

Report on Corporate Governance

1. Company's philosophy on Corporate Governance

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

2. Board of Directors

a. Board Structure

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

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

Mr. Hrishikesh A. Mafatlal, Executive Chairman and Mr. Priyavrata H. Mafatlal, Non-Executive Director belong to promoter group and are related to each other. None of the other Directors are related to each other, other than as stated above.

Mr. C. L. Jain had not sought re-appointment as an Independent Director for the second term. Therefore, the existing term of Mr. C. L. Jain as an Independent Director ended on June 29, 2019 and consequently, he has ceased to be a Director of the Company. The Company had taken the requisite approval for his continuation after having completed 75 years beyond April 01, 2019 for residual term up to June 29, 2019.

At the 57th Annual General Meeting of the Company held on July 30, 2019, the Members accorded their approval for the appointment of Mr. Debnarayan Bhattacharya (holding DIN: 00033553) as an Independent Director.

None of the Independent Directors have any other material pecuniary relationship or transaction with the Company, its Promoters, or Directors, or Senior Management which, in their judgment, would affect their independence. The Board confirms that based on the written affirmations from each Independent Director, all Independent Directors fulfill the conditions specified for independence as stipulated in the Regulation 16 (1)(b) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment), Regulations, 2018 ("Listing Regulations") w. e.f . October 01, 2018 and are independent of the Management. Further, the Independent Directors have also registered their names in the Data bank maintained by the Indian Institute of Corporate Affairs as mandated in the Companies (Appointment and Qualification of Directors), Rules, 2014 as amended.

The Board of Directors comprises of professionals drawn from diverse fields who bring with them a wide range of skills and experience to the Board which enhances the quality of Board's decision-making process. All the directors of the company are experienced professionals having knowledge covering wide range of subjects like chemical business, financial statements, corporate governance, and the related regulatory issues of the business.

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

Composition of Board of Directors as on March 31, 2020:

Category	No. of Directors
Independent Directors	6
Other Non-Executive Directors	2
Executive Chairman and Managing Director	2
Total	10

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b. Board meetings held and Directors' attendance record

Sr. No.	Name of Director	Category of Director	No of Shares held as on March 31, 2020	No. of Board meetings attended during FY 2019-20	No. of Directorships in Public Companies as on March 31, 2020*	No. of Board Committee Membership held in Public Companies as on March 31, 2020**		Attendance at last AGM held on July 30, 2019
						Chairman	Member	
1.	Mr. Hrishikesh A. Mafatlal	Executive Chairman – Promoter Group	1,77,900	6	3	0	2	Yes
2	Mr. Priyavrata H. Mafatlal	Non – Executive Director	5,17,000	6	2	0	0	Yes
3	Mr. C. L. Jain [^]	Independent Director	-	1	-	-	-	No
4	Mr. N. Sankar	Independent Director	-	3	1	-	1	No
5	Mr. Rohit Arora	Independent Director	-	3	1	-	1	No
6	Mr. Vilas. R. Gupte	Non-Executive Director	600 \$	6	2	1	2	Yes
7	Mr. D. N. Mungale	Independent Director	-	6	6	2	5	Yes
8	Mr. P. V. Bhide	Independent Director	-	6	8	3	6	Yes
9	Ms. Dharmishta N. Raval	Independent Director	-	5	7	2	2	Yes
10	Mr. Debnarayan Bhattacharya	Independent Director	-	6	3	1	2	Yes
11	Mr. S.R. Deo	Managing Director	6,73,310#	6	1	0	1	Yes

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

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

[^] Mr. C. L. Jain ceased to be an Independent Director effective June 29, 2019 on account of his desire for non-renewal of second term as an Independent Director.

\$ Equity Shares held as Joint holders

6,73,300 equity shares are held by Mr. S. R. Deo on exercise of the Company's ESOP Scheme-2007 and balance 10 equity shares are held prior to the said exercise of the ESOPs.

c. Other directorship positions held in listed entities by Directors and the category

Sr. No.	Name of Director	Names of listed entities in which Directorships held	Category of Directorship
1.	Mr. Hrishikesh A. Mafatlal	Mafatlal Industries Limited	Promoter - Executive Chairman
2	Mr. Priyavrata H. Mafatlal	Mafatlal Industries Limited	Promoter - Executive Director
3	Mr. N. Sankar	-	-
4	Mr. Rohit Arora	-	-
5	Mr. Vilas. R. Gupte	Mafatlal Industries Limited	Non - Executive Independent Director
6	Mr. D. N. Mungale	a. Tamilnadu Petroproducts Limited	Non - Executive Independent Director
		b. Mahindra CIE Automotive Limited	Non - Executive Independent Director
		c. Mahindra and Mahindra Financial Services Limited	Non - Executive Independent Director

