RESILIENCE
and Resurgence

NGL FINE-CHEM LIMITED

ANNUAL REPORT 2020-21

Contents

INVESTOR INFORMATION

Market Capitalisation as at 31st March, 2021	:	₹ 947.12 Crores
CIN	:	L24110MH1981PLC025884
BSE Code	:	524774
Bloomberg Code	:	NGLF:IN
Dividend Declared	:	35% of Face Value
AGM Date	:	20th August, 2021
AGM Mode	:	VC/OAVM

Please find our online version at https://www.nglfinechem.com/investors.html

Or simply scan to download

Disclaimer : This document contains statements about expected future events and financials of NGL Fine-Chem Limited, 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 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 a number of 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 of this Annual Report.

In a year of global upheavals, the constant has been our resilient mindset.

Driven by our strong innovation, R&D expertise and most importantly our dedicated team, NGL has embraced these challenging times with grit and determination to resurge strongly.

We continued to cater to the customer demands through our ready capacities and at the same time ensured health and safety of our people towards nurturing a more inclusive and sustainable business model.

₹ 255.21 Crores, +70.77 %

Total Turnover for the year ended 31st March, 2021

₹ 85.23 Crores, +257.04 %

EBITDA for the year ended 31st March, 2021

33.40 %

EBITDA Margins

₹ 55.47 Crores, +423.30 %

PAT for the year ended 31st March, 2021

21.74 %

PAT Margins

₹ 89.79

EPS for the year ended 31st March, 2021

EBITDA: Earnings Before Interest Tax Depreciation and Amortisation

PAT: Profit After Tax

EPS: Earnings Per Share

A Resilient and Resurgent Organisation

With over three decades of inception, NGL Fine-Chem Limited ('NGL' or 'the Company') has built a resilient and resurgent organisation on the back of a quality manufacturing platform and track record of service and reliability.

Today, NGL is one of the leading animal health companies with a strong global presence. It is one of the leading manufacturers and exporter of human and veterinary Active Pharmaceutical Ingredients (APIs), advanced intermediates and finished dosage forms. The Company has two manufacturing sites in Maharashtra (2 in Tarapur and 1 in Navi Mumbai) that strictly adhere to all regulatory norms. Our product offerings are the outcome of our strong R&D, innovation and technologically advanced facilities, allowing us to meet varying needs of customers across the globe and helping us strengthen the market share in our top products.

Our product segments

- Active Pharmaceutical Ingredients (APIs) - Human and Veterinary
- Advanced Intermediates
- Finished Dosage Forms

Vision

- Assuring consistent quality and timely delivery at competitive prices
- Choose the best and the most flexible manufacturing practices and methods
- Strive for excellence in customer service, quality and R&D
- Focus on growth and development of the products
- Addressing global animal health challenges

Our Competencies

- Chiral Reduction using Heterogeneous and Homogeneous Catalysts
- Stereo-selective synthesis
- Handling hazardous/toxic reactions
- High Pressure Hydrogenation
- High Temperature Reactions
- Halogenations
- Diazotization
- Cyanation
- Chlorosulfonation

Strong foundation...

1981 Inception | 3 Facilities

State-of-the-art manufacturing facilities...

10,000 m^2
Area of manufacturing facilities

12 m^3
Gas induction reactors

102 m^3
Glass lined reactors

20°c to +250°c
Reaction range

Talented human capital...

294 Total number of employees
as on 31st March, 2021

194 m^3
Stainless steel reactors

Accreditations :
WHO GMP, ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 and cGMP accredited

1. Argentina
2. Australia
3. Austria
4. Bangladesh
5. Belgium
6. Bolivia
7. Brazil
8. Bulgaria
9. Cameroon
10. Chile
11. China
12. Columbia
13. Dominican Republic
14. Dubai
15. Ecuador
16. Egypt
17. El Salvador
18. Estonia
19. France
20. Germany
21. Iran
22. Iraq
23. Ireland
24. Japan
25. Jordan
26. Kenya
27. Lebanon
28. Mali
29. Mexico
30. Netherland
31. New Zealand
32. Pakistan
33. Peru
34. Romania
35. Russia
36. Saudi Arabia
37. Singapore
38. South Africa
39. South Korea
40. Spain
41. Switzerland
42. Syria
43. Thailand
44. Tunisia
45. Turkey
46. Turkmenistan
47. United Kingdom
48. Uruguay
49. USA
50. Venezuela
51. Vietnam

Product and market leadership driven by innovations and R&D...

22 APIs
Manufacturing facilities

18
Veterinary

4
Human

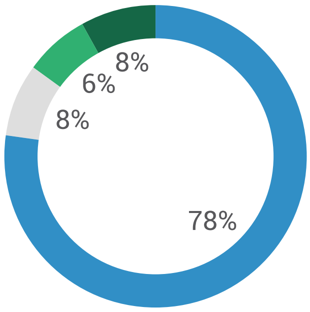
4
Intermediates

10
Finished dosage forms

2+
Filings

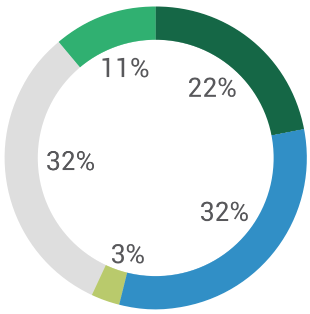
50%+ Market Share
Leadership in top 3 products

Product-wise revenues



Clientele across India and abroad...

Geography-wise revenues



50+
Countries presence

400+
Clientele Base

Managing Director's Message

> **The core of the performance is driven by a high level of quality, service and commitment that has enabled us to widen our partnership to newer products and increase our volume of supplies**

Dear Shareholders,

At the beginning of 2020, only few of us could have anticipated the profound challenges that the world would face and the events that unfolded. More than a year has passed since the beginning of the COVID-19 pandemic. The impact has pushed every corporate citizen to rethink their business strategies in adapting to the changing needs of the stakeholders.

Like the rest of the world, everyone at NGL has experienced great upheaval as we have had to adapt to living and doing business differently. As the crisis continues to evolve, ensuring the safety of our colleagues while meeting the challenges presented by the global health emergency continued to remain our top priority. We were quick in rolling out work from home when the pandemic struck. Post the gradual unlocking, we rented new office premises to reduce travel time and provided transport facilities to our staff and workers. We continued to follow all the desired protocols of mask usage and workplace sanitisation and ensured controlled COVID-19 incidence and downtime. Looking back, NGL and its people can be proud of the effectiveness with which they navigated the crisis and emerged strongly. We would like to commend the commitment that all colleagues have shown in supporting each other throughout this challenging period and ensuring the business continuity.

Resilient Performance

Today, there are very few companies that have the reputation and experience to be counted as a strategic manufacturing partner for top global animal health companies. Over the years, we have built this credibility by consistently delivering quality products in a timely manner. Our ready capacities, sufficient stock of raw materials and quicker resumption of operations gave us the opportunity to respond to the urgent unmet needs of the customers. The timely deliveries improved our market share and further strengthened our positioning as a reliable global supplier of animal APIs and Formulations.

The outcome is reflected in some of the encouraging performance trends we witnessed during the year:

- Total turnover increased by 70.77% to ₹ 255.21 Crores
- EBITDA increased by 257.04% to ₹ 85.23 Crores
- PAT increased by 423.30% to ₹ 55.47 Crores
- EBITDA and PAT margins reported at 33.40% and 21.74%, respectively
- Exports, as a percentage of total revenues, strengthened to 77.49%

The core of the performance is driven by a high level of quality, service and commitment that has enabled us to widen our partnership to newer products and increase our volume of supplies. Through continuous R&D and innovation, we have created a win-win proposition for our customers. Today, we have a strong product basket of over 20 APIs in animal health. It further allows us to diversify our customer base and continuously reduce our contribution from top 10 customers.

Our current capacity utilisation levels are in the range of 85-90% which further necessitates the headroom for further expansion. While we are continuously debottlenecking and making efforts towards process improvement to help attain higher capacities, we are also considering our next leg of greenfield capacity expansion at our Tarapur unit.

Encouraging Operating Environment

The adoption of companion animal and pets has been on a constant rise so is the concern towards their health and well-being. As such, the animal health market is expected to witness a healthy CAGR of 4.7% till 2027, while the animal API market will accelerate more quickly at a CAGR of 6.9% in the same time period. The strategic goal of the Company is to be a global player in Animal Health APIs and in line with this goal we continue to add products and customers in different markets. The focus is on Animal Health APIs in both the livestock and companion animal segment. Most of our products cater to the livestock segment and the trend would continue for the newer products as well.

Sustainability

A key part of our Company's purpose and the value that we create for stakeholders is sustainability. We believe that sustainable development means progress towards a healthier and more prosperous world for future generations. This means balancing the needs of society, the environment and the economy. The pandemic has led to a growing public awareness of the need for action on climate change. The overuse of natural resources has driven sustainability to the top of the agenda for governments, investors and organisations across the world. At NGL, sustainable and environmental focussed manufacturing forms the bedrock of our thinking. Our efforts are strictly focussed towards usage of cleaner energy, reducing water consumption, recycling solvents and creating re-consumable by-products. We are in the process of upgrading our facilities to ensure 100% 'zero discharge facility' by recovering effluents and recycling it. Besides, both the boilers run on green fuels, thus avoiding the usage of coal or oil.

Concluding Note

As we begin the next strategic cycle, we are aware of the challenges, which have been amplified by Covid-19. At the same time, we see tremendous opportunities as we build on the achievements from the previous strategy cycle. We have ambitious investment plans towards expanding our capacities and capture the untapped potential of the market.

We want to reiterate our personal thanks to senior leadership and all our colleagues for their hard work and dedication through this unprecedented period. We are grateful that we have always been in a position to count on their engagement, experience and capabilities to rise to the challenges faced by the Company. We would also like to sincerely thank our board, bankers, customers, partners, and shareholders for their continued trust and support. You have been a pillar of stability during a year of crisis, and we intend to ensure that your steadfastness is rewarded.

Warm Regards,

Rahul Nachane

Managing Director

Investment Case

At NGL, we have achieved leadership in veterinary API on the back of superior quality. Acting as a partner to our customers, we aim to deliver sustainable long-term value to all our stakeholders. Some of our competitive advantages include:

Backward integration

95% in-house manufacturing and backward integrated facilities lead to strong process controls and cost competitiveness.

Quality

We deliver high-quality and reliable products with '0' rejections over the past 15 years.

Long-term relations

We have built long-standing relations with over 400 clients across 50 countries, driving home reliability and sustainability. The contribution of top 10 customers has been consistently declining owing to the new client addition.

Strong financials

Consistently growing revenues, EBIDTA and PAT with a 4-year CAGR of 27.54%, 34.76% and 40.49%, respectively, along with 35.68% ROE and a significant lower debt equity of 0.11, drives home financial stability and builds efficiencies.

Product portfolio

Large product portfolio with primary presence in livestock and farm animals.

Innovation

Innovation is a constant process driven by an able team of 25 R&D professionals spearheading a pipeline of 5 molecules under development.

Market leadership

Market share ranging from 15% to 50%+ in key products.

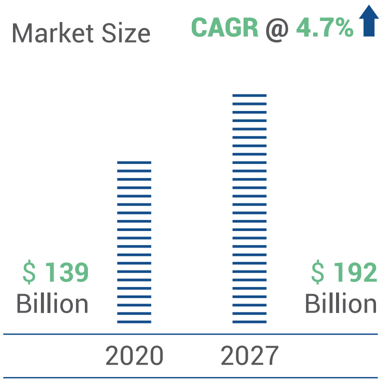
The Big Picture

At NGL, we are prepared to harness the opportunities of today and tomorrow. Our optimism is driven by the following encouraging trends:

Animal Health Market

Encouraging trends

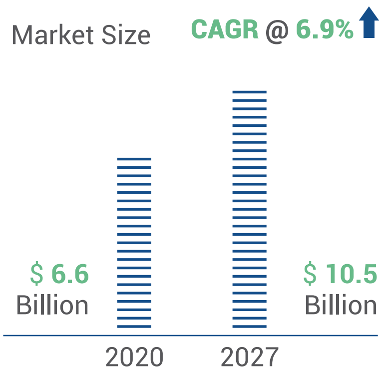
- Pharma segment to witness a higher CAGR of 5.4%
- Production animal segment will have the larger pie



Animal API Market

Encouraging trends

- APAC market to witness a higher CAGR of 7.3%
- Antiparasitics API will be the fastest growing segment



Other growth drivers

Rising prevalence of zoonotic diseases, animal population and pet ownership

Global livestock population has been experiencing rapid growth

High demand for animal-based products and growing meat consumption

Our Readiness

At NGL, we have charted out a strategic growth path reflecting our commitment and readiness to embrace the underlying opportunities.

Built capacities

1. Acquired Macrotech Polychem for ₹ 7 Crores and commenced production of intermediates
2. Expanded capacities by 40% by commissioning brownfield expansion at Tarapur in 2019 with a capex of ₹ 35 Crores

Strong investment pipeline to tap opportunities…

1. Complete ₹ 20 Crores expansion in Macrotech during FY22 to further enhance capacities of manufacturing intermediates
2. Increase outsourced production from 5% to 15% to cater to increasing demand
3. Continuous debottlenecking and process improvement efforts to help attain higher capacities

Greenfield expansions for an anticipated exponential growth…

Greenfield capacity expansion at Tarapur

1 Capacity expansion: 50%

2 Estimated capex: ₹ 80 Crores

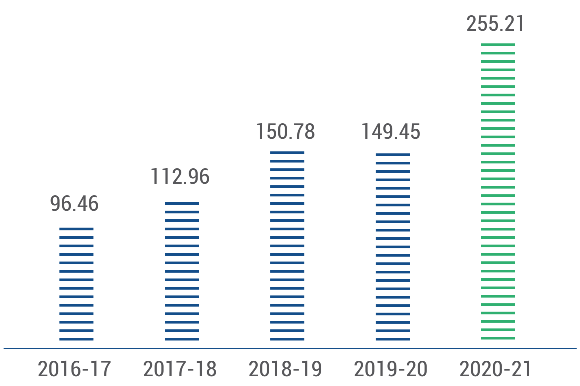
3 Present status: Land acquired, approvals in place

4 Timeline: Commissioning in FY23-24

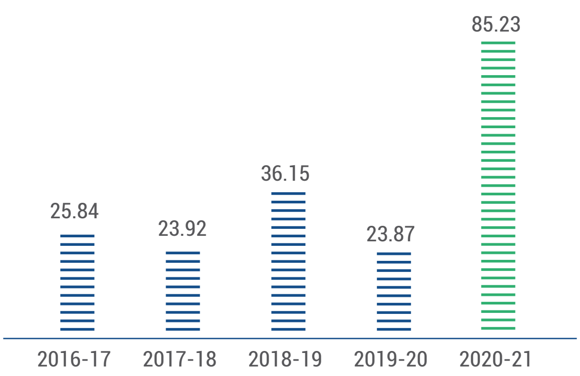
Numbers that Define Resilience

At NGL, we have charted out a strategic growth path reflecting our commitment and readiness to embrace the underlying opportunities.

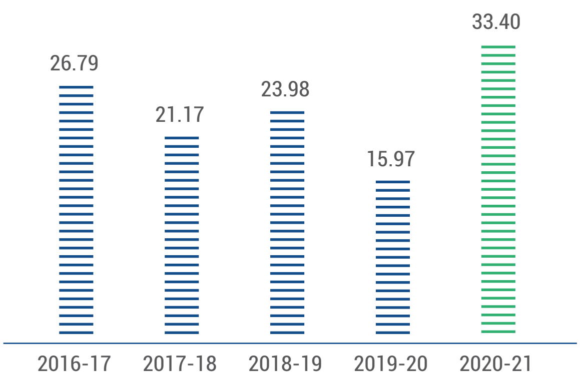
Sales Turnover (Net)
(₹ in Crores)



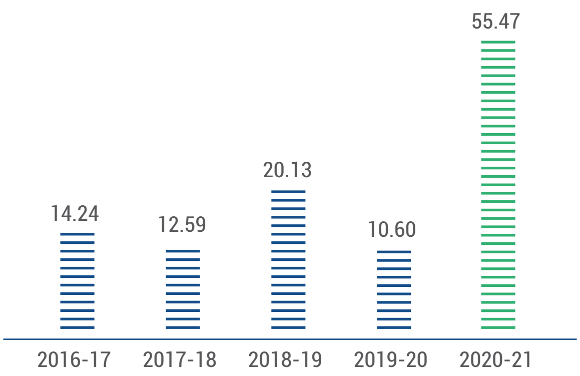
EBITDA
(₹ in Crores)



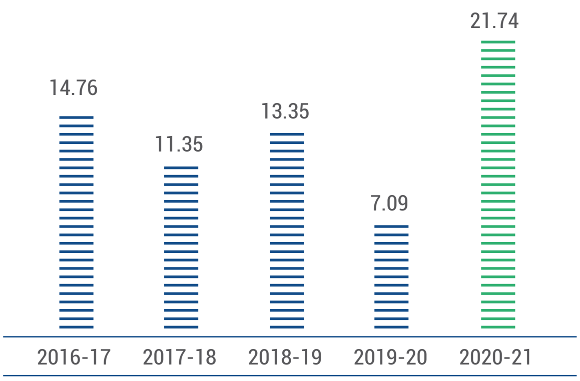
EBITDA Margin
(%)



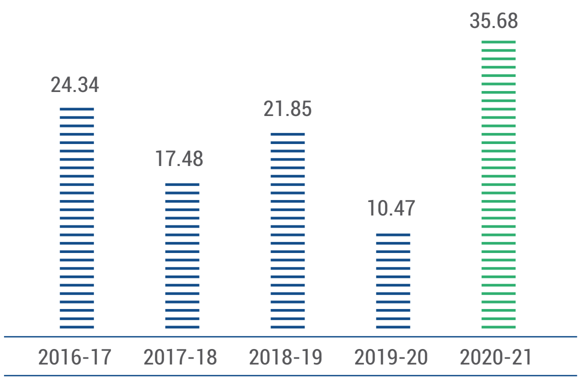
PAT
(₹ in Crores)



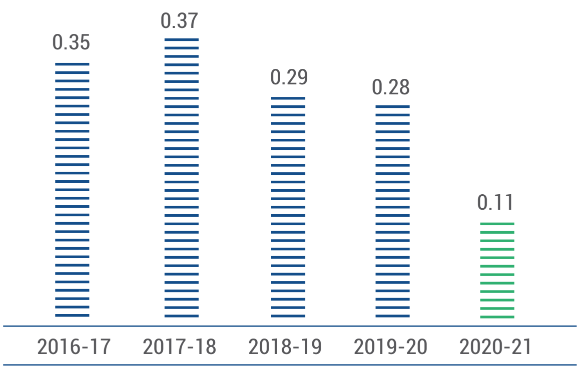
PAT Margin %



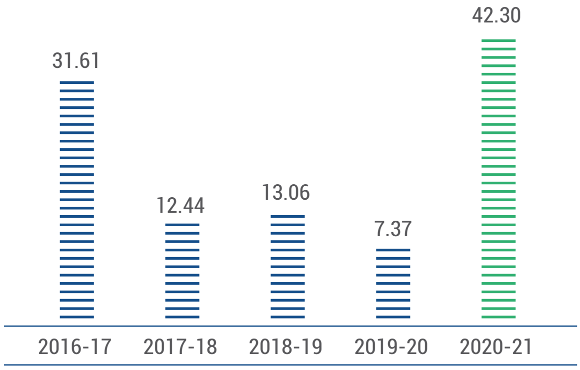
ROE %



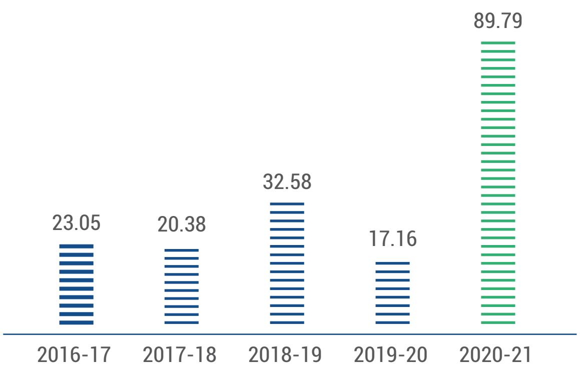
Debt-to-Equity



Interest Coverage



Earnings per Share (₹)



*EBITDA: Earnings Before Interest Tax Depreciation and Amortisation
*PAT: Profit After Tax
*ROE: Return on Equity
*YoY: Year on Year
*CAGR: Compounded Annual Growth Rate

Board of Directors

At NGL, sustainability of our operations is possible with a leading governance structure that embodies transparency, accountability and modern governance principles. The functioning of the corporate governance and key decision making is directly under the purview of the Board of Directors.

Mr. Rahul Nachane

Managing Director

- Chartered Accountant and Master of Management Studies
- 30 years of experience in the pharmaceutical industry
- Involved in the operations of the Company since 1989 and a full-time director of the Company since 1992
- Responsible for the overall management of the Company and specifically for marketing and production

Mr. Rajesh Lawande

Whole-Time Director & CFO

- MSc from IIT Bombay and PGDM from IIM Lucknow
- Over 20+ years of experience in the pharmaceutical industry
- Involved in the operations of the Company since 1999
- Responsible for shaping the Company's R&D efforts and introducing new markets and customers, also responsible for sales and production

Mrs. Ajita Nachane

Non-Executive Director

- Commerce graduate and a Master of Management Studies
- 24 years of expertise in sales and marketing functions
- Founder director of Tele Access E Services Pvt Ltd, a BPO providing services to the finance, FMCG and other sectors

Mr. Jayaram Sitaram

Independent Director

- B.E. (Engineering) from VJTI, Mumbai, MS (Engineering) from Villanova University, US and MBA from Wharton Business School, University of Pennsylvania
- 20 years of expertise in consulting and management functions
- Currently Managing Director at Praxis Technologies and a Co-founder of Matrix Technologies, Inc; Former country head at Lionbridge in India

Mr. Milind V Shinde

Independent Director

- Engineering graduate with postgraduation in management studies from Mumbai University
- 30 years of expertise in manufacturing and engineering industry
- Founder of AVM Engineering a leading manufacturer of industrial fans in India and caters to the requirement of all major OEMS in India as well as exports to Middle East and Africa

Mr. K.V. Subramanian

Non-Executive Independent Director

- Bachelors degree in Mechanical Engineering and a Masters Degree in Management
- 30 years of expertise in banking and financial markets
- Currently Managing Director at Standard Chartered Bank and a member of the India Country Management team driving Strategy, Process Governance CVO.
- On the Board of all the Standard Chartered subsidiary companies in India and is also on the Board of CDSL Ventures Limited

Awards and Recognition

ISO 9001:2008

Certified by DAS UK for our Quality Control Systems

ISO 14001:2015

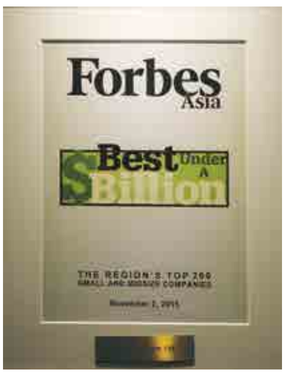
Certified by DAS UK for our Environment Management Systems

ISO 45001:2018

Certified by DAS UK for our Occupational Health and Safety Management Systems

2 Star Export House status awarded by Ministry of Commerce and Industry

Forbes Asia "Best under a Billion" list of top 200 listed companies in Asia for 2015 & 2016



Annual Report 2019-20 awarded Top 100 (Rank#23), Platinum and Most Creative Report Worldwide at the League of American Communication Professional (LACP) Vision Awards 2020, USA

IPF Industrial Excellence Award 2016

WHO GMP – CDSCO

GMP Certification by FDA, Maharashtra

CRISIL-SME 1

Recipient of awards from Chemexcil the export promotion council set up by the Government of India

Ranked in India's Top 500 manufacturing Small and Mid-Sized companies

SE 1B certification from CRISIL for MSME sector indicating highest performance capability and moderate financial strength

Financial Express CFO award - FE CFO of the Year Award 2020 Small Enterprises – Manufacturing category

Top 1000 companies by market value on Bombay Stock Exchange

Sustainability Commitment

At NGL, we are committed to continuing to build not only a financially stronger organisation but also drive leading sustainability agenda. We fuel the creativity of our people by championing diversity, equality and inclusion, and supporting their well-being. We empower people in our communities by providing more of them with the skills, confidence and opportunities to succeed. We create a more sustainable future for business by actively working to reduce our environmental footprint and meaningfully support our global communities, while seeking to transform our industry.

