07	1823.94
Carried forward losses	(139.97)	-
Provision for doubtful debts and advances	(102.27)	(237.75)
Expenses allowed on payment basis	(374.23)	(327.12)
Payment for voluntary retirement	-	(13.31)
Others	825.60	728.63
Net deferred tax liability	2206.20	1974.39

9. Earnings per share:

	2009 – 10	2008 - 09
Profit available to equity shareholders (Rs. in lakhs)	3499.86	3719.14
Weighted average number of Equity shares for Basic EPS	160786980	160786980
Weighted average number of Equity shares for Diluted EPS	160786980	160786980
Nominal value of Equity share (Rs.)	10.00	10.00
Earnings per share (Rs.) – Basic	2.18	2.31
Earnings per share (Rs.) – Diluted	2.18	2.31

Note: There is no dilution to the basic EPS as the results are anti-dilutive.

SCHEDULE 17: Significant Accounting Policies and Notes to Financial Statements *(contd.)*

10. Employment and Retirement Benefits

(Rs in lakhs)

				31.03.2010	31.03.2009
1	**Post-Employment benefits**				
	a)	**Defined contribution plans**			
		i)	Company's contribution to Provident Fund	130.04	120.94
		ii)	Company's contribution to Superannuation Fund	38.36	30.65
	b)	**Defined benefit scheme**			
		Gratuity Funded:			
		a)	**Liability recognized in Balance Sheet**		
			Change in Benefit Obligation		
			Present Value of Obligations		
			As at 1 April	818.07	699.41
			Service Cost	24.23	21.73
			Interest Cost	63.09	53.56
			Actuarial Loss on Obligations	101.64	152.95
			Benefits paid	(38.12)	(109.58)
			As at 31 March	968.91	818.07
			Less: Fair Value of Plan Assets		
			As at 1 April	643.03	662.71
			Expected Return on Plan assets less loss on Investments	62.08	53.42
			Contribution	175.04	36.69
			Benefits paid	(84.26)	(109.58)
			Actuarial Loss on Plan Assets	(6.74)	(0.21)
			As at 31 March	789.15	643.03
		Gratuity Unfunded:			
			Present Value of Obligations		
			As at 1 April	403.73	357.98
			Service Cost	12.65	11.86
			Interest Cost	31.23	27.48
			Actuarial Loss on Obligations	51.75	52.60
			Benefits paid	(46.14)	(46.19)
			As at 31 March	453.22	403.73
		b)	**Expense during the year**		
			Service Cost	36.89	33.59
			Interest Cost	94.29	81.04
			Expected Return on Plan assets	(62.08)	(53.42)
			Actuarial Loss on Obligations	160.16	205.76
		c)	**Principal actuarial assumptions**		
			Rate of Discounting	8.25%	7.75%
			Rate of Return on Plan Assets	8.00%	8.00%
			Rate of increase in salaries	4.42%	4.40%

			31.03.2010	31.03.2009
	Breakup of Plan Assets:			
	i)	Government Bonds	347.88	257.76
	ii)	Corporate Bonds	407.47	359.27
	iii)	Special Deposit Scheme	8.71	8.71
	iv)	Others	25.09	17.29
			789.15	**643.03**

The company expects to contribute Rs 180 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 LIC 1994-96 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 : *(Rs. in lakhs)*

Particulars	2009-10	2008-09	2007-08
Defined benefit obligation	1422.13	1221.80	1057.39
Plan asset	789.15	643.03	662.71
Deficit	632.98	578.77	394.68
Experience adjustment on liabilities – loss	235.35	150.39	-
Experience adjustment on plan assets – loss	6.74	0.21	-

11. Foreign Currency Exposure (Figures in lakhs)

	31 March 2010		31 March 2009	
	Rupees	foreign currency	Rupees	foreign currency
1) Hedge				
Debtors	-	-	256.74	USD 5.00
2) Unhedge				
Creditors for goods	1944.55	USD 43.11	1378.84	USD 27.07
Debtors	3573.06	USD 67.37 EURO 8.86	2541.21	USD 39.85 EURO 7.60
Creditors for expenses	59.86	USD 1.17 EURO 0.12	66.49	USD 1.21 EURO 0.07

12. Figures of the previous year have been regrouped / rearranged wherever necessary to correspond with the figures of the current year. Amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

As per attached report of even date

for **Deloitte Haskins & Sells**
Chartered Accountants

P. B. Pardiwalla
Partner

Hrishikesh A. Mafatlal
Chairman

C. R. Gupte
Managing Director

V. K. Gupte
Secretary

Rohit Arora
C. L. Jain
D. N. Mungale
V. R. Gupte
Vishad P. Mafatlal
Directors

Place : Mumbai
Date : 25 May 2010

Directors' Report

To The Members
PIL Chemicals Private Limited

The Directors present their report together with the Audited Accounts of the Company for the year ended 31 March 2010.

Operations and Financial Highlights

During the year the Company did processing work for Rubber Chemicals for 1017 MT as against 785 MT for the previous year. As a result, there was optimization of costs over larger volume of operations resulting in higher profits.

Accordingly, the Company has achieved a turnover of Rs. 77073400/-. The Company has made a profit of Rs. 16056302/- before tax. After providing for Tax of Rs. 3885000/- the Net Profit for the year works out to Rs.12171302/-. In view of the good profits for the year, the accumulated losses have been wiped out.

Dividend

The Directors do not recommend any dividend for the current year in view of conserving the resources for future.

Merger

Members are aware that your Company and other two companies viz. Ensen Holdings Ltd., and Urvija Investments Ltd.., are wholly owned subsidiaries of NOCIL Ltd.

In view of accumulated losses and further to economise and consolidate the operations, the Board of Directors of the Company approved in principle the merger of Ensen Holdings Ltd. and Urvija Investments Ltd., with your Company with effect from 1 April, 2010.

Necessary applications in this regard will be made in due course to the Hon'ble Bombay High Court.

Particulars of Employees

None of the employees are drawing salary in excess of the limits prescribed as per the provisions of Section 217(2A) of the Companies Act, 1956.

Other Particulars

Additional information on conservation of energy and technology absorption as required to be disclosed in terms of Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, is set out in Form A and forms a part of this report. There was no foreign exchange earning or outgo during the year.

Directors

Mr. S.R. Deo retires by rotation in accordance with the provisions of the Companies Act, 1956 and being eligible, offers himself for re-appointment.

Directors' Responsibility Statement

The Directors confirm:

a. That in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same.

b. That they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.

c. That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

d. That they have prepared the accounts for the period on a going concern basis.

Auditors

The term of M/s. Borkar & Muzumdar, Chartered Accountants, as Auditors of the Company expires at the conclusion of this Annual General Meeting and are eligible for re-appointment. The Auditors have given a certificate to the effect that the reappointment, if made, will be within the prescribed limits specified under Section 224 (1B) of the Companies Act, 1956.

Acknowledgements

Your directors acknowledge the continued support and co-operation from Banks and Government Bodies.

For and on behalf of the Board

Place: Mumbai — **S.R.Deo**
Date: 20 May 2010 — Chairman

Form A

Disclosure of particulars with respect to conservation of energy

A.	POWER AND FUEL CONSUMPTION		2009-10	2008-09
1.	ELECTRICITY (FOR MANUFACTURING)			
	(a) Purchased			
	Unit	MWH	3027	2661
	Total amount	Rs.Lakhs	154.62	133.82
	Rate/Unit (average)	Rs./KWH	5.11	5.03
	(b) Own Generation			
	(Through Diesel Generator)			
	Unit	MWH	23	124
	Unit/MT of Diesel Oil	MWH	2.10	2.63
	Fuel Cost/Unit	Rs./KWH	17.54	14.68
	Through Steam/Turbine Generator		NIL	NIL
2.	COAL			
	Quantity	MT	2097.07	2150.69
	Total Cost	Rs.Lakhs	85.60	108.36
	Average rate	Rs/MT	4082	5038
3.	BRIQUETTES			
	Quantity	MT	461.25	NIL
	Total Cost	Rs.Lakhs	19.18	NIL
	Average rate	Rs/MT	4157	NIL
4.	COAL and BRIQUETTES			
	Quantity	MT	2558.32	2150.69
	Total Cost	Rs.Lakhs	104.78	108.36
	Average rate	Rs/MT	4095	5038
5.	FURNACE OIL		NIL	NIL
B.	CONSUMPTION PER UNIT OF PRODUCTION			
	Electricity	MWH/MT	3.00	3.55
	Coal	MT/MT	2.06	2.74
	Briquettes	MT/MT	0.45	0.00
	Coal and Briquettes	MT/MT	2.52	2.74

Auditors' Report

To The Members of
PIL Chemicals Private Limited

1. We have audited the attached Balance Sheet of **PIL CHEMICALS PRIVATE LIMITED** as on 31st March 2010 and also the Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies [Auditors' Report] Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956 and on the basis of such checks as we consider appropriate, and according to the information and explanation given to us during the course of audit, we enclose in the Annexure, a statement of the matters specified in the paragraphs 4 and 5 of the said Order to the extent applicable to the Company for the year under reference.