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Sr. No.	Name of Director	Names of listed entities in which Directorships held	Category of Directorship
7	Mr. P. V. Bhide	a. GlaxoSmithKline Pharmaceuticals Limited	Non - Executive Independent Director
		b. GlaxoSmithKline Consumer Healthcare Limited*	Non - Executive Independent Director
		c. Tube Investments of India Limited	Non - Executive Independent Director
		d. L & T Finance Holdings Limited	Non - Executive Independent Director
		e. Borosil Renewables Limited	Additional Director
8	Ms. Dharmishta N. Raval	a. Zydus Wellness Limited	Non - Executive Independent Director
		b. Cadila Healthcare Limited	Non - Executive Independent Director
		c. Torrent Power Limited	Non - Executive Independent Director
9	Mr. Debnarayan Bhattacharya	a. Hindalco Industries Limited	Non - Executive Vice Chairman
		b. Vodafone Idea Limited	Non - Executive Director
10	Mr. S.R. Deo	-	-

* Effective April 01, 2020, GlaxoSmithKline Consumer Healthcare Limited has been amalgamated with Hindustan Unilever Limited. In view thereof, Mr. P. V. Bhide has ceased to be a Director with effect from that date in GlaxoSmithKline Consumer Healthcare Limited.

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

Sr. No.	Date of Meeting	Board Strength	No. of Directors present
1.	May 10, 2019	11	11
2.	July 30, 2019	10	10
3.	November 4, 2019	10	8
4.	December 19, 2019	10	8
5.	January 30, 2020	10	8
6.	March 6, 2020	10	9

The maximum gap between two Board Meetings held during the year was not more than 120 days.

Dates for the Board Meetings in the ensuing year are decided well in advance and communicated to the Directors. Board Meetings are held at the Registered Office of the Company. The Agenda along with the Notes are sent in advance to the Directors. Additional Meetings of the Board are held when deemed necessary by the Board. The Board members attend the meetings through Audio-Video Conferencing in case they are unable to attend in person. As required by Secretarial Standards issued by Institute of Company Secretaries of India (ICSI), certain Unpublished Price Sensitive Information (UPSII) such as Unaudited / Audited Financial Results with Presentation thereon is being circulated to the Board Members at a shorter Notice as per the general consent given by the Board of Directors at the first Board Meeting held at each financial year.

The Fifty Seventh Annual General Meeting was held on July 30, 2019.

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

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d. Major functions of the Board

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

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

e. Familiarisation Programme

Periodically, the Company provides familiarisation programme to the Independent Directors to enable them to understand the business of the Company. At the meetings of the Board held on periodic basis, presentations on the Manufacturing and technical operations, financials and Marketing are made. The Management also endeavors to apprise the Directors regarding their responsibilities in case of change / amendment to the Rules and Regulations. The details of the familiarisation programme has been displayed on the Company's website and its weblink is <http://www.nocil.com/images/fckeditor/file/Familiarization-Programme-for-IDS.pdf>

f. Independent Directors' Meeting

During the year under review, the Independent Directors met on December 19, 2019, inter alia to discuss:

- Overall operations
- Business Strategy
- Medium / Long term plans including diversification plans
- Overall performance of the Senior Management and their succession plan

Four Independent Directors out of six were present at the meeting. Pursuant to the requirements of the Listing Regulations and Schedule IV of the Companies Act, 2013 on Code of Conduct of the Independent Directors, the Independent Directors had reviewed and evaluated the performance of Non-Independent Directors and the Board as a whole and the same was found satisfactory. Further, pursuant to the Companies (Appointment and Qualification of Directors), Rules, 2014 as amended, the Independent Directors have also furnished a declaration to the effect that they have included their names in the Database maintained by the Indian Institute of Corporate Affairs.

3. Audit Committee

The total strength of the Audit Committee is 5 out of which, 4 members fall under the Independent Category. The norms require 2/3rd of the members to be Independent Directors.

During the year under review, the following changes took place in the composition of the Audit Committee, upon approval of the Board:

- Mr. D. N. Mungale has been appointed as the Chairman of the Audit Committee effective from May 10, 2019 in place of Mr. C. L. Jain who continued to be a Member of the Audit Committee up to June 29, 2019.
- Mr. N. Sankar ceased to be a Member of the Committee effective May 10, 2019.
- Mr. P. V. Bhide and Mr. Debnarayan Bhattacharya have been appointed as Members of the Committee effective May 10, 2019

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The composition of the re-constituted Audit Committee and the details of meetings attended by the Members during the year are given below:

Name of Members	Category	No. of Meetings attended during the financial year 2019-20
Mr. D.N. Mungale, Chairman	Independent Director	5
Mr. C.L. Jain	Independent Director	1
Mr. Rohit Arora	Independent Director	3
Mr. Vilas R. Gupte	Non-Executive Director	5
Mr. P. V. Bhide	Independent Director	5
Mr. Debnarayan Bhattacharya	Independent Director	5

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

May 10, 2019; July 30, 2019; November 04, 2019; December 19, 2019, January 30, 2020

The requisite quorum was present at the meetings.