Use cleaner energy by shifting to cleaner fuels

Reduce water consumption

Recycle solvents

Create by-products which can be consumed

Pollution control by increasing amount of capex done in equipment like MEE and MVR to treat effluent exhaustively

Emission reduction achieved through complete shift to green fuels like LPG and Biomass briquette for the boilers

Energy consumption is monitored and controlled to ensure a controlled carbon footprint

Water consumption is monitored and actively reduced for every step

Greener Fuels

The Company has switched to green fuels in all its manufacturing facilities. Wherever liquid fuel (Furnace Oil) was used, the switchover was done to Compressed Natural Gas (CNG) and wherever solid fuel (Coal) was used, the switchover was done to agricultural waste fuel (Biomass Briquettes). With this change, the Company now uses only clean fuel – Gas and Agro waste in its plants. The total saving of fossil fuels due to this change in 2020-21 is as follows:

Fossil Fuels	Saving during FY 2020-21
Coal	334 tons
Furnace Oil	226 tons

Other welfare initiatives

Some of the other key highlights during the year include:

CSR & Environment

We have contributed funds to renowned institutions in 2020-2021 which comprises:

Rashtra Seva Dal Aple Ghar

Educational Scholarships

Utkarsh Global Foundation

Shree Shankara Hindu Mission

Corporate Information

REGISTERED OFFICE

301, E Square, Subhash Road,
Vile Parle (East), Mumbai 400057,
Maharashtra, India.
Tel: +91 22 40842222
Email: cs@nglfinechem.com
Website: www.nglfinechem.com

SHARE TRANSFER AGENTS

Purva Sharegistry (India) Private Limited
Shiv Shakti Industrial Estates,
Unit No. 9, 7-B J. R. Boricha Marg,
Sitaram Mills Compound,
Mumbai 400011, Maharashtra, India
Tel: +91 22 23016761
Email: busicomp@vsnl.com

STATUTORY AUDITORS

Manek & Associates
Chartered Accountants

SECRETARIAL AUDITORS

HS Associates
Company Secretaries

INTERNAL AUDITORS

R. Devarajan & Co
Chartered Accountants

SHARES LISTED AT

BSE Ltd., Mumbai
(Listing fees paid for 2021-2022)
Scrip Code: 524774

COMPANY SECRETARY

Pallavi Pednekar

40th ANNUAL GENERAL MEETING

Date	: 20th August, 2020
Day	: Friday
Time	: 11:00 am
Place	: Video Conferencing (VC) or Other Audio Visual Means (OAVM)

NOTICE

NOTICE is hereby given that the Fortieth Annual General Meeting of the Members of NGL Fine-Chem Limited will be held on Friday, 20th August, 2021 at 11:00am through Video Conferencing or Other Audio Visual Means, to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements (including audited consolidated financial statements) for the financial year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To declare Final dividend for the financial year ended 31st March, 2021.
3. To re-appoint Mrs. Ajita Nachane, Director (holding DIN 00279241) who retires by rotation & being eligible offers herself for re-appointment as Director.

SPECIAL BUSINESS:

To Consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

4. To re-appoint Mr. Rajesh Lawande (holding DIN: 00327301) as Whole-Time Director of the Company.

"**RESOLVED THAT** pursuant to the provisions of Section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 ("Act") and the rules made there under, as amended from time to time, read with Schedule V to the Act, regulation 17(6) of SEBI (Listing Obligations & Disclosures Requirements), Regulations, 2015 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification thereto from time to time or any re-enactment thereof for the time being in force), the consent of the Members of the Company be and is hereby accorded to re-appoint Mr. Rajesh Lawande as Whole-Time Director of the Company for a period of 5 Consecutive Years with effect from 1st June, 2021 with maximum remuneration of ₹ 2,00,00,000/- (Rupees Two Crores) per annum plus commission of 2.5% of profit including in the event of loss or inadequacy of profits in any Financial Year during the tenure of appointment and upon the other terms and conditions set out in the Explanatory Statement annexed to the Notice convening this meeting (including remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the period of 5 consecutive years from the date of his appointment), with liberty to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to alter and vary terms and conditions of the said appointment in such manner as may be agreed to between the Board and Mr. Rajesh Lawande.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take such steps as may be necessary for obtaining necessary approvals - statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to sign and execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such other acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution.

RESOLVED FURTHER THAT the Board of Directors of the Company and / or Mrs. Pallavi Pednekar, Company Secretary be and are hereby severally authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

To Consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

5. To appoint Mr. Ahaan Nachane, as "Vice President"

"**RESOLVED THAT** pursuant to the provisions of section 188(1)(f) of the Companies Act, 2013 read with Companies (Meeting of Board and Its Powers) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 including statutory modification(s) or re- enactment thereof for the time being in force and as may be enacted from time to time, read with Regulation 23 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the consent of the Members be and is hereby accorded to appoint Mr. Ahaan Nachane, son of Mr. Rahul Nachane, Managing Director and CEO and Mrs. Ajita Nachane, Non-Executive Director as Vice President w.e.f. 01st June, 2021 upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this meeting for remuneration not exceeding of ₹ 1,00,00,000/- (Rupees One Crore) p.a. or as may be agreed to between the Board and Mr. Ahaan Nachane."

RESOLVED FURTHER THAT the Nomination & Remuneration Committee and Board of Directors has the liberty to alter and vary such remuneration in accordance with the provisions of the Companies Act, 2013 to effect change in designation and responsibilities of the persons holding office or place

NOTICE (Contd.)

of profit within the maximum limit approved by the shareholders.

RESOLVED FURTHER THAT for the purpose of giving effect to the foregoing Resolution, any Director of the Company and / or Mrs. Pallavi Pednekar, Company Secretary be and is hereby authorised to do all such acts, deeds, matters and things, as may be considered necessary, proper or desirable in the said regard including filling of returns with any authority."

To Consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

6. Ratification for change in constitution of Statutory Auditor

"**RESOLVED THAT** pursuant to the provisions of Section 139, 141 and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Audit and Auditors), Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force), the change in constitution of M/s. Manek & Associates (proprietorship) (Firm Registration No. 111072W) to partnership firm w.e.f. 1st April, 2021 as Statutory Auditors of the Company, who shall hold the office upto the remaining tenure on such remuneration as may be fixed by the Board of Directors in consultation with auditors, be and is hereby approved.

RESOLVED FURTHER THAT the Board of Directors of the Company and / or Mrs. Pallavi Pednekar, Company Secretary be and is hereby authorised to do all such acts and deeds as may be deemed necessary to give effect to the above resolution."

NOTES:

1) In view of the continuing restrictions on the movement of people at several places in the country due to surge of COVID-19, the Ministry of Corporate Affairs (MCA), vide its General Circular No. 20/2020 dated 5th May, 2020 read with General Circular No. 14/2020 dated 8th April, 2020 and General Circular No. 17/2020 dated 13th April, 2020 and Circular No.02/2021 dated 13th January, 2021 and other applicable circulars issued by the Securities and Exchange Board of India (SEBI), has allowed the Companies to conduct the AGM through Video Conferencing (VC) or Other Audio Visual Means (OAVM) during the calendar year 2021. In compliance with, the said circulars of MCA, SEBI and applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the 40th AGM of the Company is being held through VC / OAVM. Accordingly considering the safety of the members of the Company, the AGM of your Company is being scheduled through audio visual means in compliance with the applicable provisions of the Companies Act, 2013 along with rules framed thereunder and the aforementioned circulars. Hence, Members have to attend and participate in the ensuing AGM through audio visual means.

2) A Member entitled to attend and vote at the meeting is entitled to Appoint Proxy/ Proxies to attend and vote instead of himself/herself and the proxy need not be a member of the Company. Since the AGM is being held in accordance with the Circulars through VC, physical attendance of Members has been dispensed with. Accordingly the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form, Attendance Slip and route map of the AGM are not annexed to this Notice.

3) Participation of members through VC will be reckoned for the purpose of quorum for the AGM as per Section 103 of the Companies Act, 2013 ("the Act").

4) Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC. Corporate Members attending through authorised representatives to attend the AGM are requested to send a duly certified copy of their Board Resolution/ authorisation letter to the Company or upload on the VC portal/ e-voting portal.

5) Members whose shareholding is in the electronic mode are requested to direct, change of address notification and updating of Saving Bank Account details to their respective Depository Participants. Members whose shareholding is in physical mode are requested to opt for the Electronic Clearing System (ECS) mode to receive dividend on time in line with the Circulars. We urge members to utilise the ECS for receiving dividends. Members holding share in physical form who wish to avail NACH facility, may submit their bank details, viz. Name of the Bank and Branch, their account type and Bank Account No. with MICR No. and IFSC Code along with the copy of cancelled cheque to the RTA at

Purva Sharegistry (India) Private Limited

Shiv Shakti Industrial Estates,

Unit No. 9, 7-B J. R. Boricha Marg,

Sitaram Mills Compound,

Mumbai 400011.

Tel: 23016761

Email: support@purvashare.com

NOTICE (Contd.)

6) As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed Companies can be transferred only in dematerialised form with effect from 1st April 1, 2019, except in case of request received transmission or transposition and relodged transfer of securities. Further SEBI vide Circular No. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/236 dated 2nd December, 2020 had fixed 31st March, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. In view of this and to eliminate all risks associated to physical shares and for ease of portfolio management. Member's holdings shares in physical form are requested to consider converting their holding to dematerialised form. Members can contact the Company or the Company's Registrar and Transfer Agent for assistance in this regard.

7) Members who are holding shares in identical order or names in more than one folio are requested to write to the company to enable the company to consolidate their holdings in one folio.

8) Members may note that the Board of Directors in their meeting held on 1st June, 2021 has recommended a final dividend of ₹ 1.75 per equity share of ₹ 5/-. The record date for the purpose of final dividend for the fiscal 2021 will be 13th August, 2021. The final dividend once approved by the Members in the ensuing AGM will be paid on or after 27th August, 2021, electronically through various online transfer modes to those members who have updated their bank details. For Members who have not updated their bank account details, dividend warrants / demand drafts / cheques will be sent out to their registered address once the postal facility is available. To avoid any delay in receiving the dividend, members are requested to update their KYC with their depositories (where shares are held in dematerialised mode) and with the Company's Registrar and Transfer Agent (RTA) (where shares are held in physical mode) to receive the dividend directly into their bank account on the payout date.

9) Members may note that the Income Tax Act, 1961 ("the IT Act") as amended by the Finance Act, 2020, mandates that dividend paid or distributed by the Company after 1st April, 2020 shall be taxable in the hands of Members.

10) The Register of Members and Share Transfer Register in respect of equity shares of the Company will remain closed from Saturday, 14th August, 2021 to Friday, 20th August, 2021 (both days inclusive).

11) In furtherance of Green Initiative in Corporate Governance by Ministry of Corporate Affairs, the Shareholders are requested to register their email id with the Company or with the Registrar and Transfer Agent (RTA).

12) Members are requested to intimate changes, if any pertaining to their name, postal address, email address, telephone/mobile number, Permanent Account Number (PAN), mandates, nominations, power of attorney, etc. to their DP's if the shares are held in electronic Form and to RTA if the shares are held in physical form.

13) An electronic copy of the Notice of the 40th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting is being sent to all the members by email and physical copy of the same will not be made available to the Members of the Company in line with the Circulars. Members may also note that the Notice of the 40th Annual General Meeting and the Annual Report for 2020-21 will also be available on the Company's website www.nglfinechem.com for their download. The aforesaid documents can also be accessed from the website of the Stock Exchange i.e. BSE Limited and on the website of CDSL i.e. www.evoting.india.com.

14) Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form are advised to file nomination in the prescribed Form SH-13 with the Company's share transfer agent. In respect of shares held in electronic/ demat form, the members may please contact their respective depository participant.

15) Members are requested to send all communications relating to shares, unclaimed dividend, change of address etc. to the Registrar and Share Transfer Agents at the following address:

Purva Sharegistry (India) Private Limited

Shiv Shakti Industrial Estates, Unit No. 9,

7-B J. R. Boricha Marg,

Sitaram Mills Compound,

Mumbai 400011.

Tel: 23016761

Email: support@purvashare.com

16) If the shares are held in electronic form, then change of address and change in the Bank Account etc. should be furnished to their respective Depository Participants.

17) The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts or Arrangements

NOTICE (Contd.)

in which the Directors are interested, maintained under Section 189 of the Act, will be available for inspection in electronic form without any fee by the Members seeking to inspect such documents can send an email to cs@nglfinechem.com

18) Instructions for Shareholders to remote E-voting are as under:

(i) The voting period begins on Tuesday, 17th August, 2021 at 9.00 a.m. and ends on Thursday, 19th August, 2021 at 5.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date (record date) of Friday, 13th August, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

(iv) Individual Shareholders holding securities in Demat mode with **CDSL**

(1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi.

(2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.

(3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration

(4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

(v) Individual Shareholders holding securities in demat mode with **NSDL**

(1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

(2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp

(3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL:

NOTICE (Contd.)

https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

(vi) Individual Shareholders (holding securities in demat mode) login through their **Depository Participants**

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

(vii) Login method for e-Voting and joining virtual meeting for **shareholders other than individual shareholders holding in Demat form & physical shareholders**.

(1) The shareholders should log on to the e-voting website www.evotingindia.com

(2) Click on "Shareholders" module:

(3) Now Enter your User ID:

a) For CDSL: 16 digits beneficiary ID;

b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID;

c) Members holding shares in Physical Form should enter Folio Number registered with the Company.

(4) Next enter the Image Verification Code as displayed and Click on Login.

(5) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any Company, then your existing password is to be used.

(6) If you are a first-time user follow the steps given below.

Now, fill up the following details in the appropriate boxes:

PAN*

Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (in Capital) (Applicable for both demat shareholders as well as physical shareholders)

Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.

Dividend Bank Details or Date of Birth

Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.

- If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v)

(5) After entering these details appropriately click on "SUBMIT" tab.

(6) Members holding shares in physical form will then reach directly the EVSN selection screen. However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

NOTICE (Contd.)

(7) For Members holding shares in physical form, the details can be used only for e-voting on the resolution contained in this Notice.

(8) Click on the EVSN number 21061003 of NGL Fine-Chem Limited on which you choose to vote.

(9) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option "YES" or "NO" as desired. The option "YES" implies that you assent to the Resolution and option "NO" implies that you dissent to the Resolution.

(10) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.

(11) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(12) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(13) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(14) If Demat account holder has forgotten the changed password then enter the User ID and image verification code/Captcha Code and click on Forgot Password & enter the details as prompted by the system.

Facility for Non – Individual Shareholders and Custodians –Remote Voting

1) Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.

2) A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

3) After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

4) The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

5) A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutiniser to verify the same.

6) Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorised signatory who are authorised to vote, to the Scrutiniser and to the Company at the email address viz; hs@hsassociates.net.in (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutiniser to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

i) The procedure for attending meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for Remote e-voting.

ii) The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.

iii) Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.

iv) Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.

v) Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

vi) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

vii) Only those shareholders, who are present in the AGM/ EGM through VC/OAVM facility and have not casted

NOTICE (Contd.)

their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.

viii) If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/ MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP).
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

PROCESS FOR THOSE SHAREHOLERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders- please provide necessary details like Folio No., Name if shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN Card), AADHAR (self-attested copy of Aadhar Card) by email to Company/ RTA email id.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 022-23058542/43.

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The Scrutiniser shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutiniser's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.

The result declared along with the Scrutiniser's Report shall be placed on the Company's website www.nglfine-chem.com and on the website of CDSL www.evotingindia.com immediately. The Company shall simultaneously forward the results to BSE Limited, where the shares of the Company are listed.

By Order of the Board

Registered Office
301, E Square Subhash Road,
Vile Parle (East),
Mumbai-400057.
Place: Mumbai.
Date: 1st June, 2021.

Sd/-
Pallavi Pednekar
Company Secretary
Membership No. A33498

NOTICE (Contd.)

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4:

Mr. Rajesh Lawande was appointed as Whole-Time Director of the Company for a period of three years from 1st June, 2018 in the Board Meeting held on 24th May, 2018 and shareholders had given their consent in the Annual General Meeting held on 24th August, 2018.

Mr. Rajesh Lawande, aged 45 years having over 20 years of industry experience. He has completed his M.Sc. from IIT Bombay and PGDM from IIM Lucknow.

He has been managing the Company's R & D Department and introducing new markets and customers. He is responsible for R & D, sales and production.

His current term of appointment as the Whole-Time Director of the Company expired on 31st May 2021. Considering his knowledge of various aspects relating to the Company's affairs and long business experience, the Board of Directors is of the opinion that for smooth and efficient running of the business, the services of Mr. Rajesh Lawande should be available to the Company for a further period of 5 (Five) consecutive years with effect from 1st June, 2021. In terms of the provisions of the Act and the Articles of Association of the Company, the Nomination and Remuneration Committee of the Board and the Board of Directors have, at their meetings held on 1st June, 2021 appointed him as Whole-Time Director of the Company for a period of 5 (Five) consecutive years with effect from 1st June, 2021.

The main terms and conditions for the appointment of Mr. Rajesh Lawande as Whole-Time Director are as follows:-

MAJOR TERMS OF REMUNERATION OF MR. RAJESH LAWANDE, WHOLE-TIME DIRECTOR:

TERMS & CONDITIONS:

I) General Information

1.	Nature of industry	:	The company manufactures active pharmaceutical ingredients and finished formulations.
2.	Date of commencement of commercial production	:	The company has already commenced commercial production in 1983.
3.	Financial performance	:	PBT for past 3 years is as follows:

Year	Amount(Lakh)
2019-20	1435.32
2018-19	2756.65
2017-18	1780.27

4.	Foreign investments or collaboration	:	NIL

II. Information about the appointee:

(1)	Background details	:	Rajesh Lawande is M.Sc. (Chemistry) from IIT Mumbai and PGDBA from IIM Lucknow. He has over 20 years of experience in the Pharmaceutical sector.
(2)	Past remuneration	:	₹ 269.11 Lakhs for F.Y. 2020-21
(3)	Recognition or awards	:	Nil
(4)	Job profile and his suitability	:	He has the educational background, training and experience suitable for the job.
(5)	Remuneration proposed	:	₹ 2 Crores plus 2.5% commission
(6)	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	:	The salary proposed is comparable to the industry.
(7)	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel , if any.	:	Rajesh Lawande is the promoter Director of the Company and holds 13,52,366 equity shares which are 21.89% of the total paid up equity shares.

NOTICE (Contd.)

The terms of remuneration as set out in the Resolution are in accordance with the applicable provisions of Companies Act, 2013, Rules made there under read with Schedule V to the Companies Act, 2013.

Expect Mr. Rajesh Lawande, holding 13,52,366 equity shares comprising of 21.89% and Mrs. Ajita Nachane his relative (sister), no other Director, Key Managerial Personnel of the Company and their relatives thereof are interested in the proposed resolution.

The Board of Directors recommend passing of the resolution set out in Item No.4 of this Notice.

Item No. 5:

In accordance with the provisions of Section 188 (1)(f) of the Companies Act, 2013 which govern the related party transactions read with Regulation 23 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, it is required for a Company to obtain prior approval of the Board of Directors and shareholders for the related party's appointment to any office or place of profit.

Mr. Ahaan Nachane was appointed as "Vice President" with effect from 1st June, 2021 by the Board of Directors in their meeting held on 1st June, 2021.

Mr. Ahaan Nachane is a Bachelor of Science in Engineering from Cornell University, USA and possesses the requisite knowledge, experience and skill for the position.

Except, Mr. Rahul Nachane his relative (father) and Mrs. Ajita Nachane his relative (mother), no other Director, Key Managerial Personnel of the Company and their relatives thereof are interested in the proposed resolution.

The Board of Directors recommend passing of the resolution set out in Item No.5 of this Notice.

Item No. 6:

As the members are aware that the Company had appointed M/s. Manek & Associates, Chartered Accountants, (Firm Registration No 126679W) as the Statutory Auditors of the Company in the capacity of Proprietorship firm at the Thirty sixth Annual General Meeting (AGM) in calendar year 2017 to hold office till the conclusion of the Annual General Meeting to be held in the calendar year 2022.

M/s. Manek & Associates, Chartered Accountants, (Firm Registration No. 126679W) have intimated to the Board change in their constitution/ status from proprietorship to partnership firm. However, there is no change in the name and the registration number.

The Audit Committee and the Board of Directors have taken on record the change in constitution of M/s. Manek & Associates, Chartered Accountants, (Firm Registration No. 126679W) in the capacity as partnership firm as Statutory Auditors of the Company in the Board meeting held on 01st June, 2021.

M/s. Manek & Associates, Chartered Accountants will hold office of the Statutory Auditors in the capacity of partnership firm for the remaining tenure as resolved in the Thirty sixth Annual General Meeting (AGM) held in calendar year 2017.

Accordingly, the same is put before the members for their consideration and approval. The Board recommends the passing of this resolution as an Ordinary Resolution.

None of the Directors, Key Managerial Persons or their relatives is in any way, concerned or interested or deemed to be concerned or interested in the said resolution.

The Board of Directors recommend passing of the resolution set out in Item No.6 of this Notice.

By Order of the Board

Registered Office
301, E Square Subhash Road,
Vile Parle (East),
Mumbai-400057.
Place: Mumbai.
Date: 1st June, 2021.

Sd/-
Pallavi Pednekar
Company Secretary
Membership No. A33498

NOTICE (Contd.)

Details of Directors seeking appointment / re-appointment at the Annual General Meeting

Particulars	**Mr. Rajesh Lawande**
Date of Birth	16/03/1976
Date of Appointment	01/06/2021
Qualifications	M.Sc. PGDM
Expertise in specific functional areas	He has over 2 decades of industry experience.
Number of shares held in the Company	13,52,366 equity shares

DIRECTOR'S REPORT

The Board of Directors are pleased to present the Company's Fortieth Annual Report and the Company's audited financial statements (consolidated and standalone) for the financial year ended 31st March, 2021.

