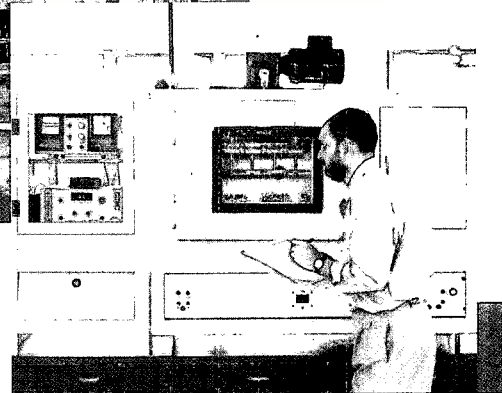
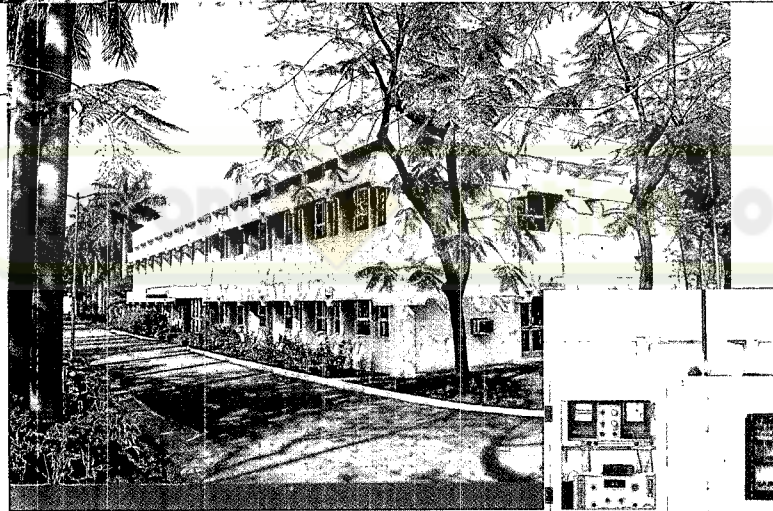


Quality driven



NOCIL Limited
46th Annual Report 2007-08

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Registrar and Share Transfer Agents

Sharepro Services (India) Pvt. Ltd.

Unit - NOCIL Ltd.

Satam Estate, 3rd Floor, Above Bank of Baroda, Cardinal Gracious Road, Chakala, Andheri (East), Mumbai 400 099

Tel: 2821 5168, 6772 0300, 6772 0348, 6442 0351

Fax: 2837 5646

e-mail: sharepro@shareproservices.com

Investor Relations Centre:

912, Raheja Centre, Free Press Journal Road, Nariman Point, Mumbai 400 021

Tel: 2282 5163, 2288 4527

Fax: 2282 5484

For Members' Attention

1. The Register of Members and the Share Transfer Books of the Company will remain closed from Monday, 14 July 2008 to Tuesday, 22 July 2008.
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 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.
5. 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.
6. 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.

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*

S.D. Ghate *Assistant Vice President - Personnel & Administration*

C.S. Inamdar *Assistant Vice President - Marketing Technical Services*

C. Nandi *Assistant Vice President - Research & Development*

A. Sivaraman *Assistant Vice President - Purchase*

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 400 701, Maharashtra

CONTACT DETAILS

Telephone : 66364062

Fax : 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

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Notice

NOTICE is hereby given that the forty sixth Annual General Meeting of the Members of NOCIL Limited will be held at 4.00 p.m. on Tuesday, the 22 July 2008, at Patkar Hall, S.N.D.T. Women's University, 1, Nathibai Damodar Thackersey Road, Mumbai-400 020, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Profit & Loss Account of the Company for the year ended 31 March 2008 and the Balance Sheet as at 31 March 2008 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. H.A.Mafatlal, who retires by rotation under Article 145 of the Articles of Association of the Company and being eligible, offers himself for reappointment.

4. To appoint a Director in place of Mr. V.P.Mafatlal who retires by rotation under Article 145 of the Articles of Association of the Company and being eligible, offers himself for reappointment.

5. To appoint a Director in place of Mr. Rohit Arora who retires by rotation under Article 145 of the Articles of Association of the Company and being eligible, offers himself for reappointment.