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

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

The scope of the activities of the Audit Committee is as set out in Regulation 18 of the SEBI (LODR) Regulations read with Section 177 of the Companies Act, 2013 and SEBI (Prohibition of Insider Trading) Regulations, 2015 and the amendments made thereto.

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

- a) To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that financial statement is correct, sufficient and credible;
- b) To engage consultants who can analyse / review the internal practices and give a report thereon to the audit committee from time to time in respect of the Company's Financial Reporting and controls thereto;
- c) The recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- d) To recommend the appointment of the Cost Auditor and review the Cost Audit Report.
- e) To recommend the appointment and remuneration of the Secretarial Auditor.
- f) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- g) Examination of the financial statement and the auditors' report thereon;
- h) Approval or any subsequent modification of transactions of the Company with related parties;
- i) Scrutiny of inter-corporate loans and investments;
- j) Valuation of undertakings or assets of the company, wherever it is necessary;
- k) Evaluation of internal financial controls and risk management systems;

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- l) To review the Internal Control over Financial Reporting.
- m) To review the functioning of the Whistle blower mechanism
- n) Monitoring the end use of funds raised through public offers and related matters.
- o) To review compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 and the amendments made thereto from time to time, at least once in a financial year and verify that the systems for internal controls are adequate and operating effectively.
- p) To review the annual declaration made by the Promoters and Promoter group companies regarding encumbrance, whether directly or indirectly, on shares of the Company pursuant to the provisions of SEBI (Substantial Acquisition of Shares and Takeover), Regulations, 2011, as amended.

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

4. Share Transfer Committee

The present members of the Committee are Mr. H.A. Mafatlal, Executive Chairman, Mr. S. R. Deo, Managing Director and Mr. Priyavrata H. Mafatlal, Non –Executive Director.

The Committee approves cases such as the transfer of shares in physical form, issue of duplicate share certificates and requests regarding Transmission / Consolidation /Split of Share Certificates etc. Further, in line with the Regulation 40 (1) of Listing Regulations as amended, the Committee has discontinued the approval of the share transfers in physical form after March 31, 2019. The Committee, however, has approved those transfers lodged prior to March 31, 2019 which were earlier rejected on the grounds of certain deficiencies and subsequently, after rectification were re-lodged with the Company / RTA. The Committee also makes note of the cases wherein the equity shares have been transferred to IEPF and the legal heirs of such shareholders have approached the Company, after completion of the requisite formalities, for re-claiming their shares from IEPF. The Committee meets periodically to approve the share transfers and other related matters and reports the same by circulation of Minutes to the Board. The Company's Registrar and Share Transfer Agents verifies transfer deeds and other related documents of cases of Transmission / issue of Duplicate Share Certificates and recommends the same for approval of the Committee. Further, as per Regulation 40(2) of the Listing Regulations, a report on transfer of shares / deletion of name/ issue of duplicate share certificate/ transmission of securities is also placed at each meeting of the Board of Directors.

During the year under review, the Company has transferred 1,96,711 Equity shares belonging to those shareholders holding shares both in dematerialised form as well as physical form, who had not encashed their Dividend for a period of 7 years or more beginning from the Financial Year 2011-12 so as to comply with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and the amendments thereto. The details of the same have been given in the Directors' Report for the Financial Year 2019-20 under the heading 'Transfer of Unpaid Dividend and corresponding Equity Shares to the Investor Education and Protection Fund (IEPF)'. Out of 15,35,711 equity shares transferred by the Company to IEPF from the Financial Years 2017-18 to 2019-20, the Authority has credited 16,850 equity shares to the demat account of the claimants on completion of requisite formalities. As on March 31, 2020, the balance number of shares lying with IEPF is 15,18,861.

5. Stakeholders Relationship and Investors' Grievance Committee

The Company has constituted the Stakeholders Relationship and Investors' Grievance Committee in accordance with the provisions of the Companies Act, 2013 and the Listing Regulations.

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During the year under review, following changes took place in the composition of the Committee, upon approval of the Board:

- a. Mr. Rohit Arora has ceased to be the Chairman and Member of the Committee effective May 10, 2019.
- b. Ms. Dharmishta N. Raval has been appointed as a Chairperson of the Committee effective May 10, 2019.

Ms. Raval was present at the Company's Annual General Meeting held on July 30, 2019.