1. OPERATING RESULTS

The operating results of the Company for the year ended 31st March, 2021 are as follows:

(₹ in Lakhs)

	Year ended 31st March, 2021 (Standalone)	Year ended 31st March, 2020 (Standalone)	Year ended 31st March, 2021 (Consolidated)	Year ended 31st March, 2020 (Consolidated)
Revenue from Operations	2,58,18.15	1,52,18.09	2,57,97.48	1,51,68.64
Profit before tax from continuing operations	7599.71	14,35.31	77,58.95	12,07.23
Tax Expenses (Including Deferred Tax)	-20,52.75	-3,74.95	-20,87.06	-3,73.70
Profit after Tax	55,46.96	10,60.36	56,71.90	8,33.52
Total Comprehensive Income for the year	55,32.88	10,38.53	56,57.81	8,11.69

2. TRANSFER TO RESERVES

There are no transfers to any specific reserves during the year.

3. THE STATE OF THE COMPANY'S AFFAIRS

During the year under review, your company achieved total revenue from operations of ₹ 2,58,18.15 Lakhs (previous year ₹ 1,52,18.09 Lakhs) resulting in increase of 69.65% over the previous year. The profit after tax (including other comprehensive income) is at ₹ 55,32.88 Lakhs (previous year ₹ 10,38.53 Lakhs resulting in increase of 432.76%).

The current year has been unprecedented with the Covid pandemic affecting the entire world. Its impact has been on every aspect of our life which has been constrained in terms of movement, social interaction, mobility of work and numerous other aspects. Global solutions were required to ensure return to efficient management of business. The company implemented borderless workspaces ensuring ease of work from home for office staff while mobility of personnel at factories was organised in such manner to ensure their health and safety through distancing and minimizing contact.

The physical and emotional wellbeing of our workforce continues to be the priority for the company. Safety and wellbeing measures initiated during the early days of the pandemic have been improved upon and continued during the current year. The NGL team responded well and ensured that the manufacturing facilities operated seamlessly and the additional capacity created during the past two years was effortlessly filled in.

4. DIVIDEND

Your directors recommend dividend of ₹ 1.75 per fully paid-up equity share of ₹ 5/- each per fully paid-up equity share aggregating to ₹ 108.12 Lakhs.

5. CASH FLOW AND CONSOLIDATED FINANCIAL STATEMENTS

As required under Regulation 34 of the Listing Regulations, a Cash Flow Statement and consolidated Financial Statement is part of the Annual Report.

6. FUTURE PROSPECTS

The covid pandemic is far from over and India has seen a second wave emerging from early 2021. In view of the alarming situation and deteriorating health scenario, the government re-imposed a lockdown from 15th April, 2021. This has once again disrupted supply chain logistics and movement of personnel. The company has continued measures adopted and implemented to ensure wellbeing, health and safety of its personnel and this has resulted in minimal impact on manufacturing operations. However, the length of the lockdown, the measures taken to control the pandemic may have an impact on the company's working and operations. In view of the uncertainty, it is difficult to visualise the impact it may have on the current year operations.

7. THE CHANGE IN THE NATURE OF BUSINESS, IF ANY;

There is no change in the nature of business of the Company.

8. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND.

There was no transfer during the year to the Investor Education and Protection Fund in terms of Section 125 of the Companies Act, 2013.

9. CONSERVATION OF ENERGY-TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE ETC.

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished as **Annexure A** to Director's Report.

10. STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed also discussed at the meetings of the Risk Management Committee and the Board of Directors of the Company. The Company has voluntarily constituted Risk Management Committee and its risk management policy is available on the website of the company: www.nglfinechem.com. The Company has amended risk management policy, in line with the latest amendments in the Policy, in its Board Meeting held on 01stJune, 2021 and also reconstituted it Risk Management Committee.

The company has implemented special Covid-19 sanitisation and decontamination measures at all its locations to ensure safety of personnel operating on premises. Social distancing to mitigate and reduce contact between personnel has also been implemented. Safety at work is the motto that is being followed at all times.

11. INTERNAL CONTROL SYSTEM

The Company's internal controls system has been established on values of integrity and operational excellence and it supports the vision of the Company "To be the most sustainable and competitive Company in our industry". The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested and certified by Statutory as well as Internal Auditors and their significant audit observations and follow up actions thereon are reported to the Audit Committee.

12. DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The Company has constituted a Corporate Social Responsibility (CSR) Committee in accordance with Section 135 of the Companies Act, 2013 read with Companies Corporate Social Responsibility (Policy) Rules, 2014. As per provision of Section 135 of the Companies Act, 2013 read with Rule 8 of Companies Corporate Social Responsibility (Policy) Rules, 2014, the Board has approved CSR Policy and the Company has spent towards CSR activities, details of which are provided in attached **Annexure B** to Director's Report. The Company has amended CSR policy, in line with the latest amendments in the CSR Policy, in its Board Meeting held on June 1, 2021.

13. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The particulars of investments made and loans given to subsidiaries has been disclosed in the financial statements in notes 5 and 6 of the standalone financial statements.

14. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

All the related party transactions are entered on arm's length basis, in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the Company at large or which warrants the approval of the shareholders. The transactions are being reported in Form AOC-2 i.e. **Annexure C** in terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014. However, the details of the transactions with Related Party are provided in the Company's financial statements (note 36) in accordance with the Accounting Standards.

All Related Party Transactions are presented to the Audit Committee and the Board. Omnibus approval is obtained for the transactions which are foreseen and

DIRECTOR'S REPORT (Contd.)

repetitive in nature. A statement of all related party transactions is presented before the Audit Committee on a quarterly basis, specifying the nature, value and terms and conditions of the transactions.

The Related Party Transactions Policy as approved by the Board is uploaded on the Company's website at **www.nglfinechem.com**

15. POLICY ON SEXUAL HARASSMENT OF WOMEN AT WORKPLACE:

The Company has zero tolerance towards sexual harassment at the workplace and towards this end, has adopted a policy in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. All employees (permanent, contractual, temporary, trainees) are covered under the said policy. The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 which redresses complaints received on sexual harassment. During the financial year under review, the Company has not received any complaints of sexual harassment from any of the women employees of the Company.

16. ANNUAL RETURN

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is furnished as **Annexure D** to Director's Report. The annual Return is also available on the website of the Company www.nglfinechem.com

17. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW

During the financial year, the Board met five times on 22nd May, 2020, 29th June, 2020, 12th August, 2020, 6th November, 2020 and 28th January, 2021.

18. DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134(5) of the Companies Act, 2013 The Board of Directors of the Company hereby confirm:

- That in the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure.
- That the selected accounting policies were applied consistently and the directors 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 on March 31, 2021, and that of the profit of the Company for the year ended on that date.
- That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- That the annual accounts have been prepared on a going concern basis.
- The Board has laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

19. DEPOSITS

The Company has neither accepted nor renewed any deposits during the year under review.

20. PARTICULARS OF EMPLOYEES AND REMUNERATION

The information required under section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given as **Annexure E** to this report.

In terms of provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of employees drawing remuneration in excess of the limits set out in the said Rules, if any, forms part of the Report.

The Nomination and Remuneration Committee of the Company has affirmed at its meeting held on 01st June, 2021 that the remuneration is as per the remuneration policy of the Company. The policy is available on the company's website: www.nglfinechem.com.

21. DIRECTORS

Mrs. Ajita Nachane is liable to retire by rotation in this ensuing Annual General Meeting and being eligible she has offered herself for reappointment. Your Directors recommend her re-appointment.

Mr. Rajesh Lawande, Whole-Time Director of the Company holds office up to 31st May, 2021 as Whole-Time Director, being eligible offers himself for reappointment. Your Directors recommend his re-appointment as a Whole-Time Director w.e.f. 01st June, 2021.

Pursuant to the provisions of Section 149 of the Act, the Independent Directors have submitted declarations that each of them meets the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations. There has been no change in the circumstances affecting their status as Independent Directors of the Company.

22. ATTRIBUTES, QUALIFICATIONS & INDEPENDENCE OF DIRECTORS, THEIR APPOINTMENT AND REMUNERATION

The Nomination & Remuneration Committee of Directors have approved a Policy for Selection, Appointment and Remuneration of Directors which inter-alia requires that composition and remuneration is reasonable and sufficient to attract, retain and motivate Directors, KMP and senior management employees and the Directors appointed shall be of high integrity with relevant expertise and experience so as to have diverse Board and the Policy also lays down the positive attributes/criteria while recommending the candidature for the appointment as Director. The board has on the recommendation of Nomination & Remuneration Committee approved the re-appointment of Mr. Rajesh Lawande, as Whole-Time Director for 5 consecutive years, in the ensuing Annual General Meeting.

23. DECLARATION OF INDEPENDENT DIRECTORS

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(7) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

24. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The familiarisation program aims to provide Independent Directors with the pharmaceutical industry scenario, the socio-economic environment in which the Company operates, the business model, the operational and financial performance of the Company, significant developments so as to enable them to take well informed decisions in a timely manner. The familiarisation program also seeks to update the Directors on the roles, responsibilities, rights and duties under the Act and other statutes. The policy on Company's familiarisation program for Independent Directors is posted on Company's website at www.nglfinechem.com.

25. RATING

The company has been rated by Crisil Ltd for SME and bank rating. The SME rating has been awarded "SME 1" indicating highest level of credit worthiness adjudged in relation to other SMEs. The long-term rating is Crisil BBB+ / Stable and short-term rating is Crisil A2. The company has also been rated by ICRA Ltd for bank borrowing and long-term rating has been reaffirmed is BBB+ (Outlook Long Term rating is Stable) and has reaffirmed the short-term rating is A2.

26. STATUTORY AUDITORS

The Board of Directors of your Company at its meeting held on Friday, 05th May, 2017 appointed M/s. Manek & Associates, Chartered Accountants (FRN: 126679W) as Statutory Auditors of your Company for a period of 5 years from the conclusion of the Annual General Meeting till the conclusion of the Annual General Meeting to be held in the year 2022, based on the recommendation of the Audit Committee.

Manek & Associates, Auditors of the Company have informed the Company vide letter dated 27th April, 2021 about the change in constitution of their firm from Proprietorship to Partnership Firm. The Name of the firm and Registration No. remains the same.

The company has proposed an Ordinary Resolution for ratification of Statutory Auditor for the Financial Year 2021-2022 pursuant to change in constitution.

27. INTERNAL AUDITORS

The company has appointed M/s R. Devarajan & Co., Chartered Accountants, Mumbai, (ICAI firm registration number 102415W) as internal auditors for financial year 2021-22.

28. SECRETARIAL AUDITORS

The Company has appointed M/s. HS Associates, Company Secretaries, as Secretarial Auditors of the Company to carry out the Secretarial Audit for the Financial Year 2021-22 and to issue Secretarial Audit

Report as per the prescribed format under rules in terms of Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Secretarial Audit Report for the financial year 2020-2021 is annexed herewith and forms part of this report as Annexure F.

Secretarial Audit is not applicable to the Subsidiary, not being a material subsidiary.

29. COST AUDITORS

For the financial year 2021-22, cost audit is not applicable to the Company as the export turnover is more than 75% of the total turnover. Hence the Company has not appointed Cost Auditor.

30. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS

The Auditors' Report does not contain any qualifications, reservations or adverse remarks. Report of the secretarial auditor is given as an **Annexure F** which forms part of this report.

31. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management's Discussion and Analysis Report for the year under review, as stipulated under regulation 34 (3) and Part B of schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to this Annual Report.

32. CORPORATE GOVERNANCE

The Company is committed towards maintaining the highest standards of Corporate Governance and adhering to the Corporate Governance requirements as set out by Securities and Exchange Board of India. The Report on Corporate Governance as stipulated under regulation 34 (3) and Part C of schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of the Annual Report. The Certificate from the practicing Company Secretary confirming compliance with the conditions of Corporate Governance as stipulated under regulation 34 (3) and Part E of schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is also published in this Annual Report.

33. SUBSIDIARY, JOINT VENTURES AND ASSOCIATE COMPANIES

Macrotech Polychem Private Limited is a wholly owned subsidiary of the Company. The Consolidated Financial Statement of your Company form part of this Annual Report. Annual Report of your Company does not contain the Financial Statements of its Subsidiary. The Audited Annual Accounts and related information of the Company's Subsidiary will be made available upon request. These documents will be available for inspection during all days expect Saturdays, Sundays and public holidays from 10.00 a.m. to 4 p.m. at the Company's Registered Office. The Subsidiary Companies Audited Accounts are available on the Company's Website: www.nglfinechem.com.

34. REPORT ON CORPORATE GOVERNANCE

In terms of Listing Regulations, a report on Corporate Governance along with the certificate from M/s. HS Associates, Company Secretaries, confirming compliance of the conditions of Corporate Governance is annexed hereto and forms part of this Annual Report as **Annexure H**.

35. VIGIL MECHANISM

The Company has established a vigil mechanism policy to oversee the genuine concerns expressed by the employees and other Directors. The Company has also provided adequate safeguards against victimisation of employees and Directors who express their concerns. The Company has also provided direct access to Mr. Rahul Nachane, Chief Ethics Counsellor on reporting issues concerning the interests of co-employees and the Company. The Vigil Mechanism Policy is available at the website of the company: www.nglfinechem.com.

36. REPORTING OF FRAUD BY AUDITORS

During the year under review, the Internal Auditors, Statutory Auditors and Secretarial Auditor have not reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee under section 143(12) of the Act, details of which needs to be mentioned in this Report.

37. ANNUAL EVALUATION BY THE BOARD

In compliance with the Companies Act, 2013, and Regulation 17 of the Listing Regulations, the performance evaluation of the Board and its Committees were carried out during the year under review. More details on the same are given in the Corporate Governance Report.

38. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

There are no material changes and commitments affecting the financial position of the Company occurred during the financial year, other than the impact of the resurge of Covid -19 pandemic which has been covered in this report.

39. THE DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

During the year there has been no significant material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and company's operations in future.

40. COMMITTEES OF THE BOARD

In accordance with the Companies Act, 2013, the Board has also formed a Risk Management Committee on voluntary basis. There are currently seven Committees of the Board, as follows:

- Audit Committee
- Corporate Social Responsibility Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee
- Risk Management Committee
- Administrative Committee
- Internal Complaint Committee

Details of all the Committees along with their charters, composition and meetings held during the year, are provided in the "Report on Corporate Governance", a part of this Annual Report.

41. OTHER DISCLOSURES

The company does not have any Employees Stock Option Scheme in force and hence particulars are not furnished, as the same are not applicable.

No proceedings against the Company is initiated or pending under the Insolvency and Bankruptcy Code, 2016.

The details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof – Not Applicable.

42. COST RECORDS AND COST AUDIT

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013 was applicable for the business activities carried out by the Company for the financial 2020-21. Accordingly, such accounts and records are made and maintained by the Company for the said period.

43. POLICIES

The Company seeks to promote highest levels of ethical standards in the normal business transactions guided by the value system. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandates formulation of certain policies for listed companies. The Policies are reviewed periodically by the Board and are updated based on the need and compliance as per the applicable laws and rules and as amended from time to time. The policies are available on the website of the Company at www.nglfinechem.com

44. COMPLIANCE OF APPLICABLE SECRETARIAL STANDARDS

Your Directors hereby confirm that the Company has complied with the necessary provisions of the revised Secretarial Standard 1 and Secretarial Standard 2 to the extent applicable to the Company.

45. ENHANCING SHAREHOLDER VALUE

Your company firmly believes that its success, the marketplace and a good reputation are among the primary determinants of value to the shareholder. The organisational vision is founded on the principles of good governance and delivering leading-edge products backed with dependable after sales services. Following the vision your Company is committed to creating and maximizing long-term value for shareholders.

46. CAUTIONARY STATEMENT

Statements in the Board's Report and the Management Discussion & Analysis describing the Company's objectives, expectations or forecasts may be forward looking within the meaning of applicable securities laws and regulations. Actual results may differ materially

DIRECTOR'S REPORT (Contd.)

from those expressed in the statement. Important factors that could influence the Company's operation include global and domestic demand and supply conditions affecting selling prices of raw materials, finished goods, input availability and prices, changes in government regulations, tax laws, economic developments within and outside the country and various other factors. The current resurgence of Covid 19 pandemic has also affected the operations of the company.

47. ACKNOWLEDGEMENTS

Your Directors take this opportunity to express their sincere appreciation and gratitude for the continued co-operation extended by shareholders, employees, customers, banks, suppliers and other business associates.

For and on behalf of the Board of Directors

Sd/-	Sd/-
Rahul Nachane	**Rajesh Lawande**
Managing Director	Whole-Time Director & CFO
DIN : 00223346	DIN : 00327301

Mumbai, 01st June, 2021

ANNEXURE A
TO THE DIRECTORS' REPORT

Information pursuant to the Companies (Accounts) Rules, 2014

A. CONSERVATION OF ENERGY

I. Steps taken or impact on conservation of energy

Following activities were taken to conserve Energy

1. Energy audits to identify key areas for improvement in energy efficiency of processes adopted and eliminating wastage.
2. Implementation of the energy conservation methods and improving input-output ratios.
3. Utilisation of greener fuels: During the year, the company has replaced fossil fuels with greener fuels. At one unit, coal has been replaced with biomass briquettes which are obtained from agricultural waste. Total fossil fuel saving was 146 mt during the year. At another unit, the company has replaced furnace oil with natural gas resulting in a saving of 227 mt of furnace oil.

II. Capital investment on energy conservation

No capital investment was incurred on energy conservation during the year.

B. TECHNOLOGY ABSORPTION:

1. Research & Development

I Efforts made towards technology absorption.

The company invests continually in API process development and upgradation. This enables us to launch new products and refine the processes of existing products. At our R & D centre in Mumbai, scientists are engaged in research projects in chemistry, recovery systems and process improvements aimed at cost improvements and new product development. This also enables us to support our customers in their pharmaceutical research and development activities.

III Expenditure on R&D activity.

(₹ in Lakhs)

	2020-21	2019-20
Capital	57.04	-
Revenue	186.96	219.79
Total	244.00	219.79
As percentage of turnover	0.95%	1.44%

The company has not acquired any technology during the year.

2. Technology Absorption, Adaptation and Innovation

The company has not absorbed any technology under a formal technology transfer arrangement during the year. The company carries out Research & Development in its own laboratory.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows are as under:

Total Foreign Exchange Earned ₹ 19775.00 Lakhs

Total Foreign Exchange Used ₹ 2812.12 Lakhs

For and on behalf of the Board of Directors

Sd/-	Sd/-
Rahul Nachane	**Rajesh Lawande**
Managing Director	Whole-Time Director & CFO
DIN : 00223346	DIN : 00327301

Mumbai, 01st June, 2021

ANNEXURE B
TO THE DIRECTORS' REPORT

CORPORATE SOCIAL RESPONSIBILITY POLICY

Introduction

NGL Fine-Chem Limited (hereinafter referred as the "Company" or "NGL") has identified Corporate Social Responsibility (CSR) as a strategic tool for sustainable growth. For NGL, CSR means not only investment of funds for social activity but also a continuous integration of business processes with social processes.

ANNEXURE TO CSR POLICY

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.
    - Promoting education, including special education and employment enhancing vocation skills especially among children and livelihood enhancement projects.
    - Empowerment of rural women by strengthening their financial capabilities.
    - Promoting sanitation care by construction of toilets and awareness programs.
    - Provide healthcare by organizing free medical camps, mobile clinics with doctors, free ambulance services, awareness programs and blood donation camps.
    - Sustainable livelihood by skill development and vocational training, vermi-composting, etc.
    - Reduction in pollution and recycling of waste.
    - Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women.
    - Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
    - Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government.
    - Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.
    - Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.
    - Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts.
    - Measures for the benefit of armed forces veterans, war widows and their dependents.
    - Training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports.
    - Rural development projects.
    - Slum area development.

    The CSR Policy is placed on the Company's website and the web link for the same is www.nglfinechem.com

2. The Composition of the CSR Committee.

    The Committee shall consist of minimum of three members with at least one being an Independent Director. The present constitution of the CSR Committee is as follows:

Sr. No.	Name of Director	Designation/Nature of Directorship	No. of Meetings of CSR Committee held during the year	No. of Meetings of CSR Committee attended during the year
1	Mr. Milind Shinde	Chairman	2	2
2	Mr. Rajesh Lawande	Member	2	2
3	Mrs. Ajita Nachane	Member	2	2
4	Mr. K.V. Subramanian	Member	2	2

ANNEXURE B
TO THE DIRECTORS' REPORT (Contd.)

3. Provide the web-link where Composition of CSR Committee, Policy and CSR projects approved by the Board are disclosed on the website of the Company : www.nglfinechem.com/investors
4. Provide the details of Impact assessment of CSR Project carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Responsibility Policy) Rules, 2014, if applicable (attach the report) : Not Applicable.
5. Social Responsibility Policy Rules, 2014 and amount required for set off for the financial, if any

Sr. No.	Financial Year	Amount available for set off from preceding financial year (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1.		NIL	NIL
	Total	NIL	NIL

6. Average net profit of the company as per section 135(5): ₹ 20,67,41,225/-
7. (a) Two percent of average net profit of the Company as per Section 135(5) : ₹ 41,34,825/-
   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial year: NIL
   (c) Amount required to be set off for the financial year, if any: NIL
   (d) Total CSR obligation for the financial year (7a+ 7b-7c) : ₹ 41,34,825/-
8. (a) CSR amount spent/unspent for the financial year

Total amount spent for the financial year (in `)	Amount Unspent				
	Total Amount Transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of transfer
₹ 41,97,591/-	0	--	Not Applicable	NIL	--

(b) Details of CSR amount spent against ongoing projects for the financial year:

Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/ No)	Location of the Project	Project duration	Amount allocated for the project	Amount spent in the current financial year	Amount Transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of implementation Direct (Yes/No)	Mode of Implementation Through Implementing Agency	
									Name	CSR Registration Number
Utkarsh Global Foundation	Health Care	Yes	Maharashtra	2020-21	₹ 17,75,000	₹ 17,75,000	NIL	Yes	NA	
Shree Shankara Hindu Mission	Education	Yes	Maharashtra	2020-21	₹ 10,20,060	₹ 10,20,060	NIL	Yes	NA	
Educational Scholarships	Education	Yes	Maharashtra	2020-21	₹ 6,02,531	₹ 6,02,531	NIL	Yes	NA	
Rashtra Seva Dal Aple Ghar	Education	Yes	Maharashtra	2020-21	₹ 8,00,000	₹ 8,00,000	NIL	Yes	NA	

(c) Details of CSR Amount Spent against other than ongoing project for the financial year: Not Applicable.

Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the Project		Amount spent for the project (in ₹)	Mode of Implementation Direct (Yes/No)	Mode of Implementation - Through implementing agency.	
			State	District			Name	CSR Registration No.
Not Applicable								

ANNEXURE B
TO THE DIRECTORS' REPORT (Contd.)

(d) Amount spent in Administrative Overheads: NIL

(e) Amount spent on Impact Assessment, if applicable: Not Applicable

(f) Total amount spent for the Financial Year: ₹ 41,97,591/-.

(g) Excess amount for set off, if any

Sr. No.	Particulars	Amount (In ₹)
(i)	Two percent of average net profit of the Company as per Section 135(5)	41,34,825
(ii)	Total amount spent for the financial year	41,97,591
(iii)	Excess amount spent for the financial year	62,766
(iv)	Surplus arising amount of the CSR Project or programme or activities of the previous financial year, if any	NIL
(v)	Amount available for set-off in succeeding years [(iii) - (iv)]	62,766

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sr. No.	Preceding Financial Year	Amount transferred to unspent CSR Account under Section 135(6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial year (in ₹)*
				Name of the Fund	Amount (in ₹)	Date of transfer	
1	2017-18	Nil	8,69,926	-	-	-	-
2	2018-19	Nil	19,41,297	-	-	-	-
3	2019-20	Nil	33,60,965	-	-	-	-
	TOTAL	**Nil**	**61,72,188**	**-**	**-**	**-**	**-**

* The company has disclosed the reasons for unspent CSR amount for the above mentioned financial years in their respective CSR annexure annexed to Board report. As there was no provision created for "unspent CSR amount" in the books of accounts, hence, the unspent CSR amount for the above mentioned financial year shall stand lapsed.