4. Further to our comments in the annexure referred to in paragraph 3 above, we further report that:

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

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

   c. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.

   d. In our opinion, the Balance Sheet, the Profit and Loss Account and Cash Flow Statement comply with the applicable Accounting standards referred to under sub-section (3C) of the section 211 of the Companies Act, 1956;

   e. On the basis of written representations received from the Directors, and taken on record by the Directors, we report that none of the Director is disqualified as on 31st March 2010 from being appointed as a Director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.

   f. In our opinion and to the best of our knowledge and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

      i. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2010 and

      ii. In the case of Profit and Loss Account of the profit for the year ended on that date.

      iii. In case of the Cash Flow Statement, of the cash flow for the year ended on that date.

For **Borkar and Muzumdar**
Chartered Accountants
(Registration No. 101569W)

Rajesh Batham
Partner
Membership No. : 35941

Place: MUMBAI
Date: 20 May 2010

ANNEXURE TO AUDITORS' REPORT
(Referred to in paragraph 3 of our report of even date)

1. FIXED ASSETS :

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

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

c) In our opinion and according to the information and explanation given to us, the Company has not disposed of any substantial part of fixed assets during the year

2. INVENTORIES :

a) The management has informed us that they have physically verified the inventory at the end of the year and that no material discrepancies were noticed on such physical verification. In our opinion, considering the nature of business and size of the Company, the frequency of verification is reasonable.

b) In our opinion and according to the information and explanation given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

3. LOANS AND ADVANCES :

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

4. INTERNAL CONTROL :

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

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

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

6. DEPOSITS FROM PUBLIC :

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

7. INTERNAL AUDIT SYSTEM :

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

8. COST RECORDS :

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

9. STATUTORY DUES :

a) According to the records of the Company, undisputed statutory dues including provident fund, income-tax, sales-tax, custom duty, excise duty, service tax, cess and other statutory dues have been regularly deposited with the appropriate authorities.

b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, sales tax, customs duty, excise duty and cess and other applicable statutory dues were in arrears, as at 31st March 2010 for a period of more than six months from the date they became payable.

10. SICK INDUSTRY :

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

11. DUES TO FINANCIAL INSTITUIONS :

In our opinion and according to the information and explanations given to us, the Company has not taken any loans from banks and financial institutions. The Company has not obtained any borrowings by way of debentures.

12. SECURED LOANS AND ADVANCES GRANTED :

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

13. CHIT FUND, NIDHI OR MUTUAL BENEFIT COMPANY :

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

14. INVESTMENT COMPANY :

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

15. GUARANTEES GIVEN BY COMPANY :

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

16. TERM LOANS :

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

17. SOURCES OF FUND AND ITS APPLICATION :

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

18. PREFERENTIAL ISSUE :

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

19. DEBENTURES:

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

20. PUBLIC ISSUE :

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

21. FRAUD :

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

For **Borkar and Muzumdar**
Chartered Accountants
(Registration No. 101569W)

Rajesh Batham
Partner
Membership No. : 35941

Place: MUMBAI
Date: 20 May 2010

BALANCE SHEET AS AT 31 MARCH 2010

(Amount in Rupees)

As At		Schedule		31-03-2010	31-03-2009
SOURCES OF FUNDS					
1.	**Shareholders' Funds:**				
	(a) Capital	1	75100000.00		75100000.00
	(b) Reserves and surplus	2	155377192.99		150000000.00
				230477192.99	225100000.00
2.	**Loan Funds:**				
	(a) Unsecured loans	3		-	5229139.00
3.	**Deferred Tax Liability**			3885000.00	-
	TOTAL			**234362192.99**	**230329139.00**
	APPLICATION OF FUNDS				
4.	**Fixed Assets:**				
	(a) Gross Block	4	244401791.50		244401791.50
	(b) Less: Depreciation		34006050.31		23154792.62
	(c) Net block		210395741.19		221246998.88
	(d) Capital work-in-progress		1310011.00		-
				211705752.19	221246998.88
5.	**Current assets, loans and advances:**				
	(a) Inventories	5	1934873.00		1937363.00
	(b) Sundry Debtors	6	4681590.00		-
	(c) Cash and bank balances	7	13082293.88		761813.46
	(d) Loans and advances	8	6507083.00		5387735.00
			26205839.88		8086911.46
	Less: Current liabilities and provisions:				
	(a) Liabilities	9	2939496.08		5047638.95
	(b) Provisions	10	609903.00		751241.00
			3549399.08		5798879.95
	Net current assets			22656440.80	2288031.51
6.	**Debit balance in Profit and Loss Account**				
	(per contra .... Schedule 2)			-	6794108.61
	TOTAL			**234362192.99**	**230329139.00**
	Significant Accounting Policies and notes to Balance Sheet and Profit and Loss Account	13			

As per attached report of even date
For **Borkar & Muzumdar**
Chartered Accountants

Rajesh Batham
Partner
Mem. No. 35941

Place : Mumbai
Date: 20 May 2010

For and on behalf of the Board of Directors

S.R.Deo
Chairman

P.Srinivasan
Director

Place : Mumbai
Date: 20 May 2010

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2010

(Amount in Rupees)

For the year ended	Schedule		31-3-2010	31-3-2009
INCOME				
Processing Charges Income		77073400.00		65244222.00
Other Income		227723.46		196545.34
			77301123.46	65440767.34
EXPENDITURE				
Manufacturing and other expenses	11	50275604.17		49838873.08
Depreciation	4	10851257.69		10726157.97
Interest	12	117960.00		1295085.00
			61244821.86	61860116.05
Profit before tax			**16056301.60**	**3580651.29**
Provision for Taxation:				
Current Income tax		2288000.00		366026.00
Fringe benefit tax		-		27000.00
Deferred Tax Charge		3885000.00		-
Minimum Alternative Tax (MAT) Credit Entitlement		(2288000.00)		(366026.00)
			3885000.00	27000.00
Profit after tax			**12171301.60**	**3553651.29**
Deficit brought forward from previous period			(6794108.61)	(10347759.90)
Proposed Dividend on Equity Shares			-	-
Corporate tax on dividend			-	-
Balance carried to balance sheet			**5377192.99**	**(6794108.61)**
Earnings per share of face value of Rs. 10 each				
Basic (Refer note 5 of schedule 13 B)			1.62	0.59
Diluted (Refer note 5 of schedule 13 B)			1.62	0.59
Significant Accounting Policies and notes to Balance Sheet and Profit and Loss Account	13			

As per attached report of even date
For **Borkar & Muzumdar**
Chartered Accountants

Rajesh Batham
Partner
Mem. No. 35941

Place : Mumbai
Date: 20 May 2010

For and on behalf of the Board of Directors

S.R.Deo
Chairman

P.Srinivasan
Director

Place : Mumbai
Date: 20 May 2010

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2010

(Amount in Rupees)

	For the year ended		31-3-2010	31-3-2009
A.	**CASH FLOW FROM OPERATING ACTIVITIES :**			
	Profit before tax		**16056301.60**	**3580651.29**
	Adjustments for :			
	Depreciation	10851257.69		10726157.97
	Interest	117960.00		1295085.00
			10969217.69	12021242.97
	Operating profit before working capital changes		**27025519.29**	**15601894.26**
	Adjustments for :			
	Decrease/Increase in trade and other receivables	(7040230.00)		7868690.51
	Increase in inventories	2490.00		(194155.96)
	Increase / (Decrease) in trade payables	(2108142.87)		(13359012.75)
	Increase in provisions	254708.00		392691.00
			(8891174.87)	(5291787.20)
	Cash generated from operations		18134344.42	10310107.06
	Direct Taxes paid		843246.00	(1497449.00)
	Net cash generated from operating activities		18977590.42	8812658.06
B.	CASH FLOW FROM INVESTING ACTIVITIES :			
	Purchase of fixed assets (net)		(1310011.00)	(3308341.55)
	Movement in loans and deposits		(5229139.00)	(4396936.00)
	Net Cash (used in)/ generated from Investment activities		(6539150.00)	(7705277.55)
C.	CASH FLOW FROM FINANCING ACTIVITIES :			
	Interest paid		(117960.00)	(1295085.00)
	Net Cash used in financing activities		**(117960.00)**	**(1295085.00)**
	Net (decrease)/increase in cash and cash equivalents		12320480.42	(187704.49)
	Opening balance of cash and cash equivalents		761813.46	949517.95
	Closing balance of cash and cash equivalents		13082293.88	761813.46