The Composition of the re-constituted Committee is as follows and all members attended the meeting held on July 30, 2019:

Name of Members	Category
Ms. Dharmishta N. Raval, Chairperson	Independent Director
Mr. Hrishikesh A. Mafatlal	Executive Chairman (Promoter Group)
Mr. S. R. Deo	Managing Director
Mr. Vilas. R. Gupte	Non-Executive Director

The Committee normally meets once in a year. The Committee reviews the complaints received by the Company from its investors and the action taken by the management to sort out these complaints.

As reported in the Corporate Governance Report of the previous Financial Year, the Company has resolved two pending complaints during the year under review. The Company received eight (8) complaints from shareholders in Financial Year 2019-20 and the same have been resolved.

During the year under review, Mr. V. K. Gupte superannuated as the Company Secretary of the Company effective from the close of the business hours on December 31, 2019 and Mr. Amit K. Vyas has been appointed as the Company Secretary of the Company effective January 1, 2020.

The Company Secretary acts as the Secretary of the Committee.

Name, designation, and address of the Compliance Officer:

Mr. Amit K. Vyas,
Assistant Vice President (Legal)
& Company Secretary.
Mafatlal House, 3rd Floor,
H. T. Parekh Marg,
Backbay Reclamation,
Churchgate, Mumbai – 400 020

6. Nomination and Remuneration Committee

A. Composition and Scope

The composition of the Nomination and Remuneration Committee (NRC) is as follows and the details of meetings attended by the Members during the year are given below:

Name of Members	Category	No. of meetings attended during the financial year 2019-20
Mr. Rohit Arora, Chairman	Independent Director	1
Mr. H. A. Mafatlal	Executive Chairman	2
Mr. N. Sankar	Independent Director	1
Mr. D.N. Mungale	Independent Director	2

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During the year, two NRC Meetings were held on May 10, 2019 and December 19, 2019.

The scope of the activities of the NRC is as set out in Regulation 19 of the Listing Regulations read with Section 178 of the Companies Act, 2013 as amended. They are as follows:

- a. Appointment / re-appointment of Executive Chairman / Managing Director / Deputy Managing Director/ Executive Director.
- b. Review the performance of the Executive Chairman /Managing Director / Deputy Managing Director/ Executive Director after considering the Company's performance.
- c. Recommend to the Board remuneration including Salary, Perquisites and Performance Bonus to be paid to the Company's Executive Chairman /Managing Director / Deputy Managing Director/ Executive Director.
- d. Review of the Remuneration Policy of the Company in line with amended Rules and Regulations, market trends to attract and retain the right talent.
- e. Review and approval of elevation / promotions and revision in remuneration of Top Management Executives of the Company.
- f. Grant of Employees Stock Options to Designated Employees and allotment of Equity Shares on exercise of the ESOPs.
- g. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel, and other employees.
- h. Formulation of criteria for evaluation of Independent Directors and the Board.
- i. Devising a policy on Board diversity.
- j. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal.
- k. Specify the manner of evaluation of the performance of the Board, its committees, and the individual directors to be carried out either by the Committee or by the Board or by the independent external agency and review its implementation and compliance.

In view of the amended provisions of Section 178 of the Companies Act, 2013, the performance of Board, its committees and each Director (excluding the director being evaluated) has been evaluated by the Board on the basis of engagement, leadership, analysis, decision making, communication, governance, interest of stakeholders, etc.

B. Remuneration Policy

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

- i) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
- ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals; and

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- iv) specify the manner of effective evaluation of the performance of Board, its committees and individual directors to be carried out either by the Board or by the NRC or by an independent external agency and review its implementation and compliance.

The Non-Executive Directors (NEDs) are paid remuneration by way of Sitting Fees and Commission. At the 57th Annual General Meeting held on July 30, 2019; the shareholders' approval was taken for extension of their approval for payment of commission at the rate not exceeding 1% p.a. for a further period of five years from September 1, 2019 to cover the Financial Years from 2019-20 to 2023-24. The Commission is paid at a rate not exceeding 1% per annum of the profits of the Company computed in accordance with Sections 197 and 198 of the Companies Act, 2013. The distribution of Commission amongst the NEDs is placed before the Board and distributed as decided by the Board.

C. Remuneration of Directors

(₹ in Lakhs)

Name of the Director	Salary, Allowances / Perquisites & Performance Bonus, ESOPs	Contribution to Funds	Total
Mr. H. A. Mafatlal, Executive Chairman	352.00	28.06	380.06
Mr. S.R. Deo, Managing Director	271.91	40.18	312.09

The Nomination and Remuneration Committee in its meetings held on various dates granted 13,82,100 Stock Options to Mr. S.R. Deo, Managing Director under Employees Stock Options Scheme. Stock Options are issued at exercise price being the closing price on the previous day of date of grant at the Exchange at which the largest numbers of shares were traded. The options would be vested in 4 equal annual installments beginning at the end of one year from the date of grant. The exercise period would commence one year from the date of grant and will expire on completion of ten years from the date of grant of options. As per the Company's Employee Stock Option Scheme - 2007 as amended, if an employee retires from the Company, he shall exercise his vested options within 120 months or the remaining validity of the options, whichever is earlier. The details of the options exercised by Mr. S.R. Deo are given below:

Name of the Director	No. of shares held on 01-04-2019	No. of ESOPs exercised during the FY 2019-20	No. of Equity Shares sold during the FY 2019-20	No. of Equity Shares held as on 31-03-2020
Mr. S. R. Deo, Managing Director	6,73,300	-	-	6,73,300

Commission / Sitting Fees to Non-Executive Directors for the financial year 2019-20 for attending Board and Committee Meetings.

(₹ In Lakhs)

Name of the Director	Sitting Fees	Commission*	Total
Mr. Rohit Arora	5.25	16.00	21.25
Mr. Vilas R. Gupte	12.00	16.00	28.00
Mr. N. Sankar	3.75	16.00	19.75
Mr. C.L. Jain**	2.25	-	2.25
Mr. D. N. Mungale	10.50	16.00	26.50
Mr. P.V. Bhide	11.25	16.00	27.25
Ms. Dharmishta N. Raval	6.75	16.00	22.75
Mr. Debnarayan Bhattacharya	11.25	16.00	27.25
Mr. Priyavrata H. Mafatlal	4.50	16.00	20.50
Total	67.50	128.00	195.50

* On accrual basis

** up to June 29, 2019.

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7. Corporate Social Responsibility (CSR) Committee

During the year under review, following changes took place in the composition of Corporate Social Responsibility Committee, upon approval of the Board:

- Ms. Dharmishta N. Raval was appointed as a Member of the Committee effective May 10, 2019.
- Mr. C.L. Jain ceased to be a Member effective June 29, 2019

The composition of the re-constituted CSR Committee is as follows and the details of meetings attended by the Members during the year are given below:

Name of Members	Category	No. of meetings attended during the Year
Mr. H.A. Mafatlal, Chairman	Executive Chairman (Promoter Group)	4
Mr. C.L. Jain*	Independent Director	1
Ms. Dharmishta N. Raval	Independent Director	3
Mr. Vilas R. Gupte	Non-Executive Director	4
Mr. S. R. Deo	Managing Director	4

* Member up to June 29, 2019.

During the year 2019-20, four Committee meetings were held on April 23, 2019, July 30, 2019, November 04, 2019, and March 06, 2020.

The Company has complied with the necessary requirements under the Companies Act, 2013 in this regard.

The terms of reference of the CSR Committee broadly comprises:

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

8. Risk Management Committee

SEBI had vide its Notification dated May 9, 2018 notified the SEBI (Listing Obligations and Disclosure Requirements), Amendment Regulations, 2018 ('LODR').

As per Regulation 21(4) of LODR, applicable from April 1, 2019, top 500 listed companies as per the market capitalisation as at the end of the immediate previous financial year, were required to constitute the Risk Management Committee. Considering that the Company formed a part of top 500 listed entities based on the market capitalisation as at March 31, 2018, the Board constituted Risk Management Committee effective April 1, 2019.

The composition of the Risk Management Committee (RMC) is as follows and the details of meetings attended by the Members during the year are given below:

Name of Members	Category	No. of meetings attended during the Year
Mr. P. V. Bhide	Independent Director	3
Mr. H. A. Mafatlal	Executive Chairman (Promoter Group)	3
Mr. N. Sankar	Independent Director	1
Mr. S.R. Deo	Managing Director	3
Mr. Debnarayan Bhattacharya	Independent Director	3
Mr. P. Srinivasan	President Finance & CFO	3

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During the year, three RMC Meetings were held on July 30, 2019, December 19, 2019, and January 30, 2020.

The terms of reference of the RMC as set out in Regulation 21 of the Listing Regulations is as follows:

- a. To review Enterprise Risk.
- b. To periodically review the process technology updates.
- c. To periodically review the IT/Cyber security systems.
- d. To periodically upgrade the environment standards at all the manufacturing locations including ancillary units.
- e. To review the foreign exchange policy.
- f. To review Human Capital and succession planning and create proper / adequate organisational structure at all levels.
- g. To explore diversification opportunities in related areas of our strength from time to time.
- h. To review periodically programme of investment proposals under implementation.
- i. To review Legal and Statutory Compliances
- j. To insure all assets adequately.
- k. Formulation of Risk Policy and its periodic review

9. General Body Meetings

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

Financial year	Date	Location	Time
2016-17	July 27, 2017	Rama & Sundri Watumull Auditorium, Mumbai	2.30 p.m.
2017-18	July 25, 2018		
2018-19	July 30, 2019		

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

Date of Annual General Meeting	Number and particulars of Special Resolutions passed.
July 27, 2017	Appointment of Mr. S. R. Deo as the Managing Director effective August 01, 2017
July 25, 2018	No special resolutions were passed.
July 30, 2019	<ol style="list-style-type: none"> a. Continuation of Mr. Debnarayan Bhattacharya as an Independent Director notwithstanding he attains the age of 75 years during the tenure of 5 years. b. Continuation of Mr. Vilas R. Gupte as a Non-Executive Non- Independent Director notwithstanding he attains the age of 75 years.