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):.

Sr. No.	Project Id	Name of the Project	Financial year in which the project was commenced	Project Duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting financial year (in ₹)	Status of the Project - Completed / ongoing
Not Applicable								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year : Not applicable.

(Asset-wise details)

(a) Date of creation or acquisition of the capital asset(s).

(b) Amount of CSR spent for creation or acquisition of capital asset.

ANNEXURE B
TO THE DIRECTORS' REPORT (Contd.)

(c) Details of entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s) if the Company has failed to spend two percent of the average net profit as per section 135(5). Not applicable.

For and on behalf of the Board of Directors

Sd/-	Sd/-	Sd/-
Rahul Nachane	**Rajesh Lawande**	**Milind Shinde**
Managing Director	Whole-Time Director & CFO	Chairman CSR Committee
DIN : 00223346	DIN : 00327301	DIN : 01593560

Mumbai, 01st June, 2021

ANNEXURE C
TO THE DIRECTORS' REPORT

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	Macrotech Polychem Private Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	FY 2020-21
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA
4.	Share capital	30,01,900
5.	Reserves & surplus	(1,77,23,769)
6.	Total assets	16,92,55,957
7.	Total Liabilities	16,92,55,957
8.	Investments	-
9.	Turnover	5,72,33,399
10.	Profit before taxation	2,27,14,348
11.	Provision for taxation	(34,30,495)
12.	Profit after taxation	1,92,83,853
13.	Proposed Dividend	-
14.	% of shareholding	100

Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations - N.A.
2. Names of subsidiaries which have been liquidated or sold during the year – N.A.

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of associates/Joint Ventures	N.A.
1. Latest audited Balance Sheet Date	N.A.
2. Shares of Associate/Joint Ventures held by the company on the year end	N.A.
Amount of Investment in Associates/Joint Venture	N.A.
Extend of Holding%	N.A.
3. Description of how there is significant influence	N.A.
4. Reason why the associate/joint venture is not consolidated	N.A.
5. Net worth attributable to shareholding as per latest audited Balance Sheet	N.A.
6. Profit/Loss for the year	N.A.
i. Considered in Consolidation	N.A.
ii. Not Considered in Consolidation	N.A.

1. Names of associates or joint ventures which are yet to commence operations.
2. Names of associates or joint ventures which have been liquidated or sold during the year.

For and on behalf of the Board of Directors

Sd/-
Rahul Nachane
Managing Director
DIN : 00223346

Sd/-
Rajesh Lawande
Whole-Time Director & CFO
DIN : 00327301

Mumbai, 01st June, 2021

ANNEXURE C
TO THE DIRECTORS' REPORT (Contd.)

FORM NO. AOC - 2

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

Form for disclosure of particulars of contracts / arrangements entered into by NGL Fine-Chem Ltd. with the related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms-length transactions under third proviso thereto.

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

(a)	Name(s) of the related party and nature of relationship	NIL
(b)	Nature of contracts/arrangements/transactions	
(c)	Duration of the contracts / arrangements/transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
(e)	Justification for entering into such contracts or arrangements or transactions	
(f)	date(s) of approval by the Board	
(g)	Amount paid as advances, if any	
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	

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

(a)	Name(s) of the related party and nature of relationship	Mr. Rajesh Lawande and Mr. Rahul Nachane (Jointly)	Nupur Remedies Pvt Ltd	Nupur Remedies Pvt Ltd	Macrotech Polychem Pvt. Ltd.
(b)	Nature of contracts/ arrangements/ transactions	Leasing of property on leave and license basis	Leasing of property	Management consultancy fees	Job-work and purchase of raw materials
(c)	Duration of the contracts / arrangements/ transactions	60 months (1st July, 2020 to 30th June, 2025)	60 months (1st January, 2018 to 31st December, 2022)	60 months (1st April 2017 to 31st March, 2022)	12 Months (1st April, 2020 to 31st March, 2021)
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	₹ 5,34,190/- per month (Rupees Five Lakhs Thirty Four Thousand One Hundred Ninety Only) from April'2020-March'2021.	₹ 3,63,000/- per month (Rupees Three Lakhs Sixty Three Thousand Only) from April, 2020 till Dec, 2020. ₹ 3,99,300/- per month (Rupees Three Lakhs Ninety Nine Thousand Three Hundred Only) from January, 2021 to March, 2021.	₹ 5,50,000/- per month (Rupees Five Lakhs Fifty Thousand Only) for the period April, 2020 – March, 2021.	₹ 5,72,33,399/- p.a. (Rupees Five Crores Seventy Two Lakhs Thirty Three Thousand Three Hundred Ninety Nine Only)
(e)	Date(s) of approval by the Board, if any:	30th January, 2018	30th January, 2018	30th January, 2018	24th May, 2019
(f)	Amount paid as advances, if any	NIL	NIL	NIL	NIL

For and on behalf of the Board of Directors

Sd/-
Rahul Nachane
Managing Director
DIN : 00223346

Sd/-
Rajesh Lawande
Whole-Time Director & CFO
DIN : 00327301

Mumbai, 01st June, 2021

ANNEXURE D
TO THE DIRECTORS' REPORT

FORM NO. MGT - 9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED 31st March, 2021

[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i	CIN	L24110MH1981PLC025884
ii	Registration Date	18/12/1981
iii	Name of the Company	NGL FINE-CHEM LIMITED
iv	Category/Sub-Category of the Company	Public company
v	Whether listed Company (Yes/No)	Yes
vi	Address of the Registered Office and contact details	301, E Square, Subhash Road, Vile Parle (East), Mumbai 400057, Maharashtra, India. Tel: 022-40842222 Fax – 022-26108030 Email – info@nglfinechem.com Website – www.nglfinechem.com
Vii	Name, Address and Contact details of Registrar and Transfer Agent, if any	Purva Sharegistry (India) Pvt. Ltd. 9, Shiv Shakti Industrial Estate, Sitaram Mills Compound, J. R. Boricha Marg, Lower Parel (East), Mumbai – 400 013.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of Main Product/Services	NIC Code of the Product	% to total turnover of the company
I	Chemical substances used in manufacture of pharmaceuticals	21001	6.20
Ii	Allopathic medicines	21002	93.80

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sr. No.	Name and Address of the Company	CIN/GIN	Holding Subsidiary of the Company	% of shares held	Applicable Section
1.	Macrotech Polychem Pvt Ltd.	U24100MH2004PTC145189	Subsidiary	100%	2(87) of Companies Act, 2013

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

(i) Category-wise Share Holding

Category of Shareholders		No. of Shares held at the beginning of the year (1st April, 2020)				No. of Shares held at the end of the year (31st March, 2021)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Promoters									
(1)	Indian	--	--	--	--	--	--	--	--	--
a)	Individual/ HUF	--	--	--	--	--	--	--	--	--
b)	Central Govt.	--	--	--	--	--	--	--	--	--
c)	State Govt(s).	--	--	--	--	--	--	--	--	--
d)	Bodies Corp.	5,17,871	--	5,17,871	8.38	5,17,871	--	5,17,871	8.38	--
e)	Bank/ FI	--	--	--	--	--	--	--	--	--
f)	Any Other	--	--	--	--	--	--	--	--	--
1.	Directors	29,40,710	--	29,40,710	47.60	31,49,265	--	31,49,265	50.98	3.38
2.	Directors Relative	11,01,512	--	11,01,512	17.83	8,92,957	--	8,92,957	14.45	-3.38

ANNEXURE D
TO THE DIRECTORS' REPORT (Contd.)

Category of Shareholders		No. of Shares held at the beginning of the year (1st April, 2020)				No. of Shares held at the end of the year (31st March, 2021)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	Sub-Total (A)(1)	45,60,093	--	45,60,093	73.81	45,60,093	--	45,60,093	73.81	--
(2)	Foreign	--	--	--	--	--	--	--	--	--
a)	NRIs-Individuals	--	--	--	--	--	--	--	--	--
b)	Other-Individuals	--	--	--	--	--	--	--	--	--
c)	Bodies Corp.	--	--	--	--	--	--	--	--	--
d)	Bank/ FI	--	--	--	--	--	--	--	--	--
e)	Any Other	--	--	--	--	--	--	--	--	--
	Sub-Total (A)(2)	--	--	--	--	--	--	--	--	--
	Total shareholding of Promoter (A) (A)(1) + (A)(2)	45,60,093	--	45,60,093	73.81	45,60,093	--	45,60,093	73.81	--
B.	Public Shareholding									
1.	Institutions									
a)	Mutual Funds	--	--	--	--	--	--	--	--	--
b)	Bank/ FI	--	--	--	--	--	--	--	--	--
c)	Central Govt.	--	--	--	--	--	--	--	--	--
d)	State Govt(s).	--	--	--	--	--	--	--	--	--
e)	Venture Capital Funds	--	--	--	--	--	--	--	--	--
f)	Insurance Companies	--	--	--	--	--	--	--	--	--
g)	FIIs	--	--	--	--	--	--	--	--	--
h)	Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i)	Others (specify)	--	--	--	--	--	--	--	--	--
	Sub-Total (B)(1)	--	--	--	--	--	--	--	--	--
2.	Non- Institutions									
a)	Bodies Corp.	--	--	--	--	--	--	--	--	--
i)	Indian	67,470	8,800	76,270	1.23	76,181	8,800	84,981	1.38	0.15
i)	Overseas	-	-	-	-	-	-	-	-	-
b)	Individuals									
a)	Individual shareholders holding nominal share capital upto ₹ 1 Lakh	8,82,467	2,39,547	11,22,014	18.16	9,06,909	2,32,147	11,39,056	18.44	0.28
ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh	2,47,718	0	2,47,718	4.01	2,18,072	0	2,18,072	3.53	-0.48
c)	Others (specify)									
	(c-i) NON RESIDENT INDIANS (REPAT & NON-REPAT)	69,525	0	69,525	1.13	78,733	0	78,733	1.27	0.14
	(c-ii) HUF	82,474	0	82,474	1.33	87,315	0	87,315	1.41	0.08
	(c-iii) CLEARING MEMBER	18175	0	18,175	0.29	9097	0	9,097	0.15	-0.14
	(c-iv) LLP	670	0	670	0.01	161	0	161	0.00	-0.01
	(c-v) Foreign Corporate	594	0	594	0.01	325	0	325	0.00	-0.01
	(c-vi) Trust	300	0	300	0.01	0	0	0	0.00	-0.01
	(c-vii) Foreign Nationals	191	0	191	0.00	191	0	191	0.00	0.00
	Total Public shareholding (B) (B)(1) + (B)(2)	13,69,584	2,48,347	16,17,931	26.19	13,76,984	2,40,947	16,17,931	26.19	0.00
C.	Shares held by Custodian for GDRs & ADRs: NIL									
	Grand Total (A+B+C)	**59,29,677**	**2,48,347**	**61,78,024**	**100**	**59,37,077**	**2,40,947**	**61,78,024**	**100**	**----**

ANNEXURE D
TO THE DIRECTORS' REPORT (Contd.)

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 1st April, 2020)			Shareholding at the end of the year (As on 31st March, 2021)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Rahul Jayant Nachane	10,83,450	17.54	_	10,83,450	17.54	_	_
2.	Rajesh Narayan Lawande	11,43,811	18.51	_	13,52,366	21.89	_	3.38
3.	Sunita Sandeep Potdar	8,92,957	14.45	_	8,92,957	14.45	_	_
4.	Ajita Rahul Nachane	7,13,449	11.55	_	7,13,449	11.55	_	_
5.	Pushpa Narayan Lawande	2,08,555	3.38	_	0	0	_	-3.38
6.	PCI Ferrmone Chemicals (India) Pvt. Ltd.	5,17,871	8.38	--	5,17,871	8.38	--	--
	TOTAL	**45,60,093**	**73.81**	_	**45,60,093**	**73.81**	---	_

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

Sr. No.	Name	Shareholding at the beginning of the year (01st April, 2020)		Cumulative Shareholding during the year (31st March, 2021)	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total shares of the Company
1.	Rajesh Lawande	1143811	18.51	1352366	21.89
2.	Pushpa Lawande	208555	3.38	0	0

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

Sr. No.	Top 10 shareholders	Shareholding at the beginning of the year 01st April, 2020		Shareholding at the end of the year 31st March, 2021	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	Namita Bhandare	53,500	0.87	55,000	0.89
2.	Onkar Singh	26,045	0.42	45,245	0.75
3.	Satya Prakash Mittal (HUF)	32,578	0.53	41,022	0.66
4.	Sanjay Jagdish Poddar	35,000	0.57	32,542	0.53
5.	Durgadas Balwant Sukhthankar	6408	0.10	32,280	0.52
6.	Openxcell Technolabs Pvt. Ltd.	17161	0.28	30,442	0.49
7.	Anant Jain	1	0.00	28,389	0.46
8.	Debashish Neogi	30,235	0.49	27,500	0.45
9.	Uphar Homfin Pvt. Ltd.	24500	0.40	20,000	0.32
10.	Shrikrishna Sadanand Lawande	19,428	0.31	19,428	0.31

- Figures are as compared to 31st March, 2020.

ANNEXURE D
TO THE DIRECTORS' REPORT (Contd.)

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year (1St April, 2020)		Shareholding at the end of the year (31st March, 2021)	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the Company
1.	Rahul Jayant Nachane	10,83,450	17.54	10,83,450	17.54
2.	Rajesh Narayan Lawande	11,43,811	18.51	13,52,366	21.89
3.	Ajita Rahul Nachane	7,13,449	11.55	7,13,449	11.55
4.	Jayram Sitaram	23,616	0.38	23,616	0.38
5.	Milind Vasant Shinde	NIL	NIL	NIL	NIL
6.	K.V. Subramanian	NIL	NIL	NIL	NIL
7.	Pallavi Pednekar	NIL	NIL	NIL	NIL

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	28,23,12,985	--	--	28,23,12,985
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	28,23,12,985	--	--	28,23,12,985
Change in Indebtedness during the financial year				
• Addition	--	--	--	--
• Reduction	-11,78,29,227	--	--	-11,78,29,227
Net Change	-11,78,29,227	--	--	-11,78,29,227
Indebtedness at the end of the financial year				
i) Principal Amount	16,44,83,758	--	--	16,44,83,758
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	16,44,83,758	--	--	16,44,83,758

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-Time Directors and/or Manager/CFO/ Company Secretary

Sr. No.	Particulars of Remuneration	Rahul Nachane-Managing Director	Rajesh Lawande –Whole-Time Director & CFO	Pallavi Pednekar Company Secretary	Total
1.	Gross Salary				
(a)	Salary as per provisions contained in section 17(1) of the Income Tax Act	85,44,000	84,00,000	5,26,613	1,74,70,613
(b)	Value of perquisites u/s 17(2) Income Tax Act, 1961	-	-	-	-
(c)	Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	1,85,11,000	1,85,11,000	-	3,70,22,000
	- As % of Profit	2.5%	2.5%	-	-
	- Others, specify	-	-	-	-
5.	Others, please specify	--	--	--	--
	Total (A) (Excluding Leave Encashment)	2,70,55,000	2,69,11,000	5,26,613	5,44,92,613
	Ceiling as per Schedule V	1,20,00,000	1,20,00,000	N.A.	N.A.
	Ceiling as per special resolution	2 Cr. p.a. Plus 2.5% commission	2 Cr. p.a. Plus 2.5% commission		

Note: In the case of present key managerial personnel, remuneration does not include provident fund, gratuity and leave encashment benefits which are determined for the company as a whole.

ANNEXURE D
TO THE DIRECTORS' REPORT (Contd.)

B. Remuneration of other Directors:

Sr. No.	Particulars of Remuneration	Milind Shinde Independent Director	Jayaram Sitaram Independent Director	Ajita Nachane Non-Executive Director	K.V. Subramanian Independent Director	Total Amount in ₹
	Independent Directors					
	• Fee for attending board committee meetings	3,40,000	3,30,000	3,00,000	--	9,70,000
	• Commission	--	--	--	--	--
	• Others, please specify	--	--	--	--	--
	Total (1)	3,40,000	3,30,000	3,00,000	--	9,70,000
	Total Managerial Remuneration	-	-	-	--	-
	Overall Ceiling as per the Act	N. A	N. A	N. A	N.A.	N. A

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/COURT]	Appeal, if any (give details)
A. COMPANY					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
B. DIRECTORS					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
C. OTHER OFFICERS IN DEFAULT					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--

For and on behalf of the Board of Directors

Sd/-
Rahul Nachane
Managing Director
DIN : 00223346

Sd/-
Rajesh Lawande
Whole-Time Director & CFO
DIN : 00327301

Mumbai, 01st June, 2021

ANNEXURE E
TO THE DIRECTORS' REPORT

MEDIAN REMUNERATION

The information required under section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

a. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

Name of the directors	Ratio to median remuneration
Non-executive directors	
Mr. Jayaram Sitaram	--
Mr. Milind Vasant Shinde	--
Mrs. Ajita Rahul Nachane	--
Mr. K.V. Subramanian	--
Executive directors	
Mr. Rahul Jayant Nachane	53.19
Mr. Rajesh Narayan Lawande	52.90

b. The percentage increase in remuneration of each director, chief executive officer, chief financial officer, company secretary in the financial year:

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% Increase in remuneration in the financial year
Mr. Rahul Jayant Nachane	120
Mr. Rajesh Narayan Lawande	121
Mr. Jayaram Sitaram	Nil
Mr. Milind Vasant Shinde	Nil
Mrs. Ajita Rahul Nachane	Nil
Mr. K.V.Subramanian	NIL
Mrs. Pallavi Pednekar	31.74

c. The percentage increase in the median remuneration of employees in the financial year: **-2.56%**

d. The number of permanent employees on the rolls of Company: **294**

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

The average annual increase was around -2.56%

Increase in the managerial remuneration for the year was 120%

f. Affirmation that the remuneration is as per the remuneration policy of the Company: The Nomination and Remuneration Committee of the company has affirmed at its meeting held on 01st June, 2021 that the remuneration paid is as per the remuneration policy of the Company. The Policy is available on the Company's Website: www.nglfinechem.com

ANNEXURE E
TO THE DIRECTORS' REPORT (Contd.)

g. There are employees drawing salary in excess of 120 Lakhs as stipulated under section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Name	Designation	Qualification	Age (years)	Date of joining	Remuneration paid (₹ Lakh)	Experience (years)
Rahul Nachane	Managing Director	B.Com, A.C.A, M.M.S, D.B.F	56	4th January 1993	270.55	32
Rajesh Lawande	Whole-Time Director & CFO	M.Sc (IIT BOM), PGDBA (IIML)	44	1st June 2005	269.11	20

Notes:

1. Both the employees mentioned above are Directors and belong to the Promoter Group.
2. Remuneration consist of Salary & Commission and does not include provident fund, gratuity and leave encashment benefits, etc.

For and on behalf of the Board of Directors

Sd/-
Rahul Nachane
Managing Director
DIN : 00223346

Sd/-
Rajesh Lawande
Whole-Time Director & CFO
DIN : 00327301

Mumbai, 01st June, 2021

ANNEXURE F
TO THE DIRECTORS' REPORT

SECRETARIAL AUDIT REPORT

FORM No. MR-3

FOR FINANCIAL YEAR ENDED ON 31st March, 2021.

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

To,

The Members,

NGL Fine-Chem Limited.

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company , its officers, agents and authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period ended on **31st March, 2021**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, Forms and returns filed and other records maintained by NGL Fine-Chem Ltd ("The Company"), for the year ended on 31st March, 2021 to the extent applicable to the provisions of:

I. The Companies Act, 2013 (the Act) and the rules made there under to the extent applicable;

II. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the Rules made thereunder;

III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") to the extent applicable to the Company : -

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

   b. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   c. Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as effective till 09th November, 2018 and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as effective from 10th November, 2018;

   d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;

   e. The Company has complied with the requirements under the Equity Listing Agreement entered into with BSE Limited.

VI. The Management has identified and confirmed the applicable Acts, Laws and Regulations specifically applicable to the Company being in Drugs and Pharmaceuticals Sector as given in **Annexure-1**.

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

a) Secretarial Standards 1 and 2 issued by the Institute of Company Secretaries of India.

b) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 (with effect from 1st December, 2015);

c) The Listing Agreements entered into by the Company with the BSE Limited.

During the year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards as mentioned above, subject to the following:

We further report that:

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

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications

ANNEXURE F
TO THE DIRECTORS' REPORT (Contd.)

on the agenda items before the meeting and for meaningful participation at the meeting.

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

We further report that during the audit period:

1. The Company has declared and paid the Final dividend @35% i.e ₹ 1.75/- per Equity Share for the financial year ended 31st March, 2020 at their Annual General Meeting held on 14th August, 2020 which was in compliance with the provisions of Section 123 of the Companies Act, 2013 read with Rule 3 of the Companies (Declaration and Payment of Dividend) Rules, 2014.
2. The Company has obtained Shareholders approval in the 39th AGM pursuant to
    a. Section 149,150,152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modifications(s) or re- enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, for re-appointment of Mr. Jayaram Sitaram (holding DIN: 00103676) as an Independent Director of the Company to hold office for further five Consecutive years for a term up to 4th August, 2025.
    b. Section 149,150,152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modifications(s) or re- enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for Appointment of Mr. K.V. Subramanian (holding DIN: 07842700) as an Independent Director of the Company to hold office for five Consecutive years for a term up to 24th February, 2025.
    c. Section 196,197, 203 read with Schedule V, regulation 17(6) of SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) thereto from time to time or any re-enactment thereof for the time being in force), for re-appointment of Mr. Rahul Nachane as Managing Director of the Company for a period of five consecutive years with effect from 1st June, 2020 and payment of remuneration not exceeding ₹ 2,00,00,000/- (Rupees Two Crores) per annum plus commission of 2.5% of profits of the Company.
    d. Section 148 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration payable to M/s. Sanghavi Randeria & Associates, Cost Accountants, appointed by the Board of Directors of the Company as the Cost Auditors to conduct audit of Cost Records for the financial year 2020-21, at ₹ 1,50,000/- (Rupees One Lakh Fifty Thousand only) p.a. plus goods and services tax as applicable, and reimbursement of out-of-pocket expenses incurred.
3. Due to non-execution of conveyance deed pertaining to MIDC Land at Mahad, the said leasehold land is yet to be transferred in the name of the Company.
4. The Board has spent total amount towards Corporate Social Responsibility as required to be spent pursuant to Section 135 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

For **HS Associates**
Company Secretaries

Sd/-
Hemant S. Shetye
Partner
FCS No.: 2827
CP No.: 1483

Date: 01st June, 2021
Place: Mumbai.
ICSI UDIN: F002827C000407693

ANNEXURE F
TO THE DIRECTORS' REPORT (Contd.)

ANNEXURE-1 (A)

Sector Specific Laws as Applicable to the Company.

1. Drugs and Cosmetics Act, 1940.
2. The Environment (Protection) Act, 1986.
3. Air (Prevention and Control of Pollution) Act, 1981 and Rules issued by the State Pollution Control Boards.
4. Water (Prevention and Control of Pollution) Act, 1974 and Rules issued by the State Pollution Control Boards,

ANNEXURE-1 (B)

To,

The Members,

NGL Fine-Chem Limited.