As per attached report of even date
For **Borkar & Muzumdar**
Chartered Accountants

Rajesh Batham
Partner
Mem. No. 35941

Place : Mumbai
Date: 20 May 2010

For and on behalf of the Board of Directors

S.R.Deo
Chairman

P.Srinivasan
Director

Place : Mumbai
Date: 20 May 2010

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31 MARCH 2010

(Amount in Rupees)

As At		31-03-2010	31-03-2009
SCHEDULE 1 : SHARE CAPITAL:			
Authorised:			
10000000 (previous year 4050000) Equity shares of Rs. 10 each		100000000.00	100000000.00
Issued and subscribed:			
7510000 (previous year 4010000) Equity shares of Rs. 10 each, fully paid-up		75100000.00	75100000.00
SCHEDULE 2 : RESERVES AND SURPLUS:			
1. Share Premium Account:			
Balance at the commencement of the year	150000000.00		80000000.00
Add: Share Premium received during the year	-		70000000.00
		150000000.00	**150000000.00**
2. Profit & Loss Account :			
Balance at the commencement of the year	(6794108.61)		(10347759.90)
Less: Credit balance in Profit and Loss Account	12171301.60		3553651.29
		5377192.99	(6794108.61)
TOTAL		**155377192.99**	**150000000.00**
SCHEDULE 3 : UNSECURED LOANS:			
Loans and advances from Holding Company		-	5229139.00
TOTAL		**-**	**5229139.00**

SCHEDULE 4 : FIXED ASSETS

	Land Leasehold	Buildings	Plant and Machinery	Furniture & Fixtures	As at 31.3.2010	As at 31.3.2009
Gross block as on 01/04/09	32500000.00	33235319.28	178533698.22	132774.00	**244401791.50**	209722949.09
Additions	-	-	-	-	**-**	34678842.41
Deletions / Retirements	-	-	-	-	**-**	-
Gross Block as on 31/03/10	32500000.00	33235319.28	178533698.22	132774.00	**244401791.50**	244401791.50
Accumulated Depreciation upto 31/03/10	1538689.00	2918341.39	29539233.75	9786.17	**34006050.31**	23154792.62
Net Block as at 31st March, 2010	30961311.00	30316977.89	148994464.47	122987.83	**210395741.19**	-
Net Block as at 31st March, 2009	31411659.00	31282903.72	158421043.74	131392.42	**-**	221246998.88
Depreciation for the year	450348.00	965925.83	9426579.27	8404.59	**10851257.69**	
Capital Work in Progress [Including Capital Advances of Rs. NIL (Previous year Rs. NIL)]					**1310011.00**	**-**

SCHEDULE 5 : INVENTORIES:		**As at 31.3.2010**	**As at 31.3.2009**
1. Stores, spares and Consumables	1934873.00		1937363.00
TOTAL		**1934873.00**	**1937363.00**
(Refer Note 8 of schedule 13 A)			
SCHEDULE 6 : SUNDRY DEBTORS :			
1. Outstanding for more than 6 months			
Considered good	-		-
Considered doubtful	-		-
Other Debts	4681590.00		-
TOTAL		**4681590.00**	**-**

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31 MARCH 2010

(Amount in Rupees)

As At		31-03-2010	31-03-2009
SCHEDULE 7 : CASH AND BANK BALANCES:			
1. Cash on hand	503.00		1159.00
2. Bank balances :			
With Scheduled Banks:			
In current accounts	5081790.88		760654.46
In Deposit Account	8000000.00		-
TOTAL		**13082293.88**	**761813.46**
SCHEDULE 8 : LOANS AND ADVANCES (Considered good):			
1. Advances recoverable in cash or in kind or for value to be received	1985273.00		1914633.00
2. Advance payment of income Tax	1727764.00		2571010.00
3. Minimum Alternative Tax (MAT) Credit Entitlement	2684046.00		396046.00
4. Balance with Customs and Excise	110000.00		110000.00
TOTAL		**6507083.00**	**4991689.00**
SCHEDULE 9 : CURRENT LIABILITIES:			
1. Sundry Creditors	2939496.08		4046021.95
2. Interest accrued but not due on loans	-		1001617.00
TOTAL		**2939496.08**	**5047638.95**
SCHEDULE 10 : PROVISIONS:			
1. Provision for Gratuity	284910.00		156332.00
2. Provision for Leave Encashment	324993.00		193863.00
3. Provision for Fringe benefit tax	-		5000.00
TOTAL		**609903.00**	**355195.00**

SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2010

(Amount in Rupees)

For the year ended		31-3-2010	31-3-2009
SCHEDULE 11: MANUFACTURING AND OTHER EXPENSES			
1. Utilities:			
(a) Power and fuel	26359965.00		25974282.76
(b) Other utilities	917223.00		1845312.00
		27277188.00	**27819594.76**
2. Payments to and provisions for employees:			
(a) Salaries, wages and bonus	9257532.00		8335778.00
(b) Contribution to provident and other funds	660454.00		598680.00
(c) Gratuity including provision for gratuity	128578.00		41266.00
(d) Leave encashment including provision for Leave encashment	177932.00		-
(e) Staff welfare	344094.00		214329.00
		10568590.00	**9190053.00**
3. Operating expenses:			
(a) Stores and spares	2045617.84		2724597.10
(b) Rates,taxes and duties	251983.00		908740.00
(c) Insurance	296486.00		385386.00
(d) Repairs and maintenance to plant and machinery	3763179.08		4316033.80
(e) Repairs and maintenance to buildings	334721.96		555365.38
(f) Repairs and maintenance to others	174687.00		99185.00
(g) Travelling	42847.00		8301.00
(h) Miscellaneous expenses	5520304.29		3831617.04
		12429826.17	**12829225.32**
TOTAL		**50275604.17**	**49838873.08**
SCHEDULE 12: INTEREST			
On Unsecured loan from Holding Company		117960.00	1295085.00
TOTAL		**117960.00**	**1295085.00**

SCHEDULE FORMING PART OF THE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2010

Schedule 13 : Significant Accounting Policies and Notes to Financial Statements

A. SIGNIFICANT ACCOUNTING POLICIES:

1. Basis of preparation of financial statements

The accompanying financial statements have been prepared as per historical cost convention, in accordance with generally accepted accounting principles in India and the provisions of the Companies Act, 1956 (the "Act").

2. Use of Estimates

The preparation of financial statements, in conformity with the generally accepted accounting principles, requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and differences between actual results and estimates, if any, are recognized in the period in which the results are known/materialize.

3. Revenue recognition

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

4. Fixed Assets

Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation.

5. Depreciation

i) Depreciation on fixed assets is provided, pro rata for the period of use, under straight line method at the SLM rates prescribed in schedule XIV to the Act.

ii) Cost of leasehold land is written off over the period of lease.

iii) Assets Costing Rs 5000/- or less are fully depreciated in the year of purchase.

6. Impairment of Assets

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

7. Investments

The company has classified all its investments as "Long Term" in accordance with Accounting Standard 13 on "Accounting for Investments". Provision is made to recognize a decline, other than temporary, in the value of investments.

8. Inventories

Items of inventories are measured at lower of the cost or net realizable value. The cost of inventories comprised of actual cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined by using the First-In First-Out Method (FIFO).

9. Operating Lease

Operating lease payments are recognized as expenditure in the profit and loss account on a straight-line basis, which is representative of the time pattern of benefits received from the use of the assets taken on lease.

10. Retirement benefits

The Company provides for gratuity, a defined benefit retirement plan (the "Gratuity Plan") covering eligible employees. In accordance with the Payment of Gratuities Act, 1972, The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation as of the Balance Sheet date, based upon which, the Company makes the provision of the same in the Books of Accounts.

11. Borrowing Costs

Borrowing costs, attributable to the acquisition or construction of a qualifying asset as defined in Accounting Standard 16, i.e., those assets that take a period of 12 months or more in becoming ready for use, are capitalized as part of the cost of acquisition. Other borrowing costs are expensed as incurred.

12. Taxation

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

Current tax is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the applicable tax rates and tax laws.

The tax effect of the timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a deferred tax asset or deferred tax liability. They are measured using the substantively enacted tax rates and tax regulations. The carrying amount of deferred tax assets at each balance sheet date is reduced to the extent that it is no longer reasonably certain that sufficient future taxable income will be available against which the deferred tax asset can be realized.