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

10. Means of communication

The Board takes on record the audited / unaudited yearly / quarterly financial results prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind-AS Rules) in the format prescribed under Regulation 33 of the Listing Regulations read with Circular Ref No. CIR/CFD/FAC/62/2016 dated July 05, 2016 issued by SEBI within prescribed time limit from the closure of the quarter / year and announces the results to all the stock exchanges where the shares of the Company are listed. The Company has been publishing the results in the format as prescribed by SEBI 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, half-yearly and annual results of the Company are submitted to the Statutory Auditors of the Company for a limited review and the report of the Auditors is also filed with all stock exchanges after it is approved by the Board of Directors.

Report on Corporate Governance (Contd.)

- II. The quarterly results are not sent to each shareholder as shareholders are intimated through press.
- III. The Company's website **www.nocil.com** provides information about the Company to its existing and prospective stakeholders. The quarterly results are displayed on the Company's website along with other relevant information.
- IV. The Company also makes presentations on the Operational and Financial Highlights to the Analysts which are hosted on the Company's website viz., **www.nocil.com** and also submitted to the Stock Exchanges.
- V. In line with the erstwhile Listing Agreement, the Company has created a separate e-mail address viz. **investorcare@nocil.com** to receive complaints and grievances of the investors.

11. General Shareholder Information

i) Annual General Meeting:	
Date and time	: August 28, 2020 at 3 PM
Venue	: Mafatlal House, 4th Floor, Backbay Reclamation, Mumbai - 400 020 (through Video Conferencing)
ii) Financial Year of the Company	
The financial year covers the period April 1, to March 31.	
Financial reporting for FY 2020-21(Indicative)	:
Quarter ending on June, 2020	: August, 2020
Half year ending on September, 2020	: November, 2020
Quarter ending on December, 2020	: end of January 2021
Year ending on March, 2021	: end of April / May 2021
Annual General Meeting (2020-21)	: end of July, 2021

iii) Dividend Payment Date

During the year under review, the Company on receipt of the consent from the members at the Annual General Meeting held on July 30, 2019 distributed the final dividend at ₹ 2.50/- (25%) per Equity Share of the face value of ₹ 10/- each. Further, the Board of Directors at its meeting held on March 6, 2020 declared an Interim Dividend at ₹ 2.50/- (25%) per Equity Share of the face value of ₹ 10/- each. The said Dividend would be confirmed at the ensuing Annual General Meeting. The Company has paid the Dividend on March 24, 2020.

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

Equity shares of the Company are listed on:

	Name of the Stock Exchange	Stock Code
1.	BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai- 400001	500730
2.	National Stock Exchange of India Limited Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E) Mumbai – 400 051	NOCIL

The Company has paid the Listing Fees to Bombay Stock Exchange Limited and National Stock Exchange of India Ltd for FY 2020-21.

Report on Corporate Governance (Contd.)

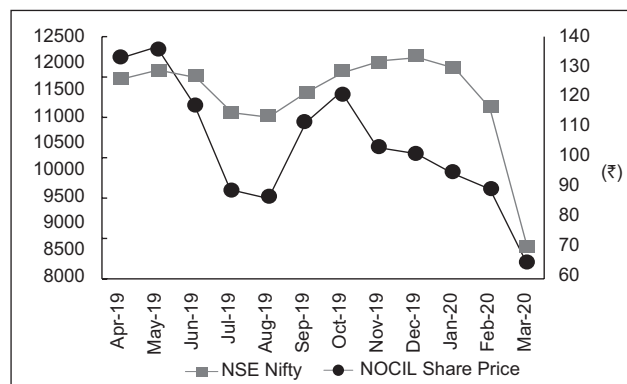
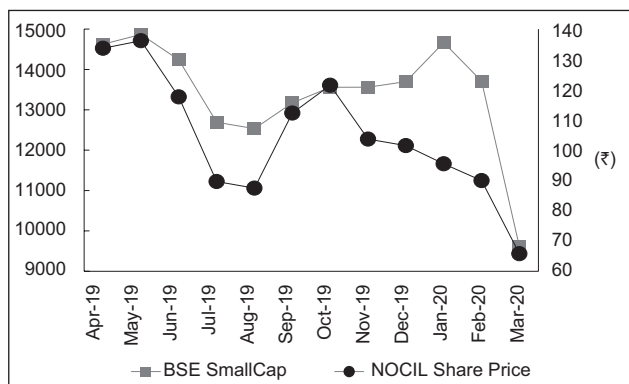
v. Stock market data