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these Secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices we followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness, appropriateness of financial records and books of accounts of the Company.
4. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the Company or of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
6. This report is based on the data received from the company partially through electronic mode as physical verification of the data and corresponding documents from the month of March 2021 could not be accessed during the course of audit due to the state-wise restriction on account of COVID-19 pandemic.

For **HS Associates**
Company Secretaries

Sd/-
Hemant S. Shetye
Partner
FCS No.: 2827
CP No.: 1483

Date: 01st June, 2021
Place: Mumbai.
ICSI UDIN: F002827C000407693

ANNEXURE G
TO THE DIRECTORS' REPORT

CORPORATE GOVERNANCE REPORT

1. Company's philosophy

The Company firmly believes in and has consistently practiced good corporate governance. The Company's essential character is shaped by the values of transparency, professionalism and accountability. The Company will endeavour to improve on these aspects on an ongoing basis.

2. Board of Directors

As on the date of the report, the Board of the Company comprises of Six Directors out of which one is the Managing Director, one is a Whole-Time Director, one is Woman Non-Executive Director and the other Three Directors are Independent Non-Executive Directors.

None of the Directors have any pecuniary or business relationship with the Company except to the extent as disclosed elsewhere in the Annual Report. No Director of the Company is either member in more than ten committees and/or Chairman of more than five committees across all Companies in which he/she is Director.

During the year there were in total five board meetings held on 22nd May, 2020, 29thJune, 2020, 12th August, 2020, 06th November, 2020 and 28th January, 2021. The time gap between the two meetings was not more than 120 days. All the information required to be furnished to the Board was made available to them along with detailed Agenda notes.

The composition of the Directors and their attendance at the Board Meetings during the year and at the last Annual General Meeting as also number of other directorships/membership of committees is as follows:

Name of Director	Category of Director-ship	No. of Board Meetings attended	Attendance at the last AGM
R. J. Nachane	MD	5	Yes
R. N. Lawande	WTD	5	Yes
M. V. Shinde	NED	5	Yes
J. Sitaram	NED	5	Yes
A.R. Nachane	NED	5	Yes
K.V. Subramanian	NED	5	Yes

1. Directorship only of public limited company is considered
2. MD – Managing Director, WTD – Whole Time Director, NED – Non-Executive Director.

Number of other board of directors or committees in which a Director is a member or chairperson

Sr. No.	Name of Director	*No. of other Directorship	No. of Other Committee Membership in other Companies	No. of Other Committee chairmanship in other Companies
1.	R. J. Nachane	Nil	NA	NA
2.	R. N. Lawande	Nil	NA	NA
3.	M. V. Shinde	Nil	NA	NA
4.	J. Sitaram	Nil	NA	NA
5.	A.R. Nachane	Nil	NA	NA
6.	K.V. Subramanian	NIL	NA	NA

*None of the Director of the Company is a Director in any other Listed entity.

ANNEXURE G
TO THE DIRECTORS' REPORT (Contd.)

Profile of Director seeking appointment at the forthcoming Annual General Meeting

Name of the Director	**Mr. Rajesh Lawande**
Brief Resume of the Director	Mr. Rajesh Lawande has completed M.Sc from IIT Bombay and PGDM from IIM Lucknow. He is involved in the operations of the Company since 2002. He is a fulltime director of the Company since 2005. With over 20 years' experience in the pharmaceutical industry.
Disclosure of relationship inter-se	Mr. Rajesh Lawande is related to Mrs. Ajita Nachane being relative under provisions of Companies Act, 2013.
Name of listed companies in which the person also holds the Directorship and the membership of committees of the Board	NIL
Shareholding	13,52,366 equity shares

Disclosure of Relationships between Directors Inter-se

- Mr. Milind Vasant Shinde is a Non-Executive Independent Director & Chairman and is not related to any of the other Members of the Board of Directors.
- Mr. Rahul Jayant Nachane is the Managing Director of the Company and is related to Mrs. Ajita Nachane being a relative under provisions of Companies Act, 2013.
- Mr. Rajesh Narayan Lawande is the CFO & Whole-time Director and is related to Mrs. Ajita Nachane being a relative under provisions of Companies Act, 2013.
- Mr. Jayaram Sitaram is a Non-Executive Independent Director and is not related to any of the other Members of the Board of Directors.
- Mrs. Ajita Nachane is a Non-Executive Woman Director and is related to Mr. Rahul Jayant Nachane and Mr. Rajesh Narayan Lawande being a relative under provisions of Companies Act, 2013.
- Mr. K.V. Subramanian is a Non-Executive Independent Director and is not related to any of the other Members of the Board of Directors.

Details of number of shares and convertible instruments held by Non-Executive Directors:

Sr. No.	**Name of Non-Executive Director**	**Equity Shares held**
1	Mr. Milind Shinde	NIL
2	Mrs. Ajita Nachane	7,13,449
3	Mr. Jayaram Sitaram	23,616
4	Mr. K. V. Subramanian	NIL

Induction and Familiarisation Program for Directors:

On appointment, the concerned Director is issued a Letter of appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. Each newly appointed Independent Director is taken through an induction and familiarisation program including the presentation and interactive session with the Managing Director & CEO, Executive Committee Members and other Functional Heads on the Company's manufacturing, marketing, finance and other important aspects. The program also includes visit to the plant to familiarise them with all facets of pharmaceutical manufacturing.

The details of familiarisation program can be accessed from the website: www.nglfinechem.com

ANNEXURE G
TO THE DIRECTORS' REPORT (Contd.)

Skills/Expertise/Competence

The Board has identified the following skills/expertise/ competencies fundamental for the effective functioning of the Company which are currently available with the Board:

Business	Understanding of global business dynamics, across various geographical markets, industry verticals and regulatory jurisdictions.
Strategy and Planning	Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments.
Governance	Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long-term effective stakeholder engagements and driving corporate ethics and values.

Board Evaluation:

The Board has adopted a formal mechanism for evaluating its performance and effectiveness as well as that of its committees and individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, governance issues, quality of contribution to Board deliberations, commitment to shareholders and other stakeholder interests etc.

Code of Conduct: The Board of Directors has adopted the code of conduct for the directors and senior management and the same has been placed on the company's website: www.nglfinechem.com. All board members and senior management personnel have affirmed compliance with the code of conduct for the period under review. A declaration to that effect signed by the Managing Director is attached and forms part of the Annual Report of the Company.

Meeting of Independent Directors

The Company's Independent Directors met on 28th January, 2021 without the presence of the Managing Director & CEO, Non-Independent Directors and the Management Team. The meeting was attended by all the Independent Directors and was conducted informally to enable the Independent Directors to discuss matters pertaining to the Company's affairs and put forth their combined views to the Board of Directors of the Company. The Independent Directors, inter-alia, reviewed the performance of Non-Independent Directors, Board as a whole and Chairman of the Company, taking into account the views of executive directors and non-executive directors.

Core competencies, skills and attributes on Board

The board comprises of qualified members who bring in the required skills, competence and expertise that allow them to make effective contributions to the Board and Committees.

The table below summarises the key qualifications, skills, competence and attributes which are taken into consideration while nominating candidates on Board.

Financial	Understands the organisation's financial processes. Prepares, justifies, and administers the program budget. Oversees procurement and contracting to achieve desired results. Monitors expenditures and uses cost-benefit thinking to set priorities.
Leadership	Inspires and fosters team commitment, spirit, pride, and trust. Facilitates cooperation and motivates team members to accomplish group goals.
Technology	Keeps up-to-date on technological developments. Makes effective use of technology to achieve results. Ensures access to and security of technology systems.
Sales and Marketing	Experience in developing strategies to grow sales and market share, build brand awareness and enhance enterprise reputation.
Board service and governance	Service on a company board to develop insights about maintaining board and management accountability, protecting shareholder's interest and observing appropriate governances' practices.
Industry experience	Experience in and knowledge of the drugs & pharmaceutical industry.
Communication	Communication can help team members to understand how their contributions benefit not only the team, but also the broader organisation. In addition, a powerful communicator can create productive connections with other departments, making the organisation stronger as a whole.

ANNEXURE G
TO THE DIRECTORS' REPORT (Contd.)

In the table below, the areas of core competencies, skills and attributes of Directors have been highlighted.

Director	Financial	Leadership	Technology	Sales and Marketing
Rahul Nachane	√	√	√	√
Rajesh Lawande	√	√	√	√
Milind Shinde	√	√	√	√
Ajita Nachane	√	√		√
Jayaram Sitaram	√	√	√	√
K.V. Subramanian	√	√	√	

Director	Board service and governance	Industry experience	Communication
Rahul Nachane	√	√	√
Rajesh Lawande	√	√	√
Milind Shinde	√		√
Ajita Nachane	√		√
Jayaram Sitaram	√		√
K.V. Subramanian	√		√

Our Independent Directors meet the criteria of Independence as per Section 149(6) of Companies Act, 2013 and Regulation 16 of Listing Regulations. The Independent Directors provide an annual confirmation that they meet the criteria of independence. The Board confirms that the Independent Directors fulfill the conditions as specified under Schedule V of Listing Regulations and are Independent of the management.

3. Committees of the Board:

a. Audit Committee

The Audit Committee of the Company is constituted in line with the provisions of Section 177 of the Companies Act, 2013 read with regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Audit Committee as on the date of the report comprises of 3 Non-Executive Independent Directors & 1 Whole-Time Director.

Following are the members of the Committee.

- Mr. Milind V. Shinde – Chairman
- Mr. Jayaram Sitaram – Member
- Mr. Rajesh N. Lawande – Member
- Mr. K.V. Subramanian – Member

During the year there were in total four Audit committee meetings held on 29th June, 2020, 12th August, 2020, 6th November, 2020 and 28th January, 2021. The attendance of the meetings is given below.

Name of Director	Category of Directorship	No. of Committee Meetings attended
Milind Shinde	NED	4
Jayaram Sitaram	NED	4
Rajesh Lawande	ED	4
K.V. Subramanian	NED	4

The Chairperson of Audit Committee was present in previous AGM held on Friday, 14thAugust, 2020 to answer shareholder's queries.

Invitees / Participants: -

1. The Managing Director - Rahul Nachane and the Statutory Auditor - Mr. Shailesh Manek, Internal Auditor - M/s Devarajan & Co are permanent invitees to all Audit Committee meetings.

Broad terms of reference of the Audit Committee are as per following:

The role of the audit committee shall include the following:

1 Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

2 Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;

3 Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

4 Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

ANNEXURE G
TO THE DIRECTORS' REPORT (Contd.)

(a) matters required to be included in the director's responsibility statement to be included in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;

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

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

(d) significant adjustments made in the financial statements arising out of audit findings;

(e) compliance with listing and other legal requirements relating to financial statements;

(f) disclosure of any related party transactions;

(g) modified opinion(s) in the draft audit report;

5 Reviewing with the management, the quarterly financial statements before submission to the board for approval;

6 Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;

7 Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;

8 Approval or any subsequent modification of transactions of the listed entity with related parties;

9 Scrutiny of inter-corporate loans and investments;

10 Valuation of undertakings or assets of the listed entity, wherever it is necessary;

11 Evaluation of internal financial controls and risk management systems;

12 reviewing, with the management, performance of statutory and Internal Auditors, adequacy of the internal control systems;

13 Reviewing the adequacy of internal audit function, if any, 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;

14 Discussion with internal auditors of any significant findings and follow up there on;

15 Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

16 Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

17 To look 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;

18 To review the functioning of the whistle blower mechanism;

19 Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

20 Carrying out any other function as is mentioned in the terms of reference of the audit committee.

21 Reviewing the utilisation of loans and/ or advances from investment by the holding company in the subsidiary exceeding ` 100 Crores or 10% of the asset size of the subsidiary, whichever is lower [including existing loans / advances / investments existing as on the date of coming into force of this provision]

The Audit Committee shall mandatorily review the following information:

a management discussion and analysis of financial condition and results of operations;

b statement of significant related party transactions (as defined by the audit committee) submitted by management;

c management letters / letters of internal control weaknesses issued by the Statutory Auditors;

d internal audit reports relating to internal control weaknesses;

e the appointment, removal and terms of remuneration of the chief Internal auditor shall be subject to review by the audit committee and

ANNEXURE G
TO THE DIRECTORS' REPORT (Contd.)

f statement of deviations:

(a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).

(b) Annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

b. Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Company is constituted in line with the provisions of Section 178 of the Companies Act, 2013 read with regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Committee comprises of 3 Non-Executive Directors.

The Nomination and Remuneration Committee met four times in the financial year 2020-21 on 22nd May, 2020, 12th August, 2020, 06th November, 2020 and 28th January, 2021. The necessary quorum was present in the said meetings. The Chairman of the Nomination and Remuneration Committee was present at the last Annual General Meeting of the Company held on August 14, 2020. The composition of the Committee and the details of meetings held and attended by the Directors are as under:

Name of Director	Category of Directorship	No. of Committee Meetings attended
Jayaram Sitaram	Chairman & NED	4
Milind Shinde	Member & NED	4
Ajita Nachane	Member & NED	4

The Broad terms of reference of the Nomination and Remuneration Committee are:

ROLE OF NOMINATION AND REMUNERATION COMMITTEE, inter-alia, include the following:

(1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

(2) Formulation of criteria for evaluation of performance of independent directors and the board of directors;

(3) Devising a policy on diversity of board of directors;

(4) 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 of directors their appointment and removal.

(5) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

(6) To recommend to the Board all remuneration, in whatever form, payable to senior management.

Remuneration Policy

The Nomination and Remuneration Policy devised in accordance with Section 178(3) and (4) of the Companies Act, 2013 is available at the website of the Company: www.nglfinechem.com Further, criteria of making payments to non-executive directors, the details of remuneration paid to all the Directors and the other disclosures required to be made under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been published below:

Remuneration of Directors

The remuneration of the Managing Director and Whole-Time Director is recommended by the Remuneration Committee and then approved by the Board of Directors and subsequently by the shareholders in general meeting within the limits prescribed in Companies Act, 2013. The non-executive directors are paid sitting fees for Board meetings attended by them.

Details of remuneration paid to Executive Directors:

(₹ In Lakh)

Name of Director	Mr. Rahul Nachane	Mr. Rajesh Lawande
Designation	Managing Director	Whole-Time Director
Salary	85.44	84.00
Commission	185.11	185.11
Leave Encashment	28.84	--
Provident Fund & Gratuity Fund	0.22	0.22

Mr. Rahul Nachane was appointed as Managing Director with effect from 1st June 2020 for a period of 5 years based on the approval of shareholders in the Annual General Meeting held on 14th August, 2020.

Executive Directors are not provided with any benefits, bonuses, performance linked incentives except commission.

ANNEXURE G
TO THE DIRECTORS' REPORT (Contd.)

The details of remuneration, sitting fees, performance bonus, and commission paid to each of the Non-Executive Directors during the year ended on 31st March, 2021 are given below: -

Sitting Fees (In ₹)

Name	Mr. Milind Shinde	Mr. Jayaram Sitaram	Mrs. Ajita Nachane	Mr. K.V. Subramanian
Sitting fees	3,40,000	3,30,000	3,00,000	Nil
Remuneration	Nil	Nil	Nil	Nil
No. of equity shares	Nil	23,616	7,13,449	Nil
Commission	Nil	Nil	Nil	Nil
Non-convertible instruments	Nil	Nil	Nil	Nil

The company has no pecuniary relationship or transaction with any of the Directors of the company, save as otherwise mentioned in this annual report.

There is no stock option issued by the Company till date.

Performance evaluation criteria for Independent Directors:

1) Attendance and participations in the meetings.
2) Preparing adequately for the board meetings.
3) Contribution towards strategy formation and other areas impacting company performance
4) Rendering independent, unbiased opinion and resolution of issues at meetings
5) Safeguard of confidential information
6) Initiative in terms of new ideas and planning for the Company.
7) Timely inputs on the minutes of the meetings of the Board and Committee's
8) Raising of concerns to the Board

c. Stakeholder Relationship Committee

The Stakeholder Relationship Committee of the Company is constituted in line with Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Committee comprises of 2 Non-Executive Independent Directors, 1 Non-Executive Director & 1 Executive Director.

The committee looks into the shareholders and investors grievances that are not settled at the level of Compliance Officer and helps to expedite the share transfers and related matters. The Committee periodically reviews the status of stakeholders' grievances and redressal of the same. The Committee met four times in FY 2020-21 on 22nd May, 2020, 12th August, 2020, 06th November, 2020 and 28th January, 2021. The necessary quorum was present for all the meetings. The Chairman of the Committee was present at the last Annual General Meeting of the Company held on August, 14, 2020.

The composition of the Committee during 2020-2021 and the details of meetings held and attended by the Directors are as under:

Following are the members of the Committee.

1. Mr. Milind Shinde – Chairman
2. Mr. Jayaram Sitaram – Member
3. Mrs. Ajita Nachane – Member
4. Mr. Rahul Nachane – Member

The committee held 4 meetings during the year. The attendance by members is as follows:

Name of Director	Category of Directorship	No. of Committee Meetings attended
Milind Shinde	NED	4
Jayaram Sitaram	NED	4
Ajita Nachane	NED	4
Rahul Nachane	MD	4

The company received no complaint from shareholders during the year. Further, during the year ended on 31st March, 2021 the Company approved issue of 5,000 duplicate shares, transmission of 200 shares, transposition of 200 Shares and Name deletion of 900 equity shares of ₹ 5/-.

Compliance Officer Details:

Mrs. Pallavi Pednekar

Company Secretary & Compliance Officer.

[The role of the committee shall inter-alia include the following:

(1) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.

(2) Review of measures taken for effective exercise of voting rights by shareholders.

(3) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.

ANNEXURE G
TO THE DIRECTORS' REPORT (Contd.)

(4) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholder of the company.]

d. Corporate Social Responsibility Committee

Pursuant to Section 135 of the Companies Act, 2013, the Board of Directors of the Company had constituted a "Corporate Social Responsibility Committee" on 6th February, 2015 comprising four Directors including 2 (two) Independent, 1 (One) Non-Executive Director and 1 (One) Whole-Time Director.

The Terms of Reference of the Committee are to: -

a. Frame the CSR Policy and its review from time-to-time.

b. Ensure effective implementation and monitoring of the CSR activities as per the approved policy, plans and budget.

c. Ensure compliance with the laws, rules & regulations governing the CSR and to periodically report to the Board of Directors.

The Committee met twice in the FY 2020-21 on 6th November, 2020 and 28th January, 2021. The necessary quorum was present for the said meeting. The composition of the Committee during the financial year and the details of meetings held and attended by the Directors are as under:

Name of Director	Category of Directorship	No. of Committee Meetings attended
Milind Shinde	Chairman & NED	2
Ajita Nachane	Member & NED	2
Rajesh Lawande	Member & ED	2
K.V. Subramanian	Member & NED	1

e. Risk Management Committee

Company has voluntarily complied with regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and constituted Risk Management Committee on 8th May, 2015. Under the Chairmanship of Mr. Rahul Nachane and consists of the members as stated below. During the year ended on 31st March, 2021, no meeting was held.

Name of Director	Category of Directorship
Rahul Nachane	Chairman & MD
Ajita Nachane	Member & NED
Rajesh Lawande	Member & ED

f. Administrative Committee

The Company has constituted an Administrative Committee in its Board Meeting held on 3rd February, 2017. The composition of the Committee is as under:

Name of Director	Category of Directorship
Rahul Nachane	Chairman & MD
Ajita Nachane	Member & NED
Rajesh Lawande	Member & WTD

During the year there were no meeting held of Administrative Committee.

4. General Body Meetings:

Financial Year	Date	Time	Venue	Special Resolution(s)
2017-18 AGM	24thAugust, 2018	11.00 a.m.	Hotel Parle International, B.N. Agarwal Commercial Complex, Vile Parle (East), Mumbai-400057.	a) Re-appointment of Mr. Rajesh Lawande, as Whole-Time Director of the Company, with effect from June 1, 2018 for a period of 3 years.
2018-19 AGM	23rd August, 2019	11 a.m.	Hotel Parle International, B.N. Agarwal Commercial Complex, Vile Parle (East), Mumbai-400057.	a) Revision in remuneration payable to Mr. Rahul Nachane. b) Revision in remuneration payable to Mr. Rajesh Lawande. c) Alteration of MOA.
2019-20 AGM	14th August, 2020	11 a.m.	301, E-Square, Subhash Road, Vile Parle East, Mumbai 400057.	a) Re-appointment of Mr. Jayaram Sitaram as an Independent Director of the Company. b) Re-appointment of Mr. Rahul Nachane, as Managing Director of the Company.

No special resolutions were proposed through postal ballot in the financial year ended 31st March, 2021.

5. Means of Communication

The quarterly/yearly results are normally submitted to Stock Exchanges immediately after Board meetings. The results are also published in local English (Free Press Journal) and regional language (Navshakti) newspapers. The results are also displayed at the company's website at www.nglfinechem.com. Matters

ANNEXURE G
TO THE DIRECTORS' REPORT (Contd.)

of material nature are communicated to the stock exchanges.

There are no official news releases.

Company had arrange Concalls with the investors on Monday, 13thJuly, 2020 and on Friday, 20th November, 2020 and the transcript of the same was sent to BSE and also available on the Company's website www.nglfinechem.com.

No presentation was made during the year either to Institutional Investors or to the analysts.

6. General Shareholder Information

a. The 40th Annual General Meeting is proposed to be held on Friday, the 20th August, 2021 at 11.00 a.m. by video conferencing or other Audio Visual Means.

b. The financial year of the company is from April to March.

Financial calendar

• Audited annual results of the year	On or before 30th May
• First Quarter results	On or before14th August
• Second Quarter & Half year results	On or before14th November
• Third Quarter results	On or before 14th February

c. Dividend

Your directors recommend dividend of ₹ 1.75 per fully paid up equity share of ₹ 5/- each aggregating to ₹ 108.12 Lakhs.

The dividend payment date shall be 27th August, 2021 or onwards, if declared at the Annual General Meeting on 20th August, 2021.

d. Listing of equity shares on Stock Exchanges

The Company's Shares are listed on the BSE Ltd., having corporate office at Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001.

Listing Fees:

The Company has paid listing fees up to 31st March, 2022 to BSE Ltd. where Company's shares are listed.

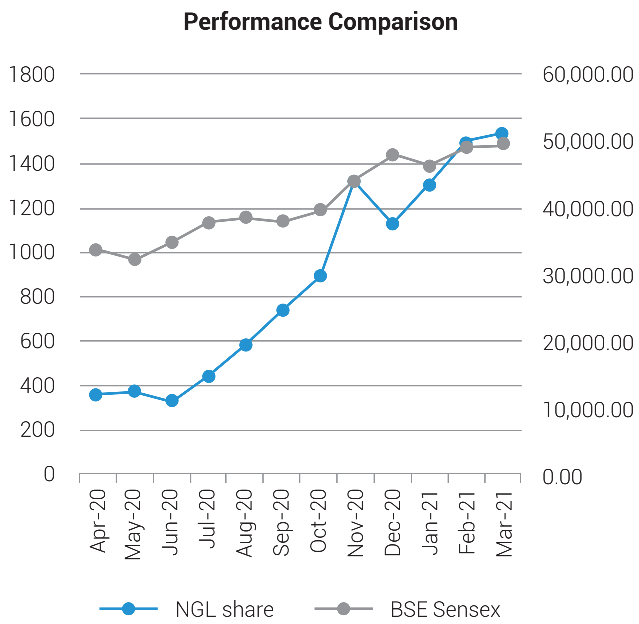
e. The Scrip code of the Company is **524774**.

f. Stock market price data for the year 2020-21 (BSE)

Month	BSE		
	High	Low	Volume of shares traded (Nos)
Apr-20	435.00	255.00	65,271
May-20	395.00	320.00	37,734
Jun-20	409.00	332.05	57,585
Jul-20	447.95	325.00	88,523
Aug-20	694.00	423.05	1,76,576
Sep-20	828.00	567.00	1,26,734
Oct-20	925.00	715.00	93,701
Nov-20	1343.40	870.00	1,39,103
Dec-20	1374.95	1016.25	1,00,208
Jan-21	1306.00	1080.20	88,343
Feb-21	1589.00	1371.30	1,03,932
Mar-21	1784.90	1423.90	79,760

g. Performance in comparison to broad-based indices such as BSE Sensex.