Tax on distributed profits payable in accordance with the provisions of Section 115 O of the Income tax Act, 1961, is, in accordance

Schedule 13 : Significant Accounting Policies and Notes to Financial Statements *(contd.)*

with the Guidance Note on Accounting for Corporate Dividend Tax, regarded as a tax on distribution of profits and is not considered in determination of the profits for the year.

13. 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.

14. Contingent Liabilities

Contingent Liabilities as defined in Accounting Standard 29 are disclosed by way notes to accounts. Provision is made if it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as contingent liability.

15. 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 and demand deposits with banks.

B. NOTES TO FINANCIAL STATEMENTS

1. The company is primarily engaged in the business of processing of rubber chemicals, which in the context of AS 17 on 'Segment Reporting' constitute a single reporting segment.

2. The company has filed an application before the Bombay High Court for merger of Ensen Holdings Limited and Urvija Investments Limited (fellow subsidiary companies) with the company effective from 1 April 2009. The said application is being now amended to 1 April 2010.

3. Manufacturing Expenses includes the following: *(Amount in Rupees)*

No.	Particulars	2009-10	2008-09
a)	Audit Fees	100000.00	75000.00
b)	Tax Audit Fees	50000.00	25000.00

4. The components of Deferred Tax Liabilities / (Assets) are as under *(Amount in Rupees)*

	2009 – 10	2008 - 09
Depreciation	18084946.00	15240088.00
Carry forward losses	(13997340.00)	(16708566.00)
Expenses allowed on payment basis	(202610.00)	-
Net deferred tax liability	3884996.00	(1468478.00)

During the year 2008-09 the Company has not recognized Deferred Tax Asset in the financials considering the principle of virtual certainty as stated in Accounting Standard 22 "Taxes on Income" issued by The Institute of Chartered Accountants of India.

5. Related Parties

(A) Name of related parties and description of relationship

(i) Holding Company

NOCIL LIMITED

(B) Transactions with related parties *(Amount in Rupees)*

Name of the Party	Relation	Nature of Transaction	Year ended 31-3-2010	Year ended 31-3-2009
			Amount	Amount
NOCIL LIMITED	Holding Company	Loan (repaid) / taken during the year	(5229139.00)	(4397000.00)
		Conversion of Loan into Equity and Share Premium	-	105000000.00
		Income from Processing Charges	77073400.00	65244222.00
		Interest on Loan	117960.00	1295085.00
		Reimbursement of Expenses	386050.00	-
Amount Outstanding (Rs.)		On loan taken	-	5229139.00
		Interest Payable	-	1295085.00
		Processing Charges	4682000.00	-

Notes:

1. Related party relationship is as identified by the company and relied upon by the auditors.
2. Loan from NOCIL is taken at the interest rate of 10% per annum.

Schedule 13 : Significant Accounting Policies and Notes to Financial Statements *(contd.)*

6. Earning per shares:

Particulars	Year ended 31 March 10	Year ended 31 March 09
Profit/(Loss) available to Equity Share Holders (Rupees in lakhs)	121.71	35.54
Weighted average number of Equity Shares	7510000	6051667
Nominal Value of Equity Share (Rs.)	10.00	10.00
Earnings per Share (Rs.) – Basic	1.62	0.59

Note: There is no dilution to the Basic EPS as there were no outstanding dilutive potential equity shares.

7. Employment and retirement benefits: *(Rs.)*

		2009-10	2008-09
1	**Post employment Benefits**		
(a)	Defined contribution plans		
(i)	Company's contribution to Provident Fund	470585.00	411307.00
(b)	**Defined benefit scheme (unfunded)**		
	Gratuity		
	Present Value of Obligation		
	As At 1 April	156332.00	115066.00
	Service Cost	73872.00	78130.00
	Interest Cost	17841.00	15456.00
	Actuarial Loss on obligation	36865.00	(52320.00)
	Benefit paid	-	-
	As at 31 March	284910.00	156332.00
	Expense during the year		
	Service cost	73872.00	78130.00
	Interest cost	17841.00	15456.00
	Actuarial Loss on obligations	36865.00	(52320.00)
	Principal Actuarial Assumptions		
	Rate of Discounting	8.00%	7.75%
	Rate of increase in salaries	4.00%	3.50%

Other Disclosure:

Particulars	2009-10	2008-09	2007-08
Defined benefit obligation	284910	156332	115066
Experience adjustment on liabilities – loss / (gain)	26658	(16364)	-

8. Additional information pursuant to the provisions of paragraphs 3, 4C and 4D of Part II of Schedule VI of the Companies Act, 1956:

The same is not applicable as the Company is involved in the business of processing of rubber chemicals and not manufacturing any goods.

9. Dues to micro, small and medium scale enterprises

There are no dues payable to Micro, Small and Medium Enterprises (as per information available with the Company) as on 31 March 2010, hence disclosures for the current year have not been given.

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

10. Figures of the previous year have been regrouped/ rearranged wherever necessary to correspond with the figures of the current year. Amounts and other disclosures for the preceding period are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

As per attached report of even date
For **Borkar & Muzumdar**
Chartered Accountants

Rajesh Batham
Partner
Mem. No. 35941

Place : Mumbai
Date: 20 May 2010

For and on behalf of the Board of Directors

S.R.Deo
Chairman

P.Srinivasan
Director

Place : Mumbai
Date: 20 May 2010

Balance Sheet Abstract

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE.

I. Registration Details

Registration No. 1 1 0 4 3 1 6 9 R

State Code 1 1

Balance Sheet Date 3 1 (Date) 0 3 (Month) 2 0 1 0 (Year)

II. Capital raised during the year

Public Issue: NIL	Rights Issue: NIL
Bonus Issue: NIL	Private Placements: NIL

III. Position of Mobilisation and Deployment of Funds *(Amount in Rs. Thousands)*

Total Liabilities: 234362	Total Assets: 234362

Sources of Funds

Paid-up Capital: 75100	Reserves and Surplus: 155377
Secured Loans: NIL	Unsecured Loans: NIL
	Deferred Tax Liability: 3885

Application of Funds

Net Fixed Assets: 211706	Investments: NIL
+ √ - Net Current Assets: 22656	Miscellaneous Expenditure: NIL
Accumulated Losses: NIL	

IV. Performance of the Company *(Amount in Rs. Thousands)*

Turnover: 77073	Total Expenditure: 61017
+ √ - Profit Before Tax: 16056	+ √ - Profit After Tax: 12171

(please tick appropriate box +for Profit, -for Loss)

+ √ - Earing per share in Rs.: 1.62	Dividend Rate %: - -

(Refer note no. 6 of Schedule 12 B)

V. Generic Names of Three Principle Products/Services of company *(as per monetary terms)*

Items Code No. (ITC Code): NIL	Product Description: NIL

For and on behalf of Board of Directors

S. R. DEO *Chairman*	**P. SRINIVASAN** *Managing Director*

Place : Mumbai
Date : 20 May 2010

Directors' Report

To The Members

ENSEN HOLDINGS LIMITED

The Directors present their report together with the Audited Accounts of the Company for the year ended 31 March 2010.

Financial Results

During the year under review, the Company has made a loss of Rs.2037802/- consequent to the impairment in the value of the investments. After considering short provision of taxation for earlier years the loss for the year works out to Rs.2117756/-

Dividend

In view of carry forward losses, the Directors do not recommend any dividend.

Merger

Members are aware that your Company and other two companies viz. PIL Chemicals Pvt. Ltd., and Urvija Investments Ltd.., are wholly owned subsidiaries of NOCIL Ltd.

In view of accumulated losses and further to economise and consolidate the operations, the Board of Directors of the Company approved in principle the merger of your Company with PIL Chemicals Pvt. Ltd. an operating company of the group with effect from 1 April 2010.

Necessary application in this regard will be made in due course to the Hon'ble Bombay High Court.

Public Deposits

The Company has not accepted any deposits and hence there were no outstanding deposits as on 31 March 2010. The Company has given an undertaking to Reserve Bank of India under NBFC Public Deposits (Reserve Bank) Directions, 1998, for not accepting any deposits without its prior approval.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo.

Being an investment company, there are no particulars to be furnished in this report as required by section 217(1) (e) of the Companies Act, 1956 relating to conservation of energy and technology absorption. There was no foreign exchange earnings or outgo during the year.

Particulars of Employees

As there were no employees drawing any salary, the provisions of Section 217(2A) of the Companies Act, 1956, are not applicable to the Company.

Directors

At the forthcoming Annual General Meeting, Mr. P. Srinivasan, retires by rotation in accordance with the provisions of the Companies Act, 1956 and being eligible, offers himself for re-appointment.