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

(Figures in ₹)

Bombay Stock Exchange Limited. (BSE)			National Stock Exchange of India Limited. (NSE)		
Month	High	Low	Month	High	Low
April, 2019	149.70	133.00	April, 2019	148.95	133.00
May, 2019	141.85	111.65	May, 2019	141.90	113.60
June, 2019	137.90	113.50	June, 2019	138.00	113.25
July, 2019	119.95	82.20	July, 2019	119.00	82.10
August, 2019	94.00	73.90	August, 2019	93.50	74.00
September 2019	118.00	84.85	September 2019	118.75	84.90
October, 2019	124.50	95.00	October, 2019	124.50	95.00
November, 2019	122.80	101.35	November, 2019	122.80	101.25
December, 2019	104.50	94.70	December, 2019	104.40	94.65
January, 2020	127.50	94.30	January, 2020	127.50	94.20
February, 2020	103.45	84.90	February, 2020	103.50	84.90
March, 2020	99.45	44.70	March, 2020	99.70	45.00

vi) NOCIL Stock Performance in comparison to BSE Small Cap Index and NSE Nifty



vii) Registrar and Share Transfer Agents (RTA):

The Company had appointed Karvy Fintech Private Limited ('Karvy') as the RTA. Karvy is one of the largest and reputed RTA operating in the Country for the last three decades with a wide network spanning across different states. Karvy, with their very high technology driven process, has been servicing a very large investor base and has an extensive internal / external audit oversight for their operations. During the year under review, Karvy has changed its name to KFin Technologies Private Limited ('FinTech') with effect from December 5, 2019 is the Registrar and Share Transfer Agent of the Company. The requisite information w. r. t. change of name was intimated to the Stock Exchanges and also updated on the Company's website viz., www.nocil.com.

Report on Corporate Governance (Contd.)

Address for Investor correspondence

KFin Technologies Pvt. Limited.	
Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032. Telephone No. : +91 40 6716 2222 Fax no. : +91 40 2343 1551 Email : einward.ris@kfintech.com	Investors' Relation Centre 24 B, Rajabhadur Mansion, Ground Floor, Ambalal Doshi Marg, Mumbai, Maharashtra 400 023. Telephone No.: +91 22 6623 5454

viii) Share Transfer system

Share transfers and related operations for the Company are processed by the Company's RTA viz., KFin Technologies Private Limited, and approved by the Share Transfer Committee of the Company. Share transfer is normally affected within the maximum period of 15 days from the date of receipt, if all the required documentation is submitted. Effective April 1, 2019, the Company has stopped accepting the share transfers in physical mode pursuant to the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 as amended.

ix) Distribution of shareholding

a. Distribution of shareholding by size as on March 31, 2020

Sr. No	No. of shares	No. of shareholders	% of Shareholders	No. of shares held	% of shareholding
1	Up to 1 - 5000	1,33,733	84.77	1,88,53,669	11.38
2	5001 - 10000	12,557	7.96	1,02,82,296	6.21
3	10001 - 20000	5,870	3.72	90,34,837	5.46
4	20001 - 30000	1,912	1.21	49,37,567	2.98
5	30001 - 40000	936	0.59	33,87,739	2.05
6	40001 - 50000	775	0.49	36,95,632	2.23
7	50001 - 100000	1,109	0.70	82,40,895	4.98
8	100001 & ABOVE	863	0.55	10,71,73,320	64.72
	Total:	1,57,755	100.00	16,56,05,955	100.00

b. Shareholding pattern by Ownership as on March 31, 2020

Sr No.	Ownership	No. of shares held	% of shareholding
1	Indian Promoters	5,58,52,489	33.73
2	Mutual funds	21,23,561	1.28
3	Banks, financial institutions, insurance companies, etc.	29,08,048	1.76
4	NRI's / OCBs / FIIs	77,78,392	4.70
5	Private corporate bodies	1,09,17,724	6.59
6	IEPF	15,18,861	0.92
7	Indian public	8,45,06,880	51.03
	Total	16,56,05,955	100.00

x Demat information

The shares of the Company were held in dematerialized form with effect from May 29, 1999. As on March 31, 2020 about 98.50% shareholding representing 16,31,18,396 shares of the Company have been dematerialized. The Company has executed agreements with both NSDL and CDSL for demat of its shares.