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 2008-09, 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.

Date: 2 May 2008

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 14 July 2008 to Tuesday, the 22 July 2008 (both days inclusive).

3. The dividend as recommended by the Directors, if approved, at the General Meeting, will be paid at par on or after 28 July 2008 :

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 Tuesday, 22 July 2008.

b) In respect of Shares held in electronic form, to the beneficial owners of the Shares as at the close of business hours on Friday, 11 July 2008 as per the details to be furnished by National Securities Depository Ltd and Central Depository Services (India) Ltd.

4. All the documents relating to the accompanying Notice are open for inspection on any working day during office hours at the Registered Office at Mafatlal House, H. T. Parekh Marg, Backbay Reclamation, Churchgate, Mumbai – 400 020.

5. Reappointment of Directors:

At the ensuing Annual General Meeting Mr. H.A. Mafatlal, Mr.V.P.Mafatlal and Mr. Rohit Arora 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. H.A.Mafatlal, Mr. V.P.Mafatlal and Mr. Rohit Arora are given below:



Mr. H.A.Mafatlal:

Age and Qualifications

Mr. H.A. Mafatlal, 53 years, holds an Honours Degree in Commerce (1975) from the Sydenham College, Mumbai.

In 1993, he attended the Advanced Management Programme (AMP) at the Harvard Business School, United States.

Expertise in Specific Functional Areas

Mr. H.A. Mafatlal is the Vice Chairman and Chief Executive of the Arvind Mafatlal Group of Companies (AMG). AMG has major interests in Textiles (Mafatlal Industries Limited), Denim (Mafatlal Denim Ltd.), Information Technology (Eyeglobal Technologies Pvt. Ltd.), Rubber Chemicals (NOCIL Ltd.) and Fluorochemicals (Navin Fluorine International Ltd.).

He is a past President and now a Managing Committee Member of the Millowners' Association, Mumbai (MOA). He is a Governing Council Member of the N.L. Dalmia Institute of Management Studies & Research.

He was a Member on the Board of Governors of IIM Ahmedabad for 12 years (1995-2007), and a Vice-Chairman of The Cotton Textiles Export Promotion Council (TEXPROCIL).

He is a Trustee of Shri Sadguru Seva Sangh Trust as well as BAIF Development Research Foundation.

Directorships held in other Companies

1. Mafatlal Industries Ltd.
2. Navin Fluorine International Ltd.
3. Mafatlal Denim Ltd.
4. Mafatlal Securities Ltd.
5. Mafatlal Services Ltd.
6. Mafatlal Asset Management Co. Ltd.
7. Cebon Apparel Pvt. Ltd.
8. Marigold International Pvt. Ltd.
9. eyeindia.com Pvt. Ltd.
10. Suvin Technologies Ltd.
11. Suvin Technologies Pte. Ltd., Singapore
12. Tropical Clothing Co. Pvt. Ltd.
13. Vibhadeep Investments & Trading Ltd.

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Memberships / Chairmanships of Committees of other Companies	Mr. H.A. Mafatlal is a Chairman of Audit Committee of Vibhadeep Investments & Trading Ltd. He is also member of Share Transfer & Investor Grievances Committee of Mafatlal Industries Ltd.
Number of shares held in the Company	50,020
Disclosure of relationship	Mr. Hrishikesh A. Mafatlal and Mr. V.P. Mafatlal are related to each other.

Mr. V.P. Mafatlal:

Age and Qualifications	Mr. V.P. Mafatlal, 34 years, holds a degree in B.Sc (Economics) from University of Pennsylvania, Wharton School, Class of 1995, Philadelphia (USA).
Expertise in Specific Functional Areas	Mr. V.P. Mafatlal is a Jt. Managing Director of Mafatlal Denim Limited and having business experience of more than 11 years in textile and chemicals.
Directorships held in other Companies	<ol style="list-style-type: none"> 1. Mafatlal Services Ltd. 2. Mafatlal Denim Ltd. 3. Navin Fluorine International Ltd. 4. Mafatlal Fabrics Pvt. Ltd. 5. Mafatlal Impex Pvt. Ltd. 6. Suvin Technologies Ltd. 7. Suvin Technologies Pte. Ltd., Singapore 8. Tropical Clothing Co. Pvt. Ltd. 9. Sarvamangala Holdings Pvt. Ltd. 10. Eyeglobal Technologies Pvt. Ltd. 11. Marigold International Pvt. Ltd. 12. Myrtle Chemtex Trading Pvt. Ltd. 13. Mayflower Chemtex Trading Pvt. Ltd. 14. Cebon Apparel Pvt. Ltd. 15. Arvi Associates Pvt. Ltd. 16. Shripad Associates Pvt. Ltd. 17. Suremi Trading Pvt. Ltd. 18. eyeindia.com Pvt. Ltd. 19. Surekha Exim Pvt. Ltd.



Memberships / Chairmanships of Committees of other Companies	NIL
Number of shares held in the Company	NIL
Disclosure of relationship	Mr. V.P.Mafatlal and Mr. Hrishikesh A. Mafatlal are related to each other.

Mr. Rohit Arora:

Age and Qualifications	Mr. Rohit Arora, 49 years, is a Fellow Member of the Institute of Chartered Accountants of India.
Expertise in Specific Functional Areas	Mr. Arora has over two decades of experience in Business Process Outsourcing, Investment Banking and Management Consultancy.
Directorships held in other Companies	<ol style="list-style-type: none"> 1. A.R. Credit Information Services Pvt. Ltd. 2. ARCIS International Pvt. Ltd. (Mauritius) 3. ARCIS e Services Pvt. Ltd. 4. Asia Investments Pvt. Ltd. 5. EMR Technology Ventures Pvt. Ltd. 6. EMR International Holdings Pvt. Ltd. (Mauritius) 7. EMR Europe Ltd. (United Kingdom) 8. Henkel Teroson India Ltd. 9. Profile Estates Pvt. Ltd. 10. Purolator India Ltd.
Memberships/ Chairmanships of Committees of other Companies	Mr. Rohit Arora is a member of Audit Committee of Henkel Teroson India Ltd. and Purolators India Ltd.
Number of shares held in the Company	NIL
Disclosure of relationship	Mr. Rohit Arora is not related to any Director of the Company.

*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.

Date: 2 May 2008

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Directors' Report

Dear members

Your Directors present their Report together with the audited accounts of the Company for the year ended 31 March 2008.

Financial results

(Rupees in crore)

	For the year ended 31 March 2008	For the year ended 31 March 2007
Profit before depreciation, interest and taxation	25.32	42.10
Less: Depreciation	7.61	6.54
Less: Interest	1.10	0.31
Profit before tax	16.61	35.25
Provision for taxation (including wealth tax and fringe benefit tax)	(5.40)	(10.90)
Profit after tax	11.21	24.35
(Deficit) / Surplus brought from previous period	(5.56)	(20.51)
Proposed dividend	8.04	8.04
Tax on dividend	1.36	1.36
Balance carried to Balance Sheet	(3.75)	(5.56)

Performance of the Company

The turnover of the Company for the year under review was Rs.398 crore as compared to Rs.339 crore during the previous year ended 31 March 2007. The production of rubber chemicals and their intermediates was 36302 MT for the year under review, as against 29839 MT for the previous year.

During the year under review, the

Company encountered adverse conditions in both its raw material prices and selling prices of its finished products. The operating margins therefore were under constant pressure throughout the year, more particularly due to the continued rampant dumping of products by Chinese and Korean competitors of the Company at the unrealistic lower prices in the domestic market of the Company. The

appreciation of rupee by about 12% during the year also affected our net realisations on the exports front.

Further, due to steep increase in the international prices of crude oil, the prices of most of the major raw materials of the Company rose considerably, which resulted in very high input costs. The Company managed to mitigate some of these adverse factors by:



- Increasing production volumes by more than 20% ensuring better distribution of the fixed costs. It is pertinent to mention that over the past decade, the Company managed a double digit compounded annual growth in production of rubber chemicals.

- Improvements in the manufacturing processes of some of the key products, resulting in reduced usages of raw materials.