Directors' Responsibility Statement

The Directors confirm:

a. that in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same.

b. that they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period.

c. that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

d. that they have prepared the Accounts for the period on a going concern basis.

Auditors

The term of M/s. Deloitte Haskins & Sells, Chartered Accountants, retire as Auditors of the Company, at the conclusion of this Annual General Meeting and are eligible for re-appointment. The auditors have given a certificate to the effect that the re-appointment, if made, will be within the prescribed limits specified under Section 224 (1B) of the Companies Act, 1956.

Acknowledgements

Your directors acknowledge the continued support and co-operation from Banks and Government Bodies.

For and on behalf of the Board

Place : Mumbai
Date : 20 May 2010

C.R. Gupte
Chairman

Auditors' Report

To the Members of Ensen Holdings Limited

1. We have audited the attached Balance Sheet of Ensen Holdings Limited ("the Company") as at 31 March 2010, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows :
   (a) we have 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 appears from our examination of those books;
   (c) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
   (d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in sub - section (3C) of section 211 of the Companies Act, 1956.
   (e) Attention is invited to the following notes of schedule 7 B:
      1. Note no. 1 regarding an amount of Rs 9,141,000/- (previous year Rs 9,141,000/-) being the secured loan given to a company which is in the process of implementing the Rehabilitation Scheme sanctioned by the Board of Industrial and Financial Reconstruction (BIFR), considered good for the reasons explained in the note. We are unable to express an opinion in this regard.
      2. Note no. 2 regarding the financial statements being prepared on a going concern basis. The ability of the Company to continue operations as a going concern is dependent upon continuing financial support from its parent Company as described in the note.

      The above was also subject matter of qualification in the previous year.

   (f) Subject to (e) above, the effect of which cannot be determined, in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
      (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2010;
      (ii) in the case of the Profit and Loss Account, of the loss of the Company for the year ended on that date; and
      (iii) in the case of the Cash Flow statement, of the cash flows for the year ended on that date.
5. On the basis of the written representations received from the directors as on 31 March 2010 and taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For Deloitte Haskins & Sells
Chartered Accountants
(Registration No. 117366W)

P. B. Pardiwalla
Partner
Membership No. 40005

Place: Mumbai
Date: 20 May 2010

Annexure to the Auditors' Report

(Referred to in paragraph 3 of our report of even date)

1. Having regard to the nature of the Company's business/activity, clauses (i), (ii), (iii), (iv), (v), (vi), (viii), (xi), (xii), (xiii), (xiv), (xv), (xvi), (xvii), (xviii), (xix) and (xx) of CARO are not applicable to the Company.
2. *The Company did not have internal audit system during the year under review.*
3. According to the information and explanations given to us in respect of its statutory dues:
   a) The Company has generally been regular in depositing undisputed dues, including Income-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 Income-tax, Cess and other material statutory dues in arrears as at 31st March, 2010 for a period of more than six months from the date they became payable.
   c) According to the information and explantions given to us, there are no disputed Income Tax and Cess which have not been deposited with the relevant authorities.
4. The accumulated losses of the Company at the end of the financial year are not less than fifty percent of its networth and the Company has not incurred cash losses in the financial year and in the immediately preceding financial year.
5. To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud on or by the Company was noticed or reported during the year.

For Deloitte Haskins & Sells
Chartered Accountants
(Registration No. 117366W)

P. B. Pardiwalla
Partner
Membership No. 40005

Place: Mumbai
Date: 20 May 2010

BALANCE SHEET AS AT 31 MARCH 2010

(Amount in Rupees)

As at	Schedule		31.03.2010	31.03.2009
SOURCES OF FUNDS				
1. Shareholders' Funds:				
(a) Capital	1	375000000		375000000
(b) Reserves and surplus	2	5670000		5670000
			380670000	380670000
TOTAL			**380670000**	**380670000**
APPLICATION OF FUNDS				
1. Investments	3		1084623	3316622
2. Current assets, loans and advances:				
(a) Bank balances	4	7191358		7738849
(b) Loans and advances	5	9160395		9141000
		16351753		**16879849**
Less : Current liabilities & Provisions:				
Liabilities & Provisions	6	52919		695258
		52919		**695258**
Net current assets			**16298834**	**16184591**
3. Profit and Loss Account (per contra - Schedule 2)			363286543	361168787
TOTAL			**380670000**	**380670000**
Significant accounting policies and notes to financial statements	7			

As per our attached report of even date
For **Deloitte Haskins & Sells**
Chartered Accountants

P. B. Pardiwalla
Partner

Mumbai,
Dated : 20 May 2010

For and on behalf of the Board of Directors

C.R. Gupte
Chairman

R. M. Gadgil
Managing Director

Mumbai ,
Dated : 20 May 2010

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2010

(Amount in Rupees)

For the year ended	Schedule	31.03.2010	31.03.2009
INCOME			
Dividend from long term investments		209100	70500
Interest on Deposits		19233	-
(TDS Rs. 1923 (Previous year Rs. NIL))			
Interest others		-	319819
(TDS Rs. NIL (Previous year Rs. 65883))			
Income from Sale of Investments		-	6849999
		228333	**7240318**
EXPENDITURE			
Payment to Auditors:			
Audit fees (including service tax)		16545	16854
Certification work		11030	-
Rates and taxes		1700	1700
Filing fees		1000	2500
Professional Fees		3309	58000
Bank Charges		552	562
Provision for diminution in the value of investments		2231999	-
Miscellaneous Expenses		-	650
		2266135	**80266**
(Loss)/Profit before Tax		**(2037802)**	**7160052**
Provision for Income Tax:-			
Current Year		-	731000
Short provision of earlier year		79954	-
(Loss)/Profit after Tax		(2117756)	6429052
Balance brought forward from previous year		(361172287)	(367601339)
Balance carried to Balance Sheet		**(363290043)**	**(361172287)**
Earning per share (equity shares, par value Rs. 10/- each)			
Basic		(0.06)	0.17
Diluted (Refer note 5 of schedule 7B)			
Significant accounting policies and notes to financial statements	7		

As per our attached report of even date
For **Deloitte Haskins & Sells**
Chartered Accountants

P. B. Pardiwalla
Partner

Mumbai,
Dated : 20 May 2010

For on behalf of the Board of Directors

C.R. Gupte
Chairman

R. M. Gadgil
Managing Director

Mumbai ,
Dated : 20 May 2010

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2010

(Amount in Rupees)

For the year ended	31 March 2010	31 March 2009
A. CASH FLOW FROM OPERATING ACTIVITIES :		
(Loss) / Profit for the year	(2037802)	7160052
Adjustments for :		
Dividend Received	(209100)	(70500)
Provision for diminution in the value of investments	2231999	-
Income from Sale of Investments	-	(6849999)
	2022899	**(6920499)**
Operating (Loss)/ Profit before working capital changes	(14903)	239553
Increase in Current Assets	(19233)	-
Increase in Current Liabilities	16545	2584
Cash (used in) / generated from operations	(17591)	242137
Direct taxes paid	(739000)	(65882)
Net Cash (used in)/generated from operating activities	**(756591)**	**176255**
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Dividend Received	209100	70500
Income from Sale of Investments	-	6849999
Net Cash generated from investment activities	**209100**	**6920499**
Net (decrease) / Increase in cash and cash equivalents	**(547491)**	**7096754**
Opening balance	7738849	642095
Closing balance	7191358	7738849

As per our attached report of even date
For **Deloitte Haskins & Sells**
Chartered Accountants

P. B. Pardiwalla
Partner

Mumbai,
Dated : 20 May 2010

For and on behalf of the Board of Directors

C.R. Gupte
Chairman

R. M. Gadgil
Managing Director

Mumbai ,
Dated : 20 May 2010

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS AS AT 31 MARCH 2010

(Amount in Rupees)