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

Report on Corporate Governance (Contd.)

xi) 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.

xii) Foreign Exchange Risk and Hedging activities:

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

xiii) Plant locations

Navi Mumbai	:	C-37, Trans Thane Creek Industrial Area Off Thane Belapur Road, Navi Mumbai - 400 705 - Maharashtra Tel. Nos.: 022 – 66730551 – 4
Dahej	:	Plot No. 12/A/1 and 13/B/1, G.I.D.C. Dahej, Village-Ambheta, Tal. Vagra, Dist. Bharuch - Gujarat Tel. Nos.: 02642 – 392130

xiv) Address for Correspondence

NOCIL Limited
Mafatlal House, 3rd Floor, H.T. Parekh Marg,
Backbay Reclamation, Churchgate
Mumbai – 400 020.

xv) List of credit ratings obtained

The following ratings have been reaffirmed / assigned to the Company for its Bank facilities:

Bank Facilities	Rating	
	CARE Ratings Limited	CRISIL Limited
Long Term Bank facilities (fund based)	AA	AA
Short Term Bank facilities (Non-fund based)	A1+	A1+

12. Others

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

- The Company does not have any related party transaction, which may have potential conflict with the larger interests of the Company. The disclosures of transactions with the related parties entered by the Company in the normal course of business are given in the Notes to Financial Statements.

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. Vigil Mechanism / Whistle Blower Policy

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

Report on Corporate Governance (Contd.)

Accordingly, this policy has been formulated with a view:

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

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

The Policy has been posted on the website of the Company viz., http://www.nocil.com/images/fckeditor/file/NOCIL_Vigil_Mechanism.pdf

No employee and or other person has been denied access to the Chairman of the Audit Committee or Managing Director.

D. Details of compliance with mandatory requirements:

- All the mandatory requirements of Regulations 17 to 27 of the Listing Regulations have been complied with by the Company.

E. Policy on Subsidiary Companies

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

F. Policy on Related Party Transactions

In terms of Section 188 of the Companies Act, 2013 read with the Clause 49 of the erstwhile Listing Agreement and presently the Regulation 23 of Listing Regulations, the Company had formulated a policy on materiality of Related Party Transactions and on dealing with Related Party Transactions. During the year under review, the said Policy was amended to reflect the latest amendments in the Companies Act, 2013 and the rules made thereunder.

The Policy is intended to ensure that there is proper approval and reporting of transactions between the Company and its related parties. The Policy, after carrying out the necessary modifications in line with the amendments made from time to time, is placed on the website of the Company viz., <http://www.nocil.com/images/fckeditor/file/Policy-on-Related-Party-Transaction.pdf>.

G. Policy on Board Diversity

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

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

H. Details of Utilisation of funds

The Company has not raised any funds through preferential allotment or Qualified Institutional Placement as specified under Regulation 32 (7A)

I. Certificate from a Practicing Company Secretary on disqualification of Directors

The Company has obtained a Certificate dated June 25, 2020 from M/s. Makarand M. Joshi & Co., Company Secretaries, Mumbai to the effect that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI / Ministry of Corporate Affairs or any such statutory authority.

Report on Corporate Governance (Contd.)

J. Recommendations of the Committees

During the year under review, there have been no instances whereby the Board of Directors of the Company has not accepted the recommendations made by the Audit Committee / Nominations and Remuneration Committee / Corporate Social Responsibility Committee on any matter which is mandatorily required.

K. Fees paid to the Statutory Auditors

Total fees incurred by the Company including its subsidiaries, on a consolidated basis to the Statutory Auditors and all entities in their network / firm / network entity of which they are a part, is ₹ 36 Lakhs.

L. Disclosures in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013:

The disclosures for the Financial Year 2019-20 are as under: -

- a Number of complaints filed during the Financial Year Nil
- b Number of complaints disposed off during the Financial Year Nil
- c Number of complaints pending as on the end of the Financial Year Nil

13. Discretionary Disclosures

The status of compliance with non-mandatory recommendations of the Listing Regulations:

a. Shareholders' Rights:

As the quarterly and half yearly, financial results are published in the newspapers and are also posted on the Company's website, the same are not being sent separately to the shareholders.

b. Audit Qualifications

The Company's financial statements for the financial year 2019-20 do not contain any audit qualification.

c. Separate posts of Chairman and CEO:

The Company presently is having a separate posts of an Executive Chairman and the Managing Director.

d. Reporting of Internal Auditor

The Internal Auditors of the Company make presentation to the Audit Committee on their reports as per the approved audit programmes by the Audit Committee at the beginning of the year on a quarterly basis.

14. Management Discussion and Analysis:

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

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

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

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

ANNEXURE TO CORPORATE GOVERNANCE REPORT

Declaration regarding affirmation of Code of Conduct

In terms of the requirements of Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, this is to confirm that all the members of the Board and the Senior Management personnel have affirmed compliance with the Code of Conduct for the financial year ended March 31, 2020.

Place : Mumbai
Date : June 29, 2020

S. R. Deo
Managing Director