Months	NGL's Share price (₹)	BSE Sensex
Apr-20	362.95	33,717.62
May-20	368.25	32,424.10
Jun-20	333.90	34,915.80
Jul-20	443.95	37,606.89
Aug-20	586.00	38,628.29
Sep-20	740.35	38,067.93
Oct-20	888.65	39,614.07
Nov-20	1,314.50	44,149.72
Dec-20	1,125.80	47,751.33
Jan-21	1,306.00	46,285.77
Feb-21	1,488.45	49,099.99
Mar-21	1,533.05	49,509.15



ANNEXURE G
TO THE DIRECTORS' REPORT (Contd.)

h. The securities of the Company are actively traded on BSE Ltd. and not suspended from trading.

i. **Registrar to an issue and Share Transfer Agent:**

The Company has appointed M/s. Purva Sharegistry (India) Private Limited for processing and approving the transfer of shares. Their contact details are as follows:

Purva Sharegistry (India) Pvt. Ltd.

Shiv Shakti Industrial Estate, Unit No. 9,

7-B, J. R. Boricha Marg, Sitaram Mills Compound,

Mumbai 400011. Tel: (022) 23016761 Fax: (022) 23012517

Email: support@purvashare.com

Share Transfer System

The share transfer of securities in physical form are registered, duly transferred and dispatched within 15 days of the receipt, if the transfer documents are in order. The share transfers are approved every fifteen days. The shares in de-materialised form are processed and transferred within 15 days from receipt of de-materialisation requests.

j. **Distribution of Shareholding as at 31st March, 2021.**

No. of shares	No. of Share-holders	% of Share-holders	Share-holding (₹)	% of Share-holding
Up to 5000	5232	95.90	31,65,180	10.25
5001 – 10000	111	2.03	8,22,460	2.66
10001 – 20000	50	0.92	6,68,930	2.17
20001 – 30000	28	0.51	7,20,140	2.33
30001 – 40000	7	0.13	2,31,990	0.75
40001 – 50000	4	0.07	1,80,730	0.59
50001– 100000	10	0.18	7,15,045	2.31
100001 & above	14	0.26	2,43,85,645	78.94
	5456	100.00	3,08,90,120	100.00

k. **De-materialisation of shares**

As on 31st March, 2021, 96.10 % of the Company's total shares representing 59,37,077 shares were held in de-materialised form & the balance 3.90% representing 2,40,947 shares in paper form. The details are given below:

Type	No. of Shares	% Shareholding
De-materialised shares		
With N.S.D. L	54,50,811	88.23
With C.D.S. L	4,86,266	7.87
Total demat shares	59,37,077	96.10
Physical shares	2,40,947	3.90
	61,78,024	100.00

l. Company has not issued ESOP or any GDRs/ ADRs/ Warrants / Convertible instrument.

m. Commodity Price Risk or Foreign Exchange Risk and Hedging Activities. -The Company has not entered into any commodity contracts as on 31st March, 2021. Foreign Exchange receivables and payables are re-stated at the exchange rate prevailing on the Balance Sheet date to reflect mark to market valuation. Forward contract on foreign exchange are marked to market on the date of the balance sheet and the gain or loss there in recognised in the Statement of Profit & Loss.

n. Plant Location

The Company's plants are located in Navi Mumbai &Tarapur. The addresses of the plants are given below:

Unit NGL: W142C TTC MIDC Industrial Area, Thane Belapur Road, Pawane Village, Navi Mumbai 400 705.

Unit Alpha: W41C & W42C, MIDC Tarapur, Boisar, District Palghar 401506.

Unit Konarak: F11 MIDC Tarapur, Boisar, District Palghar 401506.

o. Address for correspondence

The Company's registered office is situated at 301, E Square, Subhash Road, Vile Parle (East), Mumbai-400057, India.

p. Credit rating obtained during the year

The company has been rated by Crisil Ltd for SME and bank rating. The SME rating has been awarded "SME 1" indicating Highest level of credit worthiness adjudged in relation to other SMEs. The Long-term rating is Crisil BBB+ / Stable & Short-Term rating is A2. The company has also been rated by ICRA Ltd for bank borrowing and

ANNEXURE G
TO THE DIRECTORS' REPORT (Contd.)

reaffirmed Long Term Rating as BBB+ (Outlook Long Term rating is Stable) and Short-term rating is A2 reaffirmed.

7. Other Disclosures:

a. Material related Party Transaction

There are no materially significant transactions with the related parties viz. Promoters, Directors or the Management, or their relatives or that had potential conflict with the Company's interest. Suitable disclosure as required by the Accounting Standard (AS 18) and AOC-2 has been made in the Annual Report. The Related Party Transactions Policy as approved by the Board is uploaded on the Company's website at www.nglfinechem.com

b. Details of Non-Compliance:

No penalties or strictures have been imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years.

c. Vigil Mechanism and Whistle-Blower Policy

Pursuant to Section 177(9) and (10) of the Companies Act, 2013 and the regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has a Whistle-Blower Policy for establishing a vigil mechanism for Directors and employees to report genuine concerns regarding unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct and Ethics policy. The said mechanism also provides for adequate safeguards against victimisation of persons who use such mechanism and makes provision for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases. We affirm that no employee of the Company was denied access to the Audit Committee. The said Whistle-Blower Policy has been hosted on the website of the Company at www.nglfinechem.com

Compliance of Mandatory and Non-Mandatory Requirements:

The Company has generally complied with all the mandatory requirements as stipulated under Regulation 34 (3) read with Para C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Other Disclosures

A. There are no material related party transactions during the year that have conflict with the interest of the Company. Transactions entered into with related parties were duly approved by the Audit Committee. The Board's approved policy for related party transactions is uploaded on the website of the Company.

The Company is having a Non-Executive Chairman Mr. Milind Shinde. The Chairman is reimbursed for the expenses incurred in performance of his duties.

B. There were no cases of non-compliance during the last three financial years.

C. The Company has a Whistle Blower Policy and has established the necessary vigil mechanism for directors and employees to report concerns about unethical behavior. No person has been denied access to the Chairman of the Audit Committee. The said policy has been uploaded on the website of the Company.

The Company's Financial Statements are with unmodified opinion.

D. Separate Post of Chairman and Chief Executive Officer

The Post of Chairman and Chief Executive Officer is held by separate persons.

E. Reporting of Internal Auditor

The Internal Auditor reports directly to the Audit Committee.

F. Material Subsidiaries Policy

Material Subsidiaries Policy is not applicable to the company as the Company does not have material subsidiary.

G. Disclosure of commodity price risks and commodity hedging activities - Not Applicable

H. Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 – **Not Applicable.**

I. Certificate from HS Associates, Company Secretary in practice is annexed that none of the directors on the board of the company have been debarred or disqualified from being appointed

ANNEXURE G
TO THE DIRECTORS' REPORT (Contd.)

or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

J. The board had accepted recommendations of all committees of the board which is mandatorily required, in the relevant financial year 2020-2021.

K. Total fees for all services paid by the listed entity and on a consolidated basis, to the statutory auditor

For NGL Fine-Chem Limited

Audit Fees Paid: ₹ 9.25 Lakhs

Other fees paid: ₹ 2.25 Lakhs

For Macrotech Polychem Pvt. Ltd. (subsidiary)

Audit Fees Paid: ₹ 2.25 Lakhs

Other Services: ₹ .0.75 Lakhs

L. Disclosures in relation to the Sexual Harassment of Women at Work place (Prevention, Prohibition and Redressal) Act, 2013

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 end of the financial year – NIL

M. Discretionary Requirements as per Part E of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Board

The Company is having a Non-Executive Chairman Mr. Milind Shinde. The Chairman is reimbursed for the expenses incurred in performance of his duties.

Shareholder Rights

As the quarterly and half yearly, financial performance is published in the newspapers namely Free Press Journal and Navshakti and is also posted on the Company's website, the same is not being sent to the shareholders.

Modified Opinion in Audit Report

The Company's Financial Statements are with unmodified opinion.

The disclosures of the compliance with corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 are provided in the Annual Report at various sections of Annual Report.

The Company has complied with all the requirements of Corporate Governance Report as mentioned in the Schedule V (C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Disclosures with respect to demat suspense account/ unclaimed suspense account

The Company does not have any demat suspense account or unclaimed suspense account.

(1) The listed entity shall disclose the following details in its annual report, as long as there are shares in the demat suspense account or unclaimed suspense account, as applicable: Not Applicable.

(a) aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year: N.A.

(b) number of shareholders who approached listed entity for transfer of shares from suspense account during the year N.A.

(c) number of shareholders to whom shares were transferred from suspense account during the year: N.A.

(d) aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year: N.A.

(e) that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares: N.A.

For and on behalf of the Board of Directors

Sd/-	Sd/-
Rahul Nachane	**Rajesh Lawande**
Managing Director	Whole-Time Director & CFO
DIN : 00223346	DIN : 00327301

Mumbai, 1st June, 2021

COMPLIANCE WITH THE CODE OF CONDUCT AND ETHICS

In accordance with Regulation 17(5)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and Senior Management Personnel of the Company have confirmed compliance with the Code of Business Conduct and Ethics for the financial year ended 31st March, 2021.

Sd/-
Rahul Nachane
Managing Director

Date: 1st June, 2021.
Place: Mumbai.

CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

To,
The Board of Directors,
NGL Fine-Chem Limited
301, E Square Subhash Road,
Vile Parle (East), Mumbai-400057.

We, Rahul Nachane, Managing Director and Rajesh Lawande, Whole Time Director & CFO of the Company, hereby certify that for the financial year, ending 31st March, 2021

(a) (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;

(ii) these statements present a true and fair view of the Company's affairs and are in compliance with current accounting standards, applicable laws and regulations.

(b) there are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.

(c) we accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies.

(d) we have indicated to the Auditors and the Audit Committee:

(I) significant changes, if any, in the internal control over financial reporting during the year.

(ii) significant changes, if any, in accounting policies made during the year and that the same have been disclosed in the notes to the financial statements; and

(iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For and on behalf of the Board of Directors

Sd/-	Sd/-
Rahul Nachane	**Rajesh Lawande**
Managing Director	Whole-Time Director & CFO
DIN : 00223346	DIN : 00327301

Date: 01st June, 2021.
Place: Mumbai.

ANNEXURE H

TO THE DIRECTORS' REPORT

COMPANY SECRETARY IN PRACTICE'S REPORT ON CORPORATE GOVERNANCE

The Board of Directors,

NGL Fine-Chem Limited

301 E Square, Subhash Road,

Vile Parle East, Mumbai 400057.

We have reviewed the implementation of Corporate Governance procedures by the Company during the year ended March 31, 2021, with the relevant records and documents maintained by the Company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination is neither an audit nor an expression of opinion on the financial statements of the Company.

On the basis of the above and according to the information and explanations given to us and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, in our opinion, the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in Regulation 27 of the (Listing Obligations and Disclosure Requirements) Regulations, 2015 Listing Agreement with the Stock Exchanges.

We further state that our examination of 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 **HS Associates**
Company Secretaries

Sd/-
Hemant S. Shetye
Partner

Mumbai, June 1, 2021.
ICSI UDIN: F002827C000407803

FCS: 2827
COP. 1483

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of NGL Fine-Chem Limited having CIN L24110MH1981PLC025884 and having registered office at 301, E Square Subhash Road, Vile Parle (East), Mumbai 400057 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

SR. NO.	NAME OF DIRECTOR	DIN	DATE OF APPOINTMENT
1.	JAYARAM SITARAM	00103676	05/08/2015
2.	RAHUL NACHANE	00223346	04/01/1993
3.	AJITA NACHANE	00279241	15/09/2014
4.	RAJESH LAWANDE	00327301	01/06/2005
5.	MILIND SHINDE	01593560	31/03/2003
6.	K. V. SUBRAMANIAN	07842700	25/02/2020

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **HS Associates**
Company Secretaries

Sd/-
Hemant S. Shetye
Partner
FCS: 2827
COP. 1483

Mumbai, June 01st, 2021
ICSI UDIN: F002827C000407726

MANAGEMENT DISCUSSION & ANALYSIS

GLOBAL ECONOMIC OVERVIEW

CY 2020 proved itself unusually exceptional in more ways than one. After a weakened global growth of 2.3% in 2019, a contraction of 3.5% was reported in 2020. (Source: https://www.imf.org/en/Publications/WEO/Issues/2021/01/26/2021-world-economic-outlook-update). This decline became even more pronounced with the outbreak of the Covid-19 pandemic and the consequential suspension of economic activities worldwide.

Joe Biden replacing Donald Trump in the US, Britain exiting the European Union, the continuing US-Iran tensions, volatile crude prices owing to discrepancies between OPEC and OPEC+ countries and climate disruptions were some of the marquee and defining events of the previous year.

Strict and complete lockdowns, exponentially rising Covid-19 cases and a zero- to even negative-interest rate environment weakened world economies during the early months of FY 2020-21. However, staggered easing of restrictions, reduction in Covid-19 cases and various stimulus packages announced by different governments worldwide, started showing signs of a gradual and reasonable recovery in the world economies.

Outlook

The world GDP growth, forecasted at 6% in 2021, is subsequently expected to moderate down to 4.4% in 2022 (Source: https://www.cnbc.com/2021/04/06/imf-world-economic-outlook-april-2021-global-gdp-to-hit-6percent.html#:~:text=The%20organisation%20said%20Tuesday%20it,an%20earlier%20estimate%20of%204.2%25). A consistent recovery, largely based on successful vaccination drives and government initiatives in major economies, forms the premise of this forecast. However, mutant variants of the Covid-19 virus, the current second wave and the highly possible subsequent wave(s) remain a great cause of concern.

INDIAN ECONOMIC OVERVIEW

The outbreak of Covid-19 pandemic severely weighed down the growth prospects of the Indian economy as well - reporting a contraction by 8.5% in FY 2020-21. The strict virus-containing Government restrictions impacted most sectors severely. All the essential services and related sectors were an exception here, while the rest witnessed a steep decline in business. The supply side saw factories shutting down with only 'essential items' being allowed to continue production. The demand side took a hit due to lower spending, which again was due to employee layoffs, high unemployment rate and the resultant lower income levels. The effect: a 23.9% contraction in GDP, reported in the Q1 Hof FY 2020-21 (Source: https://www.worldbank.org/en/country/india/overview).

An upsurge in demand for health, hygiene and safety products like immunity boosters, sanitisers and masks led to an inflation in the sector. The pharmaceuticals, medicinal chemicals and botanical products recorded inflation at 3.40% in August 2020, 2.70% in September 2020, and 3.31% in October 2020. (Source: https://www.business-standard.com/article/economy-policy/wpi-inflation-rises-to-8-month-high-of-1-48-on-pharma-metal-prices-120111600544_1.html).

During FY 2020-21, the Indian Rupee appreciated by 3.14%, after touching a low of ₹ 75.68 against the US$ (Source: https://www.financialexpress.com/market/indian-rupee-falls-nearly-3-ytd-in-2020-check-how-it-will-fare-against-us-dollar-in-2021/2160706/), averaging ₹ 74.10 to the US$ in 2020 (Source: https://www.hindustantimes.com/business-news/fitch-solutions-revises-forecast-for-indian-rupee-to-average-at-rs-75-50-usd-for-2021/story-u0nP8yvh83aeVb77OEz5kO.html#:~:text=Fitch%20Solutions%20on%20Monday%20said,for%20a%20stronger%202021%20forecast). The unemployment rate also declined from 23.5% in April 2020 to 7.2% as on 14th April, 2021 (Source: https://www.statista.com/chart/20014/unemployment-rate-india/).

Other than the Covid-19 outbreak, India also witnessed a few significant events such as the Galwan Valley border tensions with China, a non-permanent seat at the UNSC, state elections in Bihar and West Bengal, and a sharp rally in the stock markets.

Outlook

Government initiatives such as Aatmanirbhar Bharat, Production-Linked Incentive (PLI) schemes and the subsequent improvements in Ease of Doing Business rankings (63rd globally), are expected to act as tailwinds, driving India's economic growth forward. According to the International Monetary Fund (IMF), the real GDP growth in India is projected at 12.5% in 2021 and 6.9% in 2022 (Source: https://timesofindia.indiatimes.

MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

com/business/india-business/imf-projects-indias-growth-rate-to-jump-to-impressive-12-5-in-2021/articleshow/81933929.cms#:~:text=IMF%20projects%20India's%20economic%20growth%20rate%20at%2012.5%25%20in%202021,-TIMESOFINDIA.COM%20/%20Updated&text=Notably%20in%202020,%20economy%20contracted,for%20the%20country%20in%202021). India would thus regain its tag as the world's fastest growing economy in the next two years. However, the surge in Covid-19 cases in the Q1 of FY 2021-22, is likely to affect the public consumption of goods and services, acting as a growth dampener.

GLOBAL PHARMACEUTICAL INDUSTRY

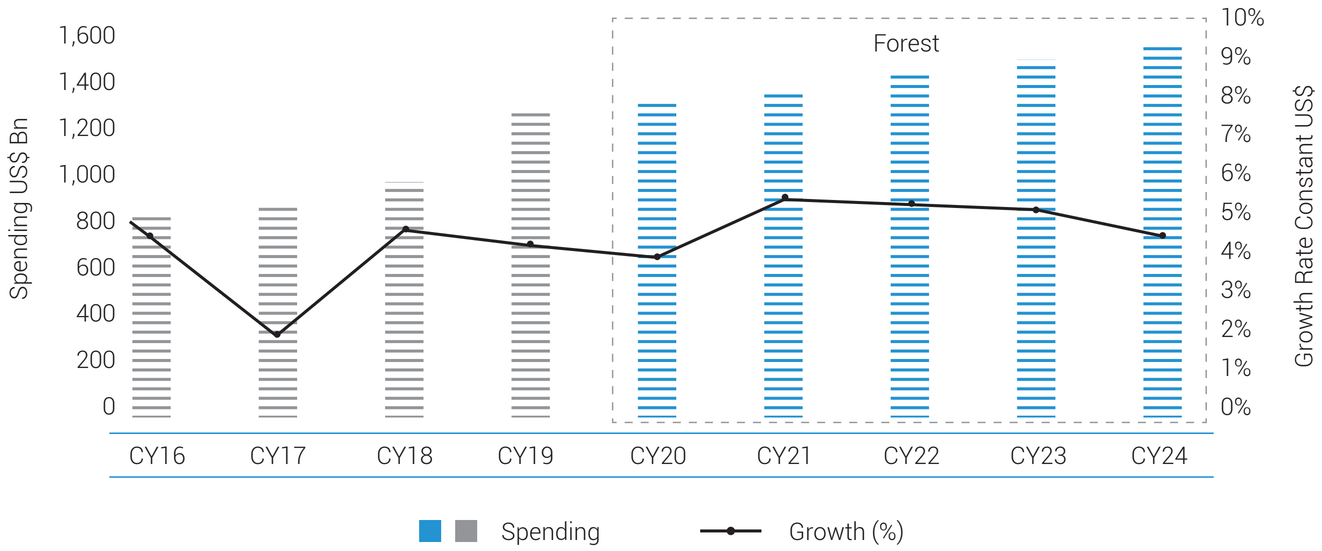
The global pharmaceutical market is estimated to be valued at US$1,228.45 billion in 2020. If geographically segmented, the North American market constituted 46%, while the Asia-Pacific region contributed to 26% of the total market.

As a constructive consequence, the Covid-19 pandemic has instilled a habit of sanitisation and awareness towards health and immunity among people. This is expected to further boost growth alongside the rising healthcare facilities in underdeveloped countries and an increasing number of NGOs focusing on healthcare.

The pharma industry is known for using latest technologies. Currently, the industry is undergoing a major change with the increasing use of artificial intelligence and machine learning. These cutting-edge technologies are used in drug discovery and development, precision medicines, Contract Research and Manufacturing (CRAMs) and e-pharmacies.

The industry is expected to reach a size of US$1,700.97 billion by 2025, at a Compounded Annual Growth Rate (CAGR) of 8% (Source: https://www.globenewswire.com/en/news-release/2021/03/31/2202135/28124/en/Global-Pharmaceuticals-Market-Report-2021-Market-is-Expected-to-Grow-from-1228-45-Billion-in-2020-to-1250-24-Billion-in-2021-Long-term-Forecast-to-2025-2030.html). The US and the emerging markets are expected to be the major constituents of the global pharmaceutical industry – America due to its size and the emerging markets because of their growth prospects.

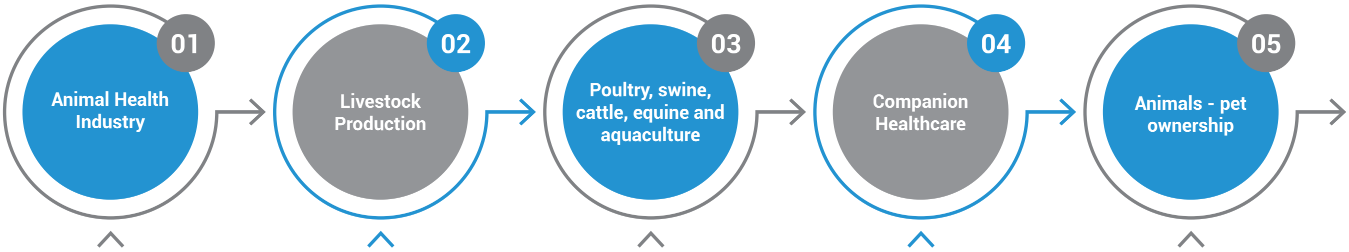
Global Pharmaceutical Market Size



(Source: https://firmsworld.com/global-pharmaceutical-industry-market-2021 /"
https://firmsworld.com/global-pharmaceutical-industry-market-2021/)

MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

Animal Healthcare Market



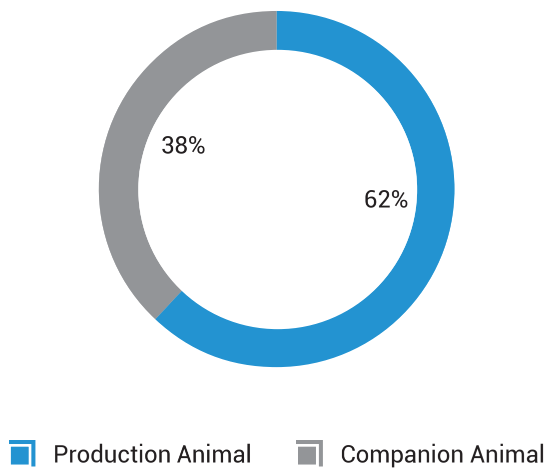
The animal healthcare market comprises production animals (livestock, animals for meat) and companion animals (household pets). The contribution of the two segments in the overall market in 2020 was approximately 65% and 35%, respectively (Source: https://www.grandviewresearch.com/industry-analysis/animal-health-market).