		31 March 2010	31 March 2009
SCHEDULE 1 : SHARE CAPITAL			
Authorised:			
40000000 equity shares of Rs.10 each		400000000	400000000
Issued and Subscribed:			
37500000 equity shares of Rs.10 each, fully paid-up		375000000	375000000
(All of the above equity shares are held by			
NOCIL - Holding Company)			
TOTAL		**375000000**	**375000000**
SCHEDULE 2 : RESERVES AND SURPLUS			
1. General Reserve:			
As per last Balance Sheet		3500	3500
Debit balance in profit and loss account	363290043		361172287
Less: Debit balance in excess of			
General Reserve (per contra)	363286543		361168787
		3500	3500
		-	-
2. Reserve under Section 45IC of Reserve Bank of India			
(Amendment) Act, 1997			
As per last Balance Sheet		5670000	5670000
TOTAL		**5670000**	**5670000**
SCHEDULE 3 : INVESTMENTS			
(at cost or valuation)			
Long term investments:			
19900 equity shares of Bank of India of Rs.10 each fully paid.	895500		895500
2400 equity shares of Corporation Bank of Rs.10 each fully paid.	189120		189120
		1084620	1084620
12000000 equity shares of Vibhadeep Investments & Trading Ltd. of Rs.10 each fully paid.		1	1
16000 ordinary shares of UK Stg Pd.10 each. fully paid in Mafatlal Ltd, U.K.		1	1
22320 equity shares of Mafatlal Services Limited. of Rs.100 each fully paid.	2232000		2232000
Less : Provision for diminution in the value of investments	2231999	1	2232002
TOTAL		**1084623**	**3316622**
NOTES:			
(a) Aggregate value of quoted investments			
Cost / carrying amount		1084620	1084620
Market value		7924295	4808365
(b) Aggregate value of unquoted investments			
Cost / carrying amount		3	2232002
SCHEDULE 4 : BANK BALANCES			
Bank Balance			
With Scheduled Banks:			
In current accounts		1191358	7738849
In deposit account		6000000	-
TOTAL		**7191358**	**7738849**

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS AS AT 31 MARCH 2010 *(CONTD.)*

(Amount in Rupees)

	31 March 2010	31 March 2009
SCHEDULE 5 : LOANS AND ADVANCES		
(Considered good)		
Secured Loan * (Refer Note 1 of Schedule 7B)	9141000	9141000
Interest accrued on deposits	19233	-
Advance payment of income-tax	162	-
TOTAL	**9160395**	**9141000**
* Loan is secured by mortgage of three flats/garages in housing societies		
SCHEDULE 6 : CURRENT LIABILITIES AND PROVISIONS:		
Sundry Creditors		
- Payable to Micro and Small Enterprises (Refer note 7 of Schedule 7B)	-	-
- others	52919	36374
Provision for Tax (net of advances)	-	658884
TOTAL	**52919**	**695258**

SCHEDULE 7 : SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS

A. Significant Accounting Policies:

1. **Basis of preparation of financial statements**

   The accompanying financial statements have been prepared under the historical cost convention, in accordance with the Generally Accepted Accounting Principles in India and the provisions of the Companies Act, 1956.

2. **Use of estimates**

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

3. **Revenue recognition**

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

   Dividend is recognized on receipt basis.

4. **Investments**

   The company has classified all its investments as “Long Term” in accordance with Accounting Standard 13 on “Accounting for Investments.’’ Provision is made to recognise a decline, other than temporary, in the value of investments.

5. **Taxation**

   Income tax is accounted for in accordance with Accounting Standard 22 on Accounting for Taxes on Income. Taxes comprise both current and deferred tax (Refer note 6 of schedule 7 B)

   Current tax is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the applicable tax rates and tax laws.

6. **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.

7. **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 balance with banks and demand deposits.

8. **Contingent liabilities**

   Contingent liabilities as defined in Accounting Standard 29 on “Provisions, Contingent Liabilities and Contingent Assets” are disclosed by way of notes to the accounts. Disclosure is not made if the possibility of an outflow of future economic benefits is remote. Provision is made if it is probable that an outflow of future economic benefits will be required to settle the obligation.

B. NOTES TO FINANCIAL STATEMENTS

1. The Company has given an inter-corporate deposit aggregating to Rs. 9141000/- (net) (previous year Rs. 9141000/-) in the earlier years, which is secured by mortgage of three flats / garages in housing societies. The said Company is a Sick Industrial company and is in the

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS AS AT 31 MARCH 2010 *(CONTD.)*

process of implementation of a rehabilitation scheme, which has been sanctioned by the Board of Industrial and Financial Reconstruction. As per the sanctioned scheme, no interest is payable on such loan and the repayment thereof would commence as per the Scheme. Accordingly, the said loan is considered good and recoverable by management.

2. As at 31 March, 2010 the company has reported accumulated losses of Rs. 363286543. The company has filed an application before the Bombay High Court for amalgamation of the company with PIL Chemicals Private Limited (a fellow subsidiary) with effect from 1 April 2009 the same is being now amended to 1 April 2010. The accounts have been prepared on a going concern basis since the parent company has from time to time made arrangements for finance to enable the company to continue operations and is committed to provide the necessary level of financial support to the company to enable it to operate in the foreseeable future or till such time as the amalgamation scheme is approved by the High Court.

3. Segment

The company operates in a single business and geographical segment.

4. Related Party Disclosures

A) **Name of related parties** (i) Holding Company : NOCIL Limited

(ii) Other : Mafatlal Industries Limited

B) **Transaction with related parties**

Nature of Transactions	Holding Company	Other	Balance outstanding
Reimbursement of cost	3309 -	- -	- -
Loan given	- (735000)	- -	- -
Loan repaid	- (735000)	- -	- -
Interest received	- (319839)	- -	- -
Loans written off	- -	- (18559000)	- -
Loan given (Other)	- -	- -	9141000 (9141000)

The figure in the bracket pertains to previous year.

5. Earning per Share (EPS) is calculated as follows:

No.	Particulars	Year ended 31 March 2010	Year ended 31 March 2009
1	(Loss) / Profit attributable to equity shareholders (Rs.)	(2117756)	6429052
2	Weighted Average Number of equity shares outstanding during the year	37500000	37500000
3	Nominal value per equity share (in Rs.)	10	10
4	Earning per share		
	- Basic	(0.06)	0.17

Note: There is no dilution to the basic EPS as there are no outstanding dilutive potential equity shares.

6. The Company has not recognized deferred tax assets in respect of carried forward losses on consideration of prudence in line with the Accounting Standard 22 on “Accounting for Taxes on Income”.

7. There are no dues payable to Micro, Small and Medium Enterprises (as per information available with the Company) as on 31 March 2010, hence disclosures as required under the Micro, Small and Medium Enterprises Development Act, 2006, for the current year and previous year have not been given.

8. Figures of the previous year have been regrouped / rearranged wherever necessary to correspond with the figures of the current year. Amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

As per our attached report of even date
For **Deloitte Haskins & Sells**
Chartered Accountants

P. B. Pardiwalla
Partner

Mumbai,
Dated : 20 May 2010

For and on behalf of the Board of Directors

C.R. Gupte
Chairman

R. M. Gadgil
Managing Director

Mumbai ,
Dated : 20 May 2010

BALANCE SHEET ABSTRACT

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE.

I. Registration Details

Registration No. 26451

State Code 11

Balance Sheet Date 31 (Date) 03 (Month) 2010 (Year)

II. Capital raised during the year

Public Issue: NIL

Rights Issue: NIL

Bonus Issue: NIL

Private Placements: NIL

III. Position of Mobilisation and Deployment of Funds *(Amount in Rs. Thousands)*

Total Liabilities: 380670

Total Assets: 380670

Sources of Funds

Paid-up Capital: 375000

Reserves and Surplus: 5670

Secured Loans: NIL

Unsecured Loans: NIL

Application of Funds

Net Fixed Assets: NIL

Investments: 1085

Net Current Assets (+ √ / -): 16299

Miscellaneous Expenditure: NIL

Accumulated Losses: 36287

IV. Performance of the Company *(Amount in Rs. Thousands)*

Turnover: 228

Total Expenditure: 2266

Profit Before Tax (+ / - √): 2038

Profit After Tax (+ / - √): 2118

(please tick appropriate box +for Profit, -for Loss)

Earing per share in Rs. (+ / - √): 0.06

(Refer note no. 4 of Schedule 7 B)

Dividend Rate %: --

V. Generic Names of Three Principle Products/Services of company *(as per monetary terms)*

Items Code No. (ITC Code): NIL

Product Description: NIL

For on behalf of Board of Directors

C. R. CUPTE
Chairman

R. M. GADGIL
Managing Director

Place : Mumbai
Date : 20 May 2010

Directors' Report

To The Members,

URVIJA INVESTMENTS LIMITED

The Directors present their report together with the Audited Accounts of the Company for the year ended 31 March 2010.

Financial Results

During the year under review, the Company has earned income of Rs.55011/- and made a profit before tax of Rs.7076/-. After considering short provision of taxation for earlier years the loss for the year works out to Rs.337120/-.

Dividend

In view of carry forward losses, the Directors do not recommend any dividend.

Merger

Members are aware that your Company and other two companies viz. Ensen Holdings Ltd., and PIL Chemicals Pvt. Ltd., are wholly owned subsidiaries of NOCIL Ltd.