- Undertaking of various energy conservation and other efficiency measures, resulting in improvement in the consumption of utilities and other inputs.

- Initiation of anti-dumping proceedings against Chinese and Korean competitors. The anti-dumping authorities in their preliminary findings have notified anti-dumping duties on some of the products for which the Company had sought relief.

We are confident that with the above measures, the profitability of the Company should show improvement in the coming years.

Exports

Despite appreciation of the rupee by over 12% during the year under review, the Company was able to achieve record exports of Rs.170 crore, as against Rs.134 crore in the previous year. The export volumes were higher by about 33%

compared to the previous year. The Company was able to record robust growth in most segments of exports. Most of the major international tyre customers continue to rely and do business with the Company for their regular requirements of rubber chemicals. The Company continues to maintain a very strong long-term relationship with all its domestic and international customers and they have accepted the status of the Company as one of the leading global manufacturers of rubber chemicals.

Project

The Company's new project at Dahej in Gujarat is progressing well. Most of the infrastructural progress is underway. The entire basic engineering package has been finalised and the contract for erection of the plant is expected to be awarded shortly. All the necessary clearances from the Central and the State Government authorities have been obtained.

Dividend

Your Directors have recommended payment of dividend of 5% (Re. 0.50 per share) same as for the previous year on the equity share capital of the Company. The dividend, together with the tax on dividend, will absorb a sum of Rs.940.56 lakh.

Change of name

Pursuant to the shareholders' approval

obtained at the last Annual General Meeting, the name of the Company was changed from 'National Organic Chemical Industries Ltd.' to 'NOCIL Ltd' with effect from 14 September 2007.

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 2001, have been transferred to the Investor Education and Protection Fund.

Fixed deposits

As at 31 March 2008, fixed deposits amounting to Rs.0.34 crore have not been claimed by the depositors from the Company. The fixed deposits which have matured on or before 31 March 2001 but remained outstanding since then have been transferred to the 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 required under the various legislative enactments. The Company has been successful in getting reduction in

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insurance premium due to the de-tariffing regulations.

Health safety and environment

The Company follows a well-established and responsible policy on health, safety and environment which every employee is responsible to follow and also carefully monitor various practices and procedures adopted. The incident-free sustainability of the business itself reflects the management's sincere commitment to implement the health, safety and environment policy in totality. Direct and indirect employees were trained in technical skills required to handle various hazardous chemicals, fire-fighting jobs and first-aid cases. The Company conducts pre-employment and regular periodic medical checkups across all employees including contractors' employees to monitor their health on a regular basis.

Total Quality Management

The Company continues to be certified for ISO 9000 (quality management systems) and ISO 14001 (environment management systems) as well as for OHSAS - 18001 (Occupational Health & Safety System Standards). We are happy to mention that the Company enjoys an exemplary track record in all these three systems.

Risk assessment and management

The Company has a well-defined risk management system in place as a part of

good Corporate Governance practices. All the risks are identified at various departmental levels with suitable mitigation measures and are subjected to a quarterly review by the Risk Co-ordination Committee and the Audit Committee. The Company assigned the key risks to various risk owners responsible for mitigation plans and review of these risks from time to time.

There are adequate internal systems, controls and checks in place commensurate with the size of the Company and nature of its business. The management exercises financial control through a well-defined budget monitoring process and other standard operating procedures. The Company appointed an external professional agency to conduct the internal audit programme and the findings and comments of the internal auditors are placed before the Audit Committee periodically.

Subsidiary companies

The Annual Reports of its three subsidiaries viz. Ensen Holdings Limited, Urviya Investments Limited and PIL Chemicals Private Limited for the year ended 31 March 2008 are disclosed separately and forms part of Annual Report of NOCIL Limited.

As required pursuant to 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 the Auditors' Report thereon, form part of the Annual Report.

Personnel

The relations between employees and the management during the year have been cordial. The long-term settlement with the employees' union was signed during December 2007. 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 in the last Annual General Meeting held on 27 August 2007, read with the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999, the Remuneration Committee of your Company granted 4,25,100 stock options to the senior management personnel during the year under review and are in force as on 31 March 2008.

Details required to be provided under the Securities and Exchange Board of India