



ARVIND MAFATLAL GROUP  
The ethics of excellence



NOCIL LIMITED



# BUILDING ON A STRONG FOUNDATION FOR SUSTAINABLE GROWTH

**NOCIL LIMITED**  
61<sup>st</sup> ANNUAL REPORT 2022-23

# Contents

<b>02-23</b>	<b>Corporate Overview</b>
02	Building on a strong foundation for sustainable growth
04	Highlights of our solid foundation
06	Harnessing our strengths for sustainable growth
08	Managing Director's communique
10	Leveraging our manufacturing capability for sustainable growth
12	Building on a path to consistent growth & sustainable future
14	Strengthening our ESG framework for sustainable growth
16	Fulfilling social commitments empowering communities to make a difference.
19	Ensuring good governance for sustainable growth
20	Board of Directors
22	Corporate information
23	Consistent Financial Performance

<b>24-176</b>	<b>Statutory Reports</b>
24	Notice to the Shareholders
46	Directors' Report
76	Management Discussion and Analysis
82	Report on Corporate Governance
104	Business Responsibility and Sustainability Report

<b>177-304</b>	<b>Financial Statements</b>
177	Independent Standalone Auditor's Report
188	Standalone Financial Statements
242	Independent Consolidated Auditor's Report
250	Consolidated Financial Statements

## Investor Information

Market Capitalisation as at March 31, 2023	: ₹ 3,450 Crores
--------------------------------------------	------------------

CIN	: L99999MH1961PLC012003
-----	-------------------------

BSE Code	: 500730
----------	----------

NSE Symbol	: NOCIL
------------	---------

AGM Date	: July 31, 2023
----------	-----------------

AGM Mode	: Virtual
----------	-----------

Please find our investor-related information, at:

<https://www.nocil.com/detail/investors/company-details/52>

Or

Scan the QR code



## Disclaimer

This document contains statements about expected future events and financials of NOCIL Limited ('NOCIL', 'The Company' or 'It'), which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.



## Tribute to Shri Arvind Mafatlal

During the year 2023, we are celebrating and honouring the 100<sup>th</sup> birth anniversary of **Shri Arvind Mafatlal, 'A Gentleman Industrialist, Fearless Visionary, Compassionate Humanitarian and Humble Philanthropist.'**

Shri Arvind Mafatlal, a luminary in the realm of Indian industrial giants, was born on October 27, 1923. Radiating brilliance, fortified by steadfast discipline, and fuelled by visionary thinking, he transformed the Mafatlal Group, and elevated it as one of India's largest mill owners and business houses. His courage and perseverance have etched an indelible path for the Mafatlal Group to tread upon, scripting a journey of resounding success.

His visionary outlook expanded into petrochemicals, plastics, rubber chemicals, information technology and engineering. Known for unwavering integrity, he earned stakeholders' trust and was revered as a compassionate leader ensuring fairness for all. Driven by determination and innovation, he established NOCIL (National Organic Chemical Industries Limited), a ground-breaking venture challenging the conventional norms and PIL (Polyolefins Industries Limited) elevating India's global stature.

During his lifetime he gave his heart and soul for alleviating the suffering of the under privileged. He focussed on rural development, women's empowerment, post-disaster rehabilitation, and vital healthcare for the masses, specifically eyecare.

In 1967, a transformative encounter with Shri Parampujya Ranchoddasji Maharaj reshaped his life's purpose. During challenges, Arvinbhai drew strength from his Guru's teachings, exemplifying love and faith. Founded on selfless service, Shri Sadguru Seva Sangh Trust and Bharatiya Agro and Industrial Foundation (BAIF) became the outlets for implementing his most cherished social initiatives.

On October 30, 2011, he departed, leaving us with his determination and forward-thinking approach that continues to inspire and guide us. Today, the thriving success of the Group stands as a testament to Shri Arvind Mafatlal's conviction and enduring values, paying homage to his remarkable legacy.



## BUILDING ON A STRONG FOUNDATION FOR SUSTAINABLE GROWTH

Spanning four decades, NOCIL has evolved as a prominent name within the rubber chemicals industry, embodying the paradigm of sustainable progression. It distinguishes itself as one of India's most prominent players in rubber chemicals, with an unwavering commitment to quality and operational efficiency.

Guided by a standing commitment to sustainability, NOCIL devotes significant time and resources towards pioneering environmental technologies. The Company being accredited by esteemed recognitions such as '**Responsible Care**' and the '**Excellence in Management of Environment**' from the Indian Chemical Council (ICC) is a reflection of its commitment.



## **Awarded *Responsible Care*** **By Indian Chemical Council**

NOCIL's status as an approved supplier for major tire manufacturers, both domestically and globally, is testament to its technical acumen and long-standing partnerships thereby, ensuring a degree of reliability that resonates on a global scale.

NOCIL not only improves its manufacturing processes on a continual basis, but also strives to develop state-of-the-art technologies evidencing its commitment to sustainable growth.

By embedding sustainability within its operational and supply chain processes, NOCIL promotes environmentally friendly practices. This Report encapsulates NOCIL's journey emphasising responsible resource management, environmental custodianship, ethical business practices thereby '***Building on a Strong Foundation for Sustainable Growth***'.