In view of accumulated losses and further to economise and consolidate the operations, the Board of Directors of the Company approved in principle the merger of your company with PIL Chemicals Pvt. Ltd. an operating company of the group with effect from 1 April 2010.

Necessary applications in this regard will be made in due course to the Hon'ble Bombay High Court.

Public Deposits

The Company has not accepted any deposits and hence there were no outstanding deposits as on 31 March 2010. The Company has given an undertaking to Reserve Bank of India under NBFC Public Deposits (Reserve Bank) Directions, 1998, for not accepting any deposits without its prior approval.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo.

Being an investment company, there are no particulars to be furnished in this report as required by section 217(1) (e) of the Companies Act, 1956 relating to conservation of energy and technology absorption. There was no foreign exchange earning or outgo during the year.

Particulars of Employees

As there were no employees drawing any salary, the provisions of Section 217(2A) of the Companies Act, 1956, are not applicable to the Company.

Directors

At the forthcoming Annual General Meeting, Mr. S.R. Deo, retires by rotation in accordance with the provisions of the Companies Act, 1956 and being eligible, offers himself for re-appointment.

Directors' Responsibility Statement

The Directors confirm:

a. that in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same.

b. that they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;

c. that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

d. That they have prepared the Accounts for the period on a going concern basis.

Auditors

The term of M/s. Deloitte Haskins & Sells, as auditors, expires at the conclusion of this Annual General Meeting and they are eligible for re-appointment. The auditors have given a certificate to the effect that the re-appointment, if made, will be within the prescribed limits specified under Section 224 (1B) of the Companies Act, 1956.

Acknowledgements

Your directors acknowledge the continued support and co-operation from Banks and Government Bodies.

For and on behalf of the Board

Place: Mumbai,
Date: 20 May 2010

(C.R.GUPTE)
CHAIRMAN

Auditors' Report

To the members,URVIJA INVESTMENTS LIMITED

1. We have audited the attached Balance Sheet of Urvija Investments Limited ("the Company") as at 31 March 2010, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows :
   (a) we have 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 appears from our examination of those books;
   (c) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
   (d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in sub - section (3C) of section 211 of the Companies Act, 1956.
   (e) Attention is invited to note no.B (1) of schedule 7 regarding the financial statements being prepared on a going concern basis. The ability of the Company to continue operations as a going concern is dependent upon continuing financial support from its parent Company as described in the note.
   (f) Subject to (e) above, the effect of which cannot be determined, in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
      (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2010;
      (ii) in the case of the Profit and Loss Account, of the loss of the Company for the year ended on that date; and
      (iii) in the case of the Cash Flow statement, of the cash flows for the year ended on that date.
5. On the basis of the written representations received from the directors as on 31 March 2010 and taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For Deloitte Haskins & Sells
Chartered Accountants
(Registration No. 117366W)

P. B. Pardiwalla
Partner
Membership No. 40005

Place: Mumbai
Date: 20 May 2010

Annexure to the Auditors' Report

(Referred to in paragraph 3 of our report of even date)

1. Having regard to the nature of the Company's business/activity, clauses (i), (ii), (iii), (iv), (v), (vi), (viii), (xi), (xii), (xiii), (xiv), (xv), (xvi), (xvii), (xviii), (xix) and (xx) of CARO are not applicable to the Company.
2. The Company did not have internal audit system during the year under review..
3. According to the information and explanations given to us in respect of its statutory dues:
   a) The Company has generally been regular in depositing undisputed dues, including Income-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 Income-tax, Cess and other material statutory dues in arrears as at 31st March, 2010 for a period of more than six months from the date they became payable.
   c) According to the information and explantions given to us, there are no disputed Income Tax and Cess which have not been deposited with the relevant authorities.
4. The accumulated losses of the Company at the end of the financial year are not less than fifty percent of its networth and the Company has not incurred cash losses in the financial year and in the immediately preceding financial year.
5. To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud on or by the Company was noticed or reported during the year.

For Deloitte Haskins & Sells
Chartered Accountants
(Registration No. 117366W)

P. B. Pardiwalla
Partner
Membership No. 40005

Place: Mumbai
Date: 20 May 2010

BALANCE SHEET AS AT 31 MARCH 2010

(Rs. in Rupees)

As at	Schedule	31 March 2010	31 March 2009
SOURCES OF FUNDS			
1. Shareholders' Funds:			
(a) Capital	1	122500000	122500000
(b) Reserves and surplus	2	202000	202000
TOTAL		**122702000**	**122702000**
APPLICATION OF FUNDS			
1. Investments	3	886258	886258
2. Current assets, loans and advances:			
(a) Bank balances	4	6985924	6963360
(b) Loans and advances	5	141516	484655
		7127440	**7448015**
Less : Current liabilities :			
Liabilities	6	51920	35375
Net current assets		**7075520**	**7412640**
3. Profit and Loss Account (per contra - Schedule 2)		**114740222**	**114403102**
TOTAL		**122702000**	**122702000**
Significant accounting policies and notes to financial statements	7		

As per attached report of even date

for **Deloitte Haskins & Sells**
Chartered Accountants

P. B. Pardiwalla
Partner

Mumbai, Dated 20 May 2010

For and on behalf of the Board of Directors

C. R. Gupte
Chairman

P. Srinivasan
Managing Director

Mumbai, Dated 20 May 2010

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2010

(Rs. in Rupees)

For the year ended		31 March 2010	31 March 2009
INCOME			
Interest Received on:			
Investments		35778	37029
(TDS Rs. 5508 /- (previous year Rs 7416/-))			
Others		19233	369966
(TDS Rs. 1923 (Previous year Rs. 76213/-))			
Profit on Redemption of Investments		-	43220
Dividend		-	23232
		55011	**473447**
EXPENDITURE			
Payment to Auditors:			
Audit Fees (including service tax)		16545	16854
Certification work		22060	-
Rates and taxes		1700	1700
Professional Fees		4412	1000
Filing Fees		2500	1500
Bank Charges		718	845
Miscellaneous expenses		-	650
		47935	**22549**
Profit before tax		**7076**	**450898**
Provision for Income Tax:-			
Current Year		2186	135000
Short provision of earlier years		342010	-
(Loss) / Profit after tax		**(337120)**	**315898**
Balance brought forward from previous year		(114523102)	(114839000)
Balance carried to balance Sheet		**(114860222)**	**(114523102)**
Earning per share (equity shares, par value Rs. 100/- each)			
Basic		(0.28)	0.26
Diluted (Refer note 4 of schedule 7B)			
Significant accounting policies and notes to financial statements	7		

As per attached report of even date

for **Deloitte Haskins & Sells**
Chartered Accountants

P. B. Pardiwalla
Partner

Mumbai, Dated 20 May 2010

For and on behalf of the Board of Directors

C. R. Gupte
Chairman

P. Srinivasan
Managing Director

Mumbai, Dated 20 May 2010

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2010

(Rs. in Rupees)

For the year ended		31 March 2010	31 March 2009
A.	**CASH FLOW FROM OPERATING ACTIVITIES :**		
	Profit before tax	**7076**	**450898**
	Adjustments for :		
	Dividend Received	-	(23232)
	Profit on Redemption of Investments	-	(43220)
	Interest Received	(35778)	(37029)
		(35778)	**(103481)**
	Operating (loss)/profit before working capital changes	(28702)	347417
	Adjustments for :		
	Decrease / (Increase) in Loans & Advances	59451	(76403)
	Increase in Current Liabilities	16545	1685
	Cash generated from operations	**47294**	**272699**
	Direct taxes paid	(60508)	(83629)
	Net cash (used in) /generated from operating activities	**(13214)**	**189070**
B.	**CASH FLOW FROM INVESTING ACTIVITIES :**		
	Sale of Investment	-	91500
	Dividend Received	-	23232
	Interest Received	35778	37029
	Net Cash generated from Investment activities	**35778**	**151761**
	Net increase in cash and cash equivalents	22564	340831
	Opening balance	6963360	6622529
	Closing balance	6985924	6963360

As per attached report of even date

for **Deloitte Haskins & Sells**
Chartered Accountants

P. B. Pardiwalla
Partner

Mumbai, Dated 20 May 2010

For and on behalf of the Board of Directors

C. R. Gupte
Chairman

P. Srinivasan
Managing Director

Mumbai, Dated 20 May 2010

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

(Rs. in Rupees)

At at	31 March 2010	31 March 2009
SCHEDULE 1 : SHARE CAPITAL		
Authorised:		
1500000 equity shares of Rs.100 each	150000000	150000000
Issued and Subscribed:		
1225000 equity shares of Rs.100 each fully paid - up	122500000	122500000
(All of the above equity shares are held by NOCIL- the Holding Company)		
TOTAL	**122500000**	**122500000**
SCHEDULE 2 : RESERVES AND SURPLUS		
1. General Reserve:		
As per last Balance Sheet	120000	120000
Debit balance in profit and loss account	114860222	114523102
Less: Debit balance in excess of General		
Reserve (per contra)	114740222	114403102
	120000	120000
	-	-
2. Reserve under Section 45 IC of Reserve Bank of India (Amendment) Act, 1997		
As per last Balance Sheet	202000	202000
TOTAL	**202000**	**202000**
SCHEDULE 3 : INVESTMENTS		
(at cost or valuation)		
Long Term Investments:		
10560 Mastershares of Unit Trust of India of Rs.10 each fully paid	86000	86000
50000 units of J.M.Mutual Fund (Equity Dividend plan) of Rs. 10 each fully paid	500000	500000
11000000 equity shares of Vibhadeep Investments & Trading Ltd.	1	1
of Rs.10 each fully paid.		
30, 12% Bonds of I.C.I.C.I. (Series VII) of Rs.10000 each fully paid	300256	300256
16000 ordinary shares of UK Stg Pd.10 each. in Mafatlal Ltd., U.K., fully paid	1	1
	886258	886258
TOTAL	**886258**	**886258**
NOTES:		
(a) Aggregate value of quoted investments		
Cost / carrying amount	586000	586000
Market value	1018415	648601
(b) Aggregate value of unquoted investments		
Cost / carrying amount	300258	300258
SCHEDULE 4: BANK BALANCES		
Bank Balance		
With Scheduled Banks:		
In current accounts	985924	6963360
In deposit account	6000000	-
TOTAL	**6985924**	**6963360**
SCHEDULE 5: LOANS AND ADVANCES		
(Unsecured, considered good)		
Advance payment of Income - tax (net of Provision)	112913	396601
Interest accrued on investments and deposits	28603	12154
Receivable from UTI (US 64 Bonds)	-	75900
TOTAL	**141516**	**484655**
SCHEDULE 6: CURRENT LIABILITIES		
Sundry creditors		
- Payable to Micro and Small Enterprises (Refer note 5 of Schedule 7B)	-	-
- others	51,920	35,375
TOTAL	**51,920**	**35,375**

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

SCHEDULE 7: SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS

A. Significant Accounting Policies:

1. Basis of preparation of financial statements

The accompanying financial statements have been prepared under the historical cost convention, in accordance with the Generally Accepted Accounting Principles in India and the provisions of the Companies Act, 1956.

2. Use of estimates

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

3. Revenue recognition

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

Interest income is recognized on a time proportion basis. Dividend is recognized on receipt basis.

4. Investments

The company has classified all its investments as "Long Term" in accordance with Accounting Standard 13 on "Accounting for Investments.'' Provision is made to recognise a decline, other than temporary, in the value of investments.

5. Taxation

Income tax is accounted for in accordance with Accounting Standard 22 on Accounting for Taxes on Income.

Current tax is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the applicable tax rates and tax laws.

6. 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.

7. 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 balance with banks and demand deposits.

8. Contingent liabilities

Contingent liabilities as defined in Accounting Standard 29 on "Provisions, Contingent Liabilities and Contingent Assets" are disclosed by way of notes to the accounts. Disclosure is not made if the possibility of an outflow of future economic benefits is remote. Provision is made if it is probable that an outflow of future economic benefits will be required to settle the obligation.

B. NOTES TO FINANCIAL STATEMENTS

1. As at 31 March, 2010 the company has reported accumulated losses of Rs. 114740222. Further, subsequent to the year end the company has filed an application before the Bombay High Court for amalgamation of the company with PIL Chemicals Private Limited (a fellow subsidiary) with effect from 1 April 2009 the same is being now amended to 1 April 2010. The accounts have been prepared on a going concern basis since the parent company has from time to time made arrangements for finance to enable the company to continue operations and is committed to provide the necessary level of financial support to the company to enable it to operate in the foreseeable future or till such time as the amalgamation scheme is approved by the High Court.

2. Segment

The company operates in a single business and geographical segment.

SCHEDULE 7: SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS *(contd.)*

3. Related Party Disclosures

A) Name of related parties and description of relationship

Holding Company:

Nocil Limited

B) Transaction with related parties

Nature of Transactions	Holding Company
Reimbursement of cost	4412 -
Loan Given	- (6500000)
Loan repaid	- (6500000)
Interest received	- (369966)

The figure in the bracket pertains to previous year.

4. Earning per Share (EPS) is calculated as follows:

Sr. No.	Particulars	Year ended 31 March 2010	Year ended 31 March 2009
1	(Loss) / Profit attributable to equity shareholders (Rs.)	(337120)	315898
2	Weighted Average Number of equity shares outstanding during the year	1225000	1225000
3	Nominal value per equity share (in Rs.)	100	100
4	Earning per share – Basic (Rs)	(0.28)	0.26

Note: There is no dilution to the basic EPS as there are no outstanding dilutive potential equity shares.

5. There are no dues payable to Micro, Small and Medium Enterprises (as per information available with the Company) as on 31 March 2010, hence disclosures as required under the Micro, Small and Medium Enterprises Development Act, 2006, for the current year and previous year have not been given.

6. Figures of the previous year have been regrouped / rearranged wherever necessary to correspond with the figures of the current year. Amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

As per attached report of even date

for **Deloitte Haskins & Sells**
Chartered Accountants

P. B. Pardiwalla
Partner

Mumbai, Dated 20 May 2010

For and on behalf of the Board of Directors

C. R. Gupte
Chairman

P. Srinivasan
Managing Director

Mumbai, Dated 20 May 2010

Balance Sheet Abstract

Balance Sheet Abstract And Company's General Business Profile.

I. Registration Details

Registration No. | 3 | 2 | 6 | 0 | 1 |

State Code | 1 | 1 |

Balance Sheet Date | 3 | 1 | | 0 | 3 | | 2 | 0 | 1 | 0 |

Date Month Year

II. Capital raised during the year

Public Issue
| | | | | | | | N | I | L |

Rights Issue
| | | | | | | | N | I | L |

Bonus Issue
| | | | | | | | N | I | L |

Private Placements
| | | | | | | | N | I | L |

III. Position of Mobilisation and Deployment of Funds(Amount in Rs. Thousands)

Total Liabilities
| | | | | 1 | 2 | 2 | 7 | 0 | 2 |

Total Assets
| | | | | 1 | 2 | 2 | 7 | 0 | 2 |

Sources of Funds

Paid-up Capital
| | | | | 1 | 2 | 2 | 5 | 0 | 0 |

Reserves and Surplus
| | | | | | | | 2 | 0 | 2 |

Secured Loans
| | | | | | | | N | I | L |

Unsecured Loans
| | | | | | | | N | I | L |

Application of Funds

Net Fixed Assets
| | | | | | | | N | I | L |

Investments
| | | | | | | | 8 | 8 | 6 |

\+ - Net Current Assets
| √ | | | | | | 7 | 0 | 7 | 6 |

Miscellaneous Expenditure
| | | | | | | | N | I | L |

Accumulated Losses
| | | | | 1 | 1 | 4 | 7 | 4 | 0 |

IV. Performance of the Company (Amount in Rs. Thousands)

Turnover
| | | | | | | | | 5 | 5 |

Total Expenditure
| | | | | | | | | 4 | 8 |

\+ - Profit Before Tax
| √ | | | | | | | | | 7 |

\+ - Profit After Tax
| | √ | | | | | 3 | 3 | 7 |

(please tick appropriate box +for Profit, -for Loss)

\+ - Earing per share in Rs.
| | √ | | | | | 0 | . | 2 | 8 |

Dividend Rate %
| | | | | | | | | - | - |

(Refer note no. 10 of Schedule 17 B)

V. Generic Names of Three Principle Products/Services of company (as per monetary terms)

Items Code No. (ITC Code)
| | | | | | N | I | L |

Product Description
| | | | | | | | N | I | L |

For and on behalf of the Board of Directors

C. R. Gupte
Chairman

P. Srinivasan
Managing Director

Place : Mumbai
Date : 20 May 2010

NOTES

NOTES

ARVIND MAFATLAL GROUP
The ethics of excellence

NOCIL LIMITED

Mafatlal House, H.T. Parekh Marg, Backbay Reclamation, Churchgate, Mumbai 400 020, INDIA.
Telephone: 66364062 Fax: 66364060. E-mail: investorcare@nocilindia.com. Website: www.natocil.com

Designed and printed by Magna Graphics (India) Ltd.