The global animal healthcare industry was valued at US$50.89 billion in 2020. It is expected to record a healthy CAGR of 8.8% from 2021 to 2028 – emerging as one of the fastest-growing industries worldwide. Region-wise, Asia Pacific is anticipated to be the fastest growing market over the same period. This extraordinary forward momentum is expected to be driven by a couple of factors. Firstly, the growing protein food demand followed by a surge in the occurrence of zoonotic and food-borne diseases worldwide, along with increasing pet ownership globally are the prime contributors here. The rise in zoonotic diseases is on account of deforestation. This in turn raises contact between humans and animals while increasing the population of virus-harbouring insects such as ticks. Numerous Government initiatives, promoting animal healthcare, together with the rising animal activism, hold the potential to curb this. (Source: https://www.grandviewresearch.com/industry-analysis/animal-health-market).

Within the animal healthcare industry, the market size of the global veterinary Active Pharmaceutical Ingredients (APIs) was valued at US$6.3 billion in 2020.

Under this segment further, there are two bifurcations – production and companion animals. Production animals are the ones fed for their meat, i.e., livestock. This segment comprises roughly two-thirds of the global animal health market by animal type. Then there are companion animals who are kept as pets (typically dogs, cats, hamsters, birds, guinea pigs and fish). The segment of companion animals constitute approximately 33% of the global animal health market.

Global Animal Health Market Share, by Animal Type, 2020



(Source: https://www.grandviewresearch.com/industry-analysis/animal-health-market)

The market for animal health is projected to record a CAGR of 6.9% from 2021 to 2028. This estimated growth is attributed to increasing pet care expenditures and rising number of veterinary visits, alongside growing livestock population. These and many other factors, such as increase in R&D investments, high pet adoption rates, mandatory vaccinations, increased consumption of meat, and advent of feed additives with anti-microbial properties, are likely to act as the sector's growth enablers. (Source: https://www.grandviewresearch.com/industry-analysis/veterinary-active-pharmaceutical-ingredients-manufacturing-market)

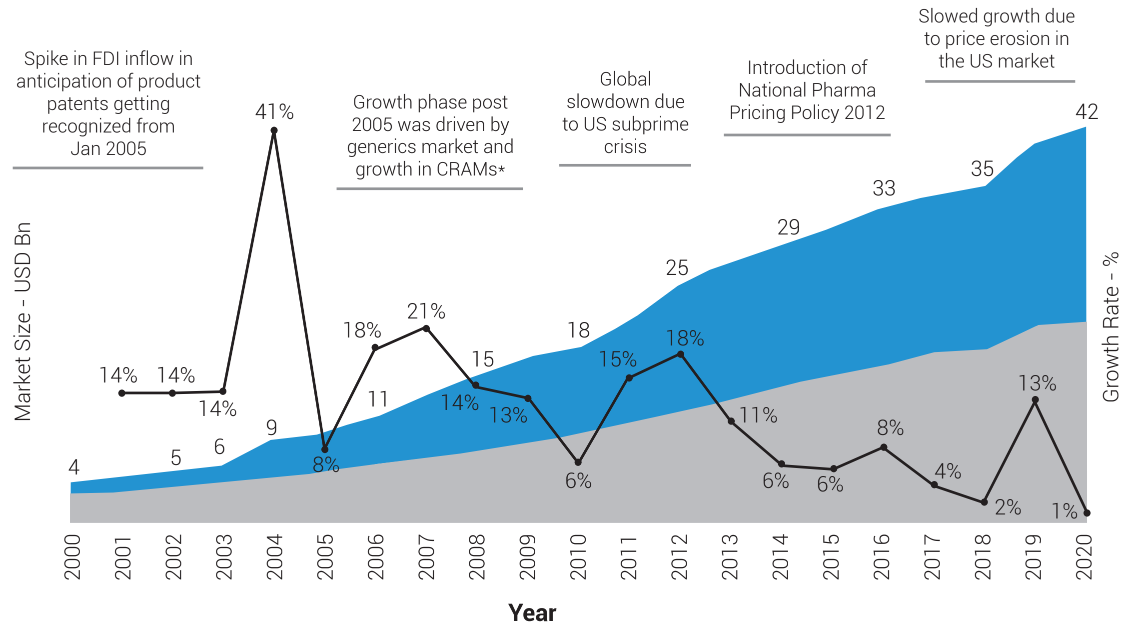
INDIAN PHARMACEUTICAL INDUSTRY

The Indian pharmaceutical industry has grown from US$4.2 billion in 2000 to US$41.7 billion in 2020. The industry registered a CAGR of 11% in the domestic market and 16% in exports from 2000 to 2020.

MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

Indian pharma exports stood at US$20.14 billion in FY 2020-21 (up to January 2021). The country is among the world's leading suppliers of pharmaceuticals, supplying 40% of the generics to the US and 25% of prescription drugs to the UK, while also catering over 60% of the global vaccine demand.

Indian Pharma Industry Evolution and Progress



CAGR (%) (5-year)	2001–2005	2006–2010	2011–2015	2016–2020
Overall	17.4	14.4	10.9	6.2
Exports	12.0	12.2	10.5	6.2
Domestic	27.9	17.1	11.4	6.2

*CRAMs: Contract Research and Manufacturing

(Source: EY FICCI report titled 'Indian Pharmaceutical Industry 2021: future is now' published in February 2021)

India is expected to become the 'world's pharma hub' over the next decade strongly backed by its availability of labour, suitable manufacturing conditions, low-wage costs and abundance of raw materials. The industry is projected to register a 12% CAGR from 2020 to reach US$130 billion in 2030 (Source: EY FICCI report titled 'Indian Pharmaceutical Industry 2021: future is now' published in February 2021).

OPPORTUNITIES

Increasing Government Spending

India's gross research and development (R&D) expenditure, as a percentage of GDP, has remained stagnant at 0.7% since the year 2000. This figure is far lower as compared to countries such as Israel (4.6%), South Korea (4.5%), Japan (3.2%), Germany (3%), China (2.1%), Brazil (1.3%) and Russia (slightly over 1%). The Economic Advisory Council to the Prime Minister (EAC-PM) expects this figure to reach 2% by 2022, thus giving a thrust to the sector (Source: EY FICCI report titled 'Indian Pharmaceutical Industry 2021: future is now' published in February 2021).

Increasing Focus on Animal Health

A lot of developments and awareness towards animal health and welfare is amplifying the focus towards the sector. Higher focus on animal health driving the increasing expenditure on pets, rising companion animal adoption, more veterinary visits, growing livestock population, increase in R&D investments, compulsory pet vaccinations, increased meat consumption, and advent of feed additives with anti-microbial properties, are amplifying the focus on animal health. This is giving a major boost to the animal API and intermediates market.

THREATS

Rising Costs of New Products

Lately, new medicines are becoming expensive to produce. It is estimated that the cost of producing a new medicine is rising by approximately 10% each year. Hence, pharmaceutical companies are compelled to hike prices, which might lower the demand in terms of volume (Source: https://www.avenga.com/magazine/pharmaceutical-industry-trends/).

Regulatory Dependence

India is inherently dependent on the United States Food and Drug Administration (USFDA)'s regulatory approval for the launch of a new product. Thus, making it vulnerable to rejection or delay in product's approval. Furthermore, on an average, regulatory approval in India takes approximately 20% to 40% more time as compared to the US, European Union countries, or Israel (Source: EY FICCI report titled 'Indian Pharmaceutical Industry 2021: future is now' published in February 2021). This affects the launch of new products and their formalities further.

Rapid Technological Obsolescence

Technological obsolescence, in the form of drug development mechanisms, automation in production, precision medicines, and drug testing procedures, can disrupt business models. This may potentially impact operations, lower workforce needs, and lead to higher cybersecurity risks.

COMPANY OVERVIEW

Mr. Narayan Lawande incorporated **NGL Fine-Chem Limited ('NGL' or 'The Company')** in the year 1981. The Company is a veterinary pharmaceutical raw material manufacturer and its products are mostly used in the animal health industry.

The Company manufactures APIs and intermediates for application in veterinary and human health. It provides a range of products catering formulations for farm animals with Africa as its largest end-user market. The Company has a strong and growing international presence in Latin America, Asia and Europe, backed by its superior quality and value-added products.

The Company focuses on cost competitiveness while ensuring highest quality of products. Today, NGL is a reputable player with strong customer relationships. It has over 400 customers spread across more than 50 countries.

The Company's strategic and long-term goal is to be a global player in animal health APIs. In line with this goal, NGL continues adding products and customers in different markets. Most of the Company's products cater the livestock segment which makes up roughly 65% of the total global market for animal APIs and intermediates.

COMPANY PERFORMANCE

Product-Wise Performance

A large portion of the Company's revenue comes from the veterinary API segment. It manufactures over 20 APIs in this division. These ingredients are used in different therapeutic categories such as ecto paraciticides, anthelmintic, growth nutrients and endo paraciticides, among others. NGL also manufactures three APIs for human health used in antidiarrheal, angina and anti-malarial treatment.

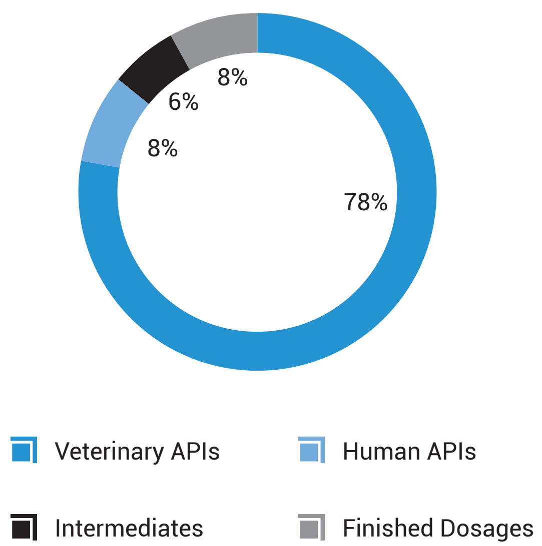
Veterinary APIs 78%

Human APIs 8%

Intermediates 6%

Finished Dosages 8%

Product-wise revenues



MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

Financial Performance

The Company's total income has increased by 70.77%. EBITDA stood at 85.23, as against ₹ 23.87 Crores in 2019-20, and PAT was recorded at ₹ 55.47 in FY2021, as compared to ₹ 10.60 Crores in FY 2020. R&D cost witnessed an increase to ₹ 2.44 Crores, versus ₹ 2.19 Crores in the previous financial year. EPS has increased to ₹ 89.79, as compared to ₹ 17.16 in 2019-20.

(₹ in Crores)

Particulars	2020-21	2019-20
Revenue	255.21	149.45
R&D Expense	2.44	2.19
Earnings Before Interest, Tax and Depreciation & Amortisation	85.23	23.87
Profit Before Tax	76.00	14.35
Profit for the Year	55.47	10.60
Total Assets	206.18	155.58
EPS (In ₹)	89.79	17.16

Name of Metric	FY 2020-21	FY 2019-20	% Change increase (decrease)	Explanation in case change is 25% or more, as compared to the previous year
Inventory turnover	3.06	3.02	1.41	Slight improvement due to better inventory management.
Current ratio	3.12	1.93	61.47	Retained earnings have been utilised for working capital purposes leading to improvement in ratios.
Debt equity ratio	0.11	0.28	(62.07)	Higher retained earnings have improved net worth while borrowings have decreased.
Debtors' turnover	8.41	5.27	59.56	Better collection monitoring and tighter credit limits implementation has resulted in better efficiency.
Operating profit margin	30.50%	11.11%	174.42	Lower raw material cost and reduction of expenses has lead to higher profitability.
Net profit margin	21.74%	7.09%	206.44	Lower raw material cost and reduction of expenses has lead to higher profitability.
Return on net worth	35.68%	10.47%	240.68	Lower raw material cost and reduction of expenses has lead to higher profitability.
Interest coverage ratio	42.30	7.37	473.65	The Company has consistently maintained a strong interest coverage, which is a result of prudent debt management.

MANUFACTURING CAPACITY

NGL's manufacturing facilities are located at Maharashtra's Navi Mumbai and Tarapur. The facilities have received the Good Manufacturing Practice (GMP) certification from the Maharashtra State Food and Drug Administration. The Company's facilities are equipped with cutting-edge technology, making it competent to deliver wide array of products.

The Company currently has the capacity to manufacture 10,000 m2 tonnes of APIs. It has 10,800 m2 square metres of factory land, 194 m3 cubic metres of stainless steel reactors, 12m3 cubic metres of gas-induction reactors and 102 m3 cubic metres of glass-lined reactors.

As on 31st March, 2021, the capacity utilisation levels remained at 85% to 90% on an average, for the entire year, with little scope for enhancement. The Company is on track to complete a capital expenditure of around ₹ 20 Crores in the near term and it is expecting to incur a total capex of around ₹ 80 Crores in the next three years.

MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

RISKS AND MITIGATION STRATEGIES

Risk	Impact	Mitigation
Competition risk	The Company has six to seven competitors and an increase in competition could negatively impact its market share, margin profile and return on capital employed.	NGL's distinctly differentiated brand image and long-standing customer relationships helps the Company mitigate this risk. Furthermore, during the fiscal, the Company witnessed market share gains as a result of faster supply of products than competitors, to customers, for whom urgency was a top priority.
Environmental regulations and compliance risk	NGL's subsidiary – Macrotech Polychem Private Limited - had to temporarily shut operations at the Tarapur plant on 6th March, 2021, due to alleged violation of Water (Prevention and Control of Pollution) Act, 1974, and Air (Prevention and Control Pollution) Act, 1981. A similar closure was also initiated by Maharashtra Pollution Control Board for one of its units located at Tarapur on 9th February 2021.	Maharashtra Pollution Control Board issued conditional restart directions of the plant on 8th March, 2021. During the fiscal, the Company received certification of being 14001 and 42001 compliant. NGL is also upgrading its facilities: one of the Company's plants is a zero-discharge facility wherein effluent is recovered, recycled and re-used. The Company is on track to implement this at its second plant as well. NGL's boilers run on environment-friendly fuels: two on agro-based and two on gas with no coal or oil used.
Foreign currency exchange rate risk	About 75% of NGL's revenue comes from exports.	The Company mitigates this risk by its foreign-exchange-hedge mechanism.
Customer concentration risk	NGL's top 10 customers account for 37.8% of its total sales.	The Company has a large customer base of over 400 and no single customer accounts for more than 6% of its sales.
Product quality risk	Currently, 15% of the Company's total production is outsourced to contract manufacturers. A decline in product quality could hamper customer relationships, further impacting revenue.	NGL has a stringent quality-control system in place and as a result, the Company has never had a single case of product defect in the past decade.
Raw material supply risk	Approximately 15% of the Company's total raw material comes from suppliers in China.	NGL is in the process of exploring other suppliers in India. The Company is aiming to gradually diversify its supplier base.
Product concentration risk	The Company's Veterinary APIs are around 78% of its total revenue.	NGL has more than 20 APIs in animal health segment and aims to add two to four new product offerings every year, based on the demand.

HUMAN RESOURCES

Over the years, by way of imparting training, rewarding superior performance, and building a creative workplace, the Company has built an incredibly well-motivated workforce. Despite the pandemic-induced fear in March-April 2020, 10% of the Company's workers were operating in its factories as on 1st April, 2020. By 1st May, 2020, this number shot up to 50%. This clearly demonstrates the motivation and loyalty of NGL's workforce. During the FY 2020-21, the Company did not lay off a single employee, instilling a sense of job security amongst its workers.

Over the past several years, NGL has been nurturing a work culture driven by performance, role clarity, teamwork and mutual respect. The Company has strategically invested in people and processes to propel this culture, making every employee feel empowered. As on 31st March, 2021, the Company's employee strength stood at 294.

Going forward, NGL would continue recognising its human resource as a key asset while ensure the highest level of safety, security and health for its employees.

IMPACT OF COVID-19 AND STRATEGIES

The global outbreak of the Covid-19 pandemic globally and in India resulted in slowdown of economic activities. The Company evaluated the impact of this crisis on its business operations during the year ended 31st March,

MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

2021. NGL re-opened its factories from 1st April, 2020, in line with the Government directive allowing essential services to re-start manufacturing. However, capacity was substantially constrained due to disruption in material and travel restrictions. The Company immediately transitioned to remote working, rented new office premises to reduce travel time, provided transport facilities for staff and workers to commute faster, while ensuring adherence to masking and other safety mandates. As a result, NGL became fully operational by the middle of May 2020.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company's internal control systems have been designed to monitor and control its day-to-day operations through regular tracking and reporting. The systems also enable NGL to effectively monitor compliance to various rules and regulations, and adherence to policy requirements. NGL adheres to local statutory requirements for orderly and efficient conduct of business, safeguarding assets, detecting and preventing frauds and errors, adequacy and completeness of accounting records, and timely preparation of reliable financial information. The efficacy of the internal checks and control systems are further validated by the Company's internal auditors.

CAUTIONARY STATEMENTS

Estimate and expectations stated in this Management Discussion and Analysis may be 'forward looking' within the meaning of applicable securities, laws and regulations. Actual result could differ materially from those expressed or implied. Important factors that could make difference to the Company's operations include economic conditions in the Government regulations, tax laws, other statutes and other incidental factors.

FINANCIAL STATEMENTS - 81-177

INDEPENDENT AUDITOR'S REPORT

To,

The Members,

NGL FINE-CHEM LIMITED

Report on the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **M/S. NGL FINE-CHEM LIMITED** ("the company"), which comprise the Balance Sheet as at 31st March, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the company as at 31st March, 2021, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Report	How was the matter addressed in our audit
Revenue Recognition Revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration which the company expects to receive in exchange for those goods. Revenue is measured based on transaction price, which is the consideration, adjusted for rebates, discounts and incentives as also estimated sales returns. Revenue is one of the key profit drivers and therefore, accounting of revenue is considered as a key audit matter. [Refer Note 2.07 to the financial statements]	**Our audit procedures, among other things, included the following:** • Considered the appropriateness of the company's accounting policies regarding revenue recognition. • Testing controls, automated and manual, around dispatches/ deliveries/shipments inventory reconciliations and process of confirmation of receivable balances, testing for cut-offs and analytical review procedures. • Assessed the disclosures in accordance with the requirements of Ind AS 115 on "Revenue from Contracts with Customers".
Valuation of inventories The company has complex product manufacturing process and thus, the overhead absorption over each process is quite complex and more particularly, to have the basis of absorption. The company has worked out the overhead absorption cost rate based on the consumption of electricity of each process and apply the same for all other overheads. Due to significance of arriving at the overhead absorption rate for the valuation of inventories, it is considered to be a key audit matter. [Refer Note 2.06 to the financial statements]	**Our audit procedures, among other things, included the following:** • Evaluated the appropriateness of the basis applied to arrive at the overhead absorption rate. • Examined the workings of the absorption of over heads to arrive at the cost of inventories. • Our audit methodology involves process adopted to ascertain and evaluate the methods used are reasonable and absorbs overheads in an appropriate & logical manner. • Assessed the disclosures in accordance with the requirements of Ind AS 2 on "Inventories".

INDEPENDENT AUDITOR'S REPORT (Contd.)

Key Audit Report	How was the matter addressed in our audit
Allowance for Expected Credit Loss of Trade Receivables: Provision for impairment by way of Allowance for Expected Credit Loss (ECL) of Trade Receivables require – • the appropriateness of accounting policies for determination of allowance for ECL. • operational procedures and systems of internal control in estimation of ECL. • estimation of expected losses and appropriate assumptions and significant judgments on the recoverability of receivables. • the completeness, accuracy, relevance and reliability of historical information. • the company's overall review of the estimate. • the clarity and reasonableness of related ECL disclosures. In view of the determination of the basis and quantum of allowance of ECL, it is a significant item in the financial statements and hence, considered to be a key audit matter. [Refer Note 2.15 to the standalone financial statements]	**Our audit procedures included, among others, the following:** • Obtained sufficient and appropriate audit evidence about whether policies, operational procedures, internal control systems and other relative assumptions for estimation and determination of allowance for ECL are reasonable. • Objectively evaluated the estimates made in the broader context of the financial statements as a whole. • Assessed the estimates and assumptions adopted by the company in determining the need to recognise a provision and, where applicable, its amount. • Evaluated the completeness of disclosures in respect of allowance for expected credit loss.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015 as amended, and other accounting principles generally accepted in India.

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

In preparing the standalone financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the company's financial reporting process.

INDEPENDENT AUDITOR'S REPORT (Contd.)

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b) In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books.

INDEPENDENT AUDITOR'S REPORT (Contd.)

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

(i) The company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements- Refer Note 34 to the Standalone Financial Statements.

(ii) The company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **MANEK & ASSOCIATES**
Chartered Accountants
Firm's registration number:
0126679W

Sd/-
(SHAILESH MANEK)
Partner
Membership number.034925
UDIN: 21034925AAAAFO6862

Mumbai
Dated: 1st June, 2021

ANNEXURE - A

TO THE AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **M/S. NGL FINE-CHEM LIMITED** ("the company") as of 31st March, 2021 in conjunction with our audit of the standalone financial statements of the company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

ANNEXURE - A
TO THE AUDITORS' REPORT (Contd.)

Opinion

In our opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2021, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **MANEK & ASSOCIATES**
Chartered Accountants
Firm's registration number:
0126679W

Sd/-
(SHAILESH MANEK)
Partner
Membership number.034925
UDIN: 21034925AAAAFO6862

Mumbai
Dated: 1st June, 2021

ANNEXURE - B
TO THE AUDITORS' REPORT

The Annexure referred to in Independent Auditors' Report to the members of the company on the standalone financial statements for the year ended 31st March, 2021, we report that:

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

(b) The company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over three years. In accordance with this programme, certain fixed assets were verified during the year and the material discrepancies which were noticed have been properly dealt with in the books of account. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the company and the nature of its assets.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the company except the following;

Type of Asset	Total No of cases	Leasehold / Freehold	Gross Block as on 31st March, 2021	Net Block as on 31st March, 2021	Remarks
Land-FS/5 MIDC Additional Mahad Industrial Area	1	Leasehold	36,94,875	31,92,875	Conveyance deed pending to be executed. The Managing Director of the company is holding power of attorney in respect thereof.

(ii) The inventories have been physically verified by the management at reasonable intervals during the year.

(iii) The company has granted unsecured loans to the wholly owned subsidiary company covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').

(a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the wholly owned subsidiary company listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the company.

(b) In the case of the loans granted to the wholly owned subsidiary company, listed in the register maintained under section 189 of the Act, there has been no stipulation of schedule of repayment of principal and payment of interest and hence we are unable to make specific comment on the regularity of repayment of principal and payment of interest.

(c) Since the terms of repayment are not stipulated, there is no overdue amount of such loan and its interest.

(iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made, as applicable.

(v) The company has not accepted any deposits from the public and consequently the directives issued by the Reserve Bank of India, the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, and the Rules framed there under are not applicable and also no orders were passed by National company Law Tribunal or Reserve Bank of India or any court or any other Tribunal and therefore clause 3(v) of the order is not applicable.

(vi) According to information and explanations given to us, the company is maintaining the cost records under clause (d) of sub-section (1) of Section 148 of the Companies Act, 2013 in respect of the product manufactured by the company .We have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) According to the information and explanations given to us and on the basis of the books and records examined by us, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income tax, goods and service tax , custom duty, cess and other material statutory dues applicable to it.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, duty of

ANNEXURE - B
TO THE AUDITORS' REPORT (Contd.)

customs, goods and service tax, cess and other material statutory dues were in arrears as at 31st March, 2021 for a period of more than six months from the date they became payable.