# HIGHLIGHTS OF OUR SOLID FOUNDATION

## NOCIL OPERATES ON THE PHILOSOPHY 'ETHICS OF EXCELLENCE'



**45+** Years  
Legacy in rubber chemicals



**40+** Countries  
Presence



**20+** Products  
Varieties of rubber chemicals

## CONSISTENT FINANCIAL PERFORMANCE (₹ in Crores)



**1,617**  
Revenue from Operations



**253**  
Operating EBITDA



**149**  
Net Profit



**~30%**  
Dividend Payout

All numbers are on a Standalone basis for 2022-23; EBITDA: Earnings before Interest, Taxes, Depreciation and Amortisation; PAT: Profit After Taxes

## NOCIL'S CERTIFICATIONS

### ISO 17025:2017

Quality Assurance and Marketing Technical  
Service Accredited Laboratories at Navi Mumbai

### ISO 14001: 2015

Environment Management System

### ISO 45001: 2018

Occupational Health & Safety Management  
System

Silver Medal | Accorded by **EcoVadis Sustainability Rating Process**

### ISO 50001: 2018

Energy Management  
System

### ISO 9001:2015

Quality Management Services

### IATF 16949:2016

International Standard for Automotive  
Quality Management Systems



# NURTURING A JOURNEY OF EXCELLENCE AND INNOVATION

***NOCIL Limited ('NOCIL' or 'The Company'), a part of the Arvind Mafatlal Group, is India's largest manufacturer of rubber chemicals. With a commendable track record of over 40 years, NOCIL has established itself as a reliable global entity, earning the trust of customers across 40 countries worldwide.***

NOCIL prioritises technological innovations, global accreditations, and a high level of customer satisfaction, while maintaining a responsible stance towards health, safety, and environmental concerns. With its customer-centric vision, NOCIL distinguishes itself as one of the very few global providers offering comprehensive solutions in the field of rubber chemicals.

NOCIL operates under the guiding principle of Ethics of Excellence. It has garnered a strong reputation as a dependable global entity and holds the position of being India's largest rubber chemical manufacturer. Throughout its journey, the Company has made prudent investments to enhance its capabilities and push boundaries, showcasing its potential for outstanding performance. These endeavours are firmly supported by:

## Innovative Capability driving Sustainable Growth

- ◆ New Generation Treatment Methods
- ◆ 3Rs Effluent Treatment Rule: *Reduce, Reuse and Recycle*

## Strong Customer Offerings

- ◆ Wide Range of Rubber Chemical Products
- ◆ Varied Product Forms

## Comprehensive Sales, Marketing & Technical Services (MTS)

- ◆ Market Responsive Approach
- ◆ Strong MTS Team to offer Technical Services





# HARNESSING OUR STRENGTHS FOR SUSTAINABLE GROWTH



6

Critical factors pivotal towards NOCIL emerging as a prominent player in the rubber chemical industry are:

- ◆ Comprehensive Solutions and Technical Support for Rubber Applications
- ◆ Global Recognition for Technical Capabilities
- ◆ Pioneering **Green Chemistry** and Sustainable Growth
- ◆ Commitment to **Responsible Care** and Environmental Sustainability

## NOCIL AS A SUPPLIER OF CHOICE

### Dependable Player

Dependable & quality player with self-sufficiency in key intermediates

### Environment Friendly Processes

Continuous investments are made to adopt various innovative environmental technologies for long-term sustainability



### Product Testing & Validation

Approved and registered vendor with major domestic and international tire players offering technical support to customers for rubber applications

### Wide Range of Products

Present across the entire range of Rubber Chemicals with a product basket of 20+

### A Pipeline of New Generation Rubber Chemicals

Development of niche products using innovative technologies & *Green Chemistry* concepts

### Entry Barrier

Customers take from 6-18 months to approve on a plant-specific basis, and the same is carried out for various locations globally



# MANAGING DIRECTOR'S COMMUNIQUE

“

Global customers continue to value the strengths and capabilities of your company. With available capacities and gaining of approvals at new locations, will enable your Company to leverage growth opportunities to fulfil its long-term vision of doubling its market share in the global space. Expansion plans are currently under evaluation, and decisions will be made once the global business environment stabilises. Your Company maintains a diligent watch over the demand for each product, identifying any possible shortages and implementing necessary measures to enhance production processes, thereby ensuring operational efficiencies.

”

## Dear Shareholders,

It is indeed my privilege to present the Annual Report of the Company for 2022-23 and I must begin my note by thanking all the stakeholders, customers, business partners, employees and investors for their continued support which has helped the Company deliver a strong performance across metrics during the fiscal year of 2022-23. Though the year under review was marked with global recessionary trends and inflationary pressures across major economies of the world having its impact on the manufacturing sector, your Company's resolute commitment to progress, supported by an integrated value chain, technological strength, diverse product range, and robust marketing network, have paved the way for a long-lasting and sustainable growth. Not to forget, the determination of our team and prudence of our management built resilience to make our organisation future ready. Driven by a firm determination for growth, fortified by dedicated R&D capabilities and supported by strongly rooted manufacturing capacities, NOCIL has now strategically positioned itself to meet the evolving demands of our valued customers while ensuring a secure and reliable supply chain.

While the first quarter of the year began with the highest-ever quarterly volumes and revenues the impact of the slowdown in the global markets was experienced by your company in the subsequent quarters. Despite the