(c) According to the information and explanation given to us, there are no material dues of income tax, customs duty, goods and service tax and cess which have not been deposited on account of any dispute except the following stated below.

Name of the Statute	Nature of Dues	Amount (₹)	Period to which the amount relates	From when the amounts not deposited
Provident Fund-Contractor	Provident Fund	17,75,767/-	May, 2014 to November, 2015.	Central Government Industrial Tribunal No.1 Mumbai

(viii) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a bank and financial institution.

(ix) During the financial year, the company has not raised any money by way of initial public offer or further public offer (including debt instruments). During the year, the company had not raised any amount by way of term loan.

(x) According to information and explanations given to us there were no fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the year and therefore, the provision of clause 3 (x) of the Order is not applicable.

(xi) According to the information and explanations give to us and based on our examination of the records of the company, the company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion, the company is not a chit fund or a nidhi company and therefore, the provisions of clause 3(xii) of the Order are not applicable to the company.

(xiii) According to information and explanation given to us, all the transactions with related parties are in compliance with the provisions of sections 177 and 188 of Companies Act, 2013 where applicable. The details of related party transactions have been disclosed in the Ind As financial statements, as required under the applicable Accounting Standards.

(xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review, therefore, the provisions of clause 3(xiv) of the Order are not applicable to the company.

(xv) During the financial year, the company has not entered into any non-cash transactions with directors or persons connected with him and therefore, the provisions of clause 3(xv) of the Order are not applicable to the company.

(xvi) In our opinion, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and therefore, the provisions of clause 3(xvi) of the Order are not applicable to the company.

For **MANEK & ASSOCIATES**
Chartered Accountants
Firm's registration number: 0126679W

Sd/-
(SHAILESH MANEK)
Partner
Membership number.034925
UDIN: 21034925AAAAFO6862

Mumbai
Dated: 1st June, 2021

STANDALONE BALANCE SHEET

AS AT 31ST MARCH, 2021

(All amounts are in ₹ unless stated otherwise)

Particulars	Notes	As at 31st March, 2021	As at 31st March, 2020
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	**3**	57,17,90,493	60,61,36,896
(b) Capital work-in-progress	**3**	90,96,599	-
(c) Intangible assets	**4**	34,96,179	23,89,943
(d) Financial assets			
(i) Investments	**5**	3,72,50,577	3,72,50,577
(ii) Loans	**6**	15,37,22,412	3,53,11,517
(iii) Others	**7**	4,57,82,046	4,57,82,046
(e) Other non-current assets	**8**	59,41,822	24,88,109
Total non-current assets		**82,70,80,129**	**72,93,59,089**
(2) Current assets			
(a) Inventories	**9**	37,85,05,322	27,89,68,693
(b) Financial assets			
(i) Investments	**10**	29,07,00,542	10,65,06,070
(ii) Trade receivables	**11**	37,55,73,908	26,19,26,643
(iii) Cash and cash equivalents	**12**	2,03,20,005	32,64,042
(iv) Bank balances other than (iii) above	**13**	2,66,50,175	2,74,84,767
(v) Others	**14**	3,09,16,537	4,96,88,746
(c) Other current assets	**15**	11,20,07,952	9,86,15,069
Total current assets		**1,23,46,74,441**	**82,64,54,030**
Total Assets		**2,06,17,54,570**	**1,55,58,13,118**
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	**16**	3,08,90,120	3,08,90,120
(b) Other equity			
(i) Reserves and surplus	**17**	1,52,36,36,293	98,11,59,320
Total Equity		**1,55,45,26,413**	**1,01,20,49,440**
(2) Liabilities			
(I) Non-current liabilities			
(a) Financial liabilites			
(i) Borrowings	**18**	6,13,13,165	8,32,47,725
(b) Provisions	**19**	2,43,24,261	2,09,71,722
(c) Deferred tax liabilities	**20**	2,37,70,323	96,64,013
(d) Other non-current liabilities	**21**	19,51,491	20,09,730
Total non-current liabilities		**11,13,59,240**	**11,58,93,190**
(II) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	**22**	4,83,16,567	14,60,07,799
(ii) Trade payables	**23**	26,98,00,257	20,57,93,369
(iii) Other financial liabilities	**24**	6,11,99,473	6,34,20,865
(b) Provisions	**19**	62,69,128	1,26,29,486
(c) Current Tax Liabilities (Net)	**25**	1,02,62,113	-
(d) Other Current Liabilities	**26**	21,379	18,969
Total current liabilities		**39,58,68,917**	**42,78,70,488**
Total Liabilities		**50,72,28,157**	**54,37,63,678**
Total Equity and Liabilities		**2,06,17,54,570**	**1,55,58,13,118**

(The accompanying notes 1 to 52 are an integral part of the financial statements)

As per our report of even date attached

For **Manek & Associates**
Chartered Accountants
Firm Registration Number: 126679W

Sd/-
Shailesh Manek
Partner
Membership Number: 034925

Place: Mumbai
Date: 1st June, 2021

For and on behalf of the Board of Directors

Sd/-
Rahul Nachane
Managing Director
DIN: 00223346

Sd/-
Rajesh Lawande
Whole-Time Director & CFO
DIN: 00327301

Sd/-
Pallavi Pednekar
Company Secretary
ACS : A33498

Place: Mumbai
Date: 1st June, 2021

STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2021

(All amounts are in ₹ unless stated otherwise)

Particulars	Notes	For the year ended 31st March, 2021	For the year ended 31st March, 2020
INCOME			
Revenue from Operations	**27**	2,58,18,15,317	1,52,18,09,138
Other income	**28**	8,54,69,835	3,33,54,706
Total income		**2,66,72,85,152**	**1,55,51,63,844**
EXPENSES			
Cost of materials consumed	**29**	1,00,63,95,651	70,19,41,672
Changes in inventories of finished goods and work in progress	**30**	1,86,12,520	(5,38,51,572)
Employee benefits expense	**31**	27,23,49,540	23,80,98,111
Other expenses	**32**	51,76,15,024	43,02,62,474
Finance Cost	**33**	1,84,01,067	2,25,25,567
Depreciation expense	**3**	7,39,40,069	7,26,55,895
Total expenses		**1,90,73,13,871**	**1,41,16,32,147**
Profit before tax from continuing operations		**75,99,71,282**	**14,35,31,698**
Current tax	**45**	(19,12,00,000)	(4,84,00,000)
Less: MAT Credit		-	-
Current tax expense relating to prior years		5,04,730	(10,41,237)
Deferred tax		(1,45,79,767)	1,19,45,987
Income tax expense		**(20,52,75,037)**	**(3,74,95,250)**
Profit for the year from continuing operations		**55,46,96,245**	**10,60,36,448**
Other comprehensive income (OCI)			
Other comprehensive income not to be reclassified to profit and loss in subsequent periods:			
Profit/(Loss) on acturial valuation of post employment benefits		(18,81,187)	(29,17,907)
Add/(Less): Income tax expense		4,73,457	7,34,379
Other comprehensive income for the year, net of tax		**(14,07,730)**	**(21,83,528)**
Total comprehensive income for the year		**55,32,88,515**	**10,38,52,920**
Earnings per equity share (for continuing operations)			
Basic		89.79	17.16
Diluted		89.79	17.16

(The accompanying notes 1 to 52 are an integral part of the financial statements)

As per our report of even date attached

For **Manek & Associates**
Chartered Accountants
Firm Registration Number: 126679W

Sd/-
Shailesh Manek
Partner
Membership Number: 034925

Place: Mumbai
Date: 1st June, 2021

For and on behalf of the Board of Directors

Sd/-
Rahul Nachane
Managing Director
DIN: 00223346

Sd/-
Rajesh Lawande
Whole-Time Director & CFO
DIN: 00327301

Sd/-
Pallavi Pednekar
Company Secretary
ACS : A33498

Place: Mumbai
Date: 1st June, 2021

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST MARCH, 2021

A. EQUITY SHARE CAPITAL

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Number of shares	Value	Number of shares	Value
Balance at beginning of year	61,78,024	3,08,90,120	61,78,024	3,08,90,120
Issue of share capital	-	-	-	-
Balance at end of year	**61,78,024**	**3,08,90,120**	**61,78,024**	**3,08,90,120**

B. OTHER EQUITY

(All amounts are in ₹ unless stated otherwise)

Particulars	Equity share capital	Reserves and Surplus			Total	Items of OCI
		Securities Premium	Retained Earnings	Other reserves		Remeasurement of net defined benefit liability /asset
At 31st March, 2020	**3,08,90,120**	**11,73,981**	**95,90,56,657**	**2,09,28,682**	**1,01,20,49,440**	**(21,83,528)**
Profit for the year	-	-	55,46,96,245	-	55,46,96,245	-
Less:- Dividend Paid			(1,08,11,542)	-	(1,08,11,542)	-
Other comprehensive income for the year	-	-	(14,07,730)	-	(14,07,730)	7,75,798
At 31st March, 2021	**3,08,90,120**	**11,73,981**	**1,50,15,33,630**	**2,09,28,682**	**1,55,45,26,413**	**(14,07,730)**

(The accompanying notes 1 to 52 are an integral part of the financial statements)

As per our report of even date attached

For **Manek & Associates**
Chartered Accountants
Firm Registration Number: 126679W

Sd/-
Shailesh Manek
Partner
Membership Number: 034925

Place: Mumbai
Date: 1st June, 2021

For and on behalf of the Board of Directors

Sd/-
Rahul Nachane
Managing Director
DIN: 00223346

Sd/-
Rajesh Lawande
Whole-Time Director & CFO
DIN: 00327301

Sd/-
Pallavi Pednekar
Company Secretary
ACS : A33498

Place: Mumbai
Date: 1st June, 2021

STANDALONE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2021

(All amounts are in ₹ unless stated otherwise)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before extraordinary items and tax	**75,99,71,282**	**14,35,31,698**
Adjustments for:		
Depreciation and amortisation expense	7,39,40,069	7,26,55,895
Finance costs	1,84,01,067	2,25,25,567
Dividend income	(47,888)	(3,04,433)
Interest income	(73,12,981)	(50,84,406)
Loss/(Gain) on MTM of investments	(5,10,45,623)	2,24,35,215
Other Comprehensive Income	(14,07,730)	(21,83,528)
Operating profit before working capital changes	**79,24,98,195**	**25,35,76,007**
Changes in working capital:		
Adjustments for (increase)/ decrease in operating assets:		
Inventories	(9,95,36,629)	(9,28,67,499)
Other non current financial assets	-	(3,48,98,289)
Other non-current assets	(34,53,713)	51,86,575
Trade receivables	(11,36,47,265)	6,93,12,536
Other current financial assets	(17,45,43,351)	(3,85,00,841)
Other current assets	(1,33,92,883)	2,49,21,225
	(40,45,73,841)	**(6,68,46,293)**
Adjustments for increase/ (decrease) in operating liabilities:		
Trade payables	6,40,06,888	4,46,40,533
Other current financial liabilities	(22,21,392)	73,50,554
Other current provisions	(63,60,358)	95,88,674
Other current liabilities	1,02,64,523	(82,96,992)
Other non current liabilities	1,40,48,071	(1,32,39,834)
Other non-current provisions	33,52,539	69,55,733
	8,30,90,271	**4,69,98,668**
Cash generated from operations	**47,10,14,625**	**23,37,28,382**
Net income tax paid	(20,52,75,037)	(3,74,95,250)
Net cash flow from operating activities (A)	**26,57,39,588**	**19,62,33,132**
B. CASH FLOW FROM INVESTING ACTIVITIES		
(Loss)/Gain on sale of investments	5,10,45,623	(2,24,35,215)
Dividend income	47,888	3,04,433
Fixed Deposit Matured	99,55,680	-
Interest Income	73,12,981	50,84,406
Finance Cost	(1,84,01,067)	(2,25,25,567)
Non current Investments	-	(3,72,50,577)
Non current Loans	(11,84,10,895)	(3,53,11,518)
Long term borrowings	(2,19,34,560)	31,80,202
Short term borrowings	(9,76,91,232)	(70,90,916)
Purchases of property, plant and equipment	(5,12,32,470)	(7,29,42,310)
Disposal of property, plant and equipment	14,35,968	11,62,591
Net cash flow used in investing activities (B)	**(23,78,72,084)**	**(18,78,24,471)**

STANDALONE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

(All amounts are in ₹ unless stated otherwise)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Share Capital	-	-
Dividend Paid	(1,08,11,542)	(1,30,33,887)
Share application money	-	-
Share Premium	-	-
Net cash flow from/ (used in) financing activities (C)	**(1,08,11,542)**	**(1,30,33,887)**
Net increase/ (decrease) in Cash and cash equivalents (A+B+C)	**1,70,55,963**	**(46,25,226)**
Add: Cash and cash equivalents at the beginning of the year	32,64,042	78,89,268
Cash and cash equivalents at the end of the year *	**2,03,20,005**	**32,64,042**

(All amounts are in ₹ unless stated otherwise)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Cash and cash equivalents at the end of the year*		
*Comprises of:		
(a) Cash on hand	16,85,506	5,33,436
(b) Balances with banks		
(i) In current accounts	1,86,34,499	27,30,606
	2,03,20,005	**32,64,042**

* Include towards Unclaimed Dividend of ₹ 6,89,199.45

(The accompanying notes 1 to 52 are an integral part of the financial statements)

As per our report of even date attached

For **Manek & Associates**
Chartered Accountants
Firm Registration Number: 126679W

Sd/-
Shailesh Manek
Partner
Membership Number: 034925

Place: Mumbai
Date: 1st June, 2021

For and on behalf of the Board of Directors

Sd/-
Rahul Nachane
Managing Director
DIN: 00223346

Sd/-
Rajesh Lawande
Whole-Time Director & CFO
DIN: 00327301

Sd/-
Pallavi Pednekar
Company Secretary
ACS : A33498

Place: Mumbai
Date: 1st June, 2021

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

1. CORPORATE INFORMATION

NGL Fine-Chem Limited (The company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956 (CIN: L24110MH1981PLC025884). Its shares are listed on the Bombay Stock Exchange. The company is a manufacturer of pharmaceuticals and intermediates for usage in veterinary and human health. The company caters to various global companies to custom manufacture high quality pharmaceuticals.

2. SIGNIFICANT ACCOUNTING POLICIES

2.01 Basis of preparation

Financial statements for the year ended 31st March, 2021 are prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 together with comparative period data as at and for the year ended 31st March, 2020.

2.02 Functional currency and presentation currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates ("the functional currency"). Indian Rupee is the functional currency of the company.

The financial statements are presented in Indian Rupees.

Transactions and balances

Transactions in foreign currency are translated into Indian rupees at the exchange rates at the date of the transaction.

Monetary assets and liabilities denominated in foreign currency are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in foreign currency are translated using the exchange rates at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation difference on items whose fair value gain or loss is recognised in the statement of Other Comprehensive Income (OCI) or the statement of profit or loss is also recognised in the statement of OCI or the statement of profit or loss, respectively).

2.03 Use of estimates

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent assets and contingent liabilities at the date of financial statements, and the income and expenses during the reporting period. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in future periods which are affected.

Application of accounting policies that require critical accounting estimates and the assumptions having the most significant effect on the amounts recognised in the financial statements are:

- Valuation of financial instruments
- Useful life of property, plant and equipment
- Useful life of intangible assets
- Provisions

2.04 Current versus non-current classification

The company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when

- It is expected to be settled in normal operating cycle
- It is held primarily for trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

The company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The company has identified twelve months as its operating cycle.

2.05 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, if market participants act in their economic best interest.

A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 -Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in financial statements on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The company's Management determines the policies and procedures for both; recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the company's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable. For the purpose of fair value disclosures, the company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

2.06 Inventories

Stock of raw materials, consumable stores and fuel and oil are valued at lower of cost or market value, on FIFO basis. Finished goods and work in progress are valued at cost of production or market value whichever is lower.

2.07 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, considering contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The specific recognition criteria described below must also be met before revenue is recognised.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
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Revenue from sale of goods

Revenue is recognised when it is probable that economic benefits associated with a transaction flows to the company in the ordinary course of its activities and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, net of returns & trade discounts.

Revenue includes only the gross inflows of economic benefits, received and receivable by the company, on its own account. Amounts collected on behalf of third parties such as goods and service tax are excluded from revenue.

Revenue from sale of goods is recognised when the following conditions are satisfied:

- The company has transferred the significant risks and rewards of ownership of the goods to the buyer.
- The company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over goods sold.
- The amount of revenue can be measured reliably.
- It is probable that the economic benefits associated with the transaction will flow to the company.
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the company expects to receive in exchange for those products or services.

Other income

- Dividend income is accounted for when the right to receive dividend is established.
- Interest is recognised only when no uncertainty as to measurability or collectability exists. Interest on fixed deposits is recognised on time proportion basis considering the amount outstanding and the rate applicable.
- Export Duty Drawback and MEIS Incentives are accounted on accrual basis when the certainty to receive is established.

2.08 Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and where applicable accumulated impairment losses. Property, plant and equipment and capital work in progress cost include expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour and any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Interest on Funds borrowed for acquisition of property, plant and equipment up to the period such property, plant and equipment is ready for use is capitalised and added to the cost of such items.

Gains and losses on disposal are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within "other income/other expenses" in the statement of profit and loss.

Depreciation in accounts is charged on Straight Line Method based on the management's estimate of useful life of each class of assets and considering the useful life prescribed by Schedule II of the Companies Act, 2013 on the cost, as reduced by the amount of Excise Cenvat, GST and VAT setoff claimed.

Subsequent cost

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of profit and loss.

Depreciation is provided on Straight Line Method (SLM) basis, based on the estimated useful life of the assets.

Asset Class	Estimated useful life (number of years)	Estimated life as per Companies Act
Plant and Machinery	9.67	9.67
Computers - Servers	6.00	6.00
Computers - Others	3.00	3.00
Electrical Installation	9.67	9.67
Laboratory Equipments	9.67	9.67
Buildings	30.00	30.00
Furniture and Fixtures	10.00	10.00
Vehicles	8.00	8.00
Office Equipments	5.00	5.00

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

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2.09 Intangible assets

Intangible assets acquired by the company and having finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the intangible asset.

All revenue expenses pertaining to research are charged to the profit and loss account in the year in which they are incurred. Expenditure of capital nature is capitalised as property, plant and equipment and depreciated as per the company's policy.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, are recognised in profit or loss as incurred.

Amortisation of intangible assets with finite useful lives:

Amortisation is recognised in profit and loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use.

2.10 Earning per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

2.11 Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The company determines the tax as per the provisions of Income Tax Act 1961 and other rules specified thereunder.

Current income tax relating to items recognised outside the statement of profit and loss is recognised in other comprehensive income. Current tax items are recognised in correlation to the underlying transaction in OCI. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is measured using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction affects neither the accounting profit nor taxable profit or loss.
- The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future

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taxable profits will allow the deferred tax asset to be recovered.

- Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.
- Deferred tax relating to items recognised outside the statement of profit and loss is recognised in other comprehensive income. Deferred tax items are recognised in correlation to the underlying transaction in OCI.
- Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same tax authority.

2.12 Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing cost directly attributable to the cost of acquisition or construction of the fixed assets is capitalised as part of the cost of the assets, upto the date the asset is put to use. Other borrowing costs are charged to the Statement of Profit and Loss in the year in which they are incurred Costs in connection with the borrowing of funds are charged to statement of profit and loss.

2.13 Provisions and contingent liabilities

The company recognises a provision when there is a present legal or constructive obligation as a result of a past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Long term provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

2.14 Impairment of non-financial assets

The company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset unless the asset does not generate cash inflows that are largely independent of those from other assets or company's assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

2.15 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial asset

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the company commits to purchase or sell the assets.

Investment in subsidiaries are carried at cost less impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories;

- at amortised cost through profit or loss
- at amortised cost through other comprehensive income

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- at fair value through other comprehensive income
- at fair value through profit or loss

Financial assets at amortised cost

A financial asset is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the company. All the Loans and other receivables under financial assets (except investments) are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade receivables do not carry any interest and are stated at their nominal value as reduced by impairment amount.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

Financial assets at fair value through the statement of profit and loss/other comprehensive income

Instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

If the company decides to classify an instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the statement of OCI. There is no recycling of the amounts from OCI to Statement of Profit & Loss, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material lay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognise the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

Impairment of financials assets

The Management has evaluated the impairment provision requirement under IND AS 109 and has listed below major facts for trade and other receivables impairment provisioning:

The company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

Expected Credit Loss (ECL) impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the Statement of Profit & Loss. The balance sheet presentation for various financial instruments is described below:

Financial assets measured as at amortised cost and other contractual revenue receivables- ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the company does not reduce impairment allowance from the gross carrying amount.

Financial assets measured at FVTOCI- Since financial assets are already reflected at fair value, impairment

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allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through the statement of profit or loss, loans and borrowings, trade payables and other payables.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The company's financial liabilities include trade and other payables, loans and borrowings including other payables.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

This category generally applies to interest-bearing loans and borrowings.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or it expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Embedded derivatives

Embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract - with the effect that some of the cash flows of the combined instrument vary in a way like a stand¬ alone derivative. Embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a nonfinancial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through the statement of profit and loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

Compound instruments

Reclassification of financial assets

The company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The company's senior management determines change in the business model as a result of external or internal changes which are significant to the company's operations. Such changes are evident to external parties. A change in the business model occurs when the company either begins or ceases to perform an activity that is significant to its operations. If the company reclassifies financial assets, it applies the reclassification prospectively from the reclassification

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date which is the first day of the immediately next reporting period following the change in business model. The company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in Statement of Profit & Loss.
FVTPL	Amortised cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognised in OCI is reclassified to Statement of Profit & Loss at the reclassification date.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.16 Cash and cash equivalents

For presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts and cash credits are shown within borrowings in current liabilities in the balance sheet.

2.17 Employee benefits

i) Defined contribution plans (Provident Fund)

In accordance with Indian Law, eligible employees receive benefits from Provident Fund, which is defined contribution plan. Both the employee and employer make monthly contributions to the plan, which is administrated by the Government authorities, each equal to the specific percentage of employee's basic salary. The company has no further obligation under the plan beyond its monthly contributions. Obligation for contributions to the plan is recognised as an employee benefit expense in the Statement of Profit and Loss when incurred.

ii) Defined benefit plans (Gratuity)

In accordance with applicable Indian Law, the company provides for gratuity, a defined benefit retirement plan (the Gratuity Plan) covering eligible employees. The Gratuity Plan provides a lump sum payment to vested employees, at retirement or termination of employment, and amount based on respective last drawn salary and the years of employment with the company. The company's net obligation in respect of the Gratuity Plan is calculated by estimating the amount of future benefits that the employees have earned in return of their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service cost and the fair value of plan assets are deducted. The discount rate is the yield at reporting date on risk free government bonds that have maturity dates approximating the terms of the company's obligation. The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the company, the recognised asset is limited to the total of any unrecognised past service cost and the present value of the economic benefits available in the form of any future refunds from the plan or reduction in future contribution to the plan. The company recognises all re-measurements of net defined benefit liability/asset directly in other comprehensive income.

iii) Compensated absences

The employees of the company are entitled to compensated absences. The employees can carry forward a portion of the unutilised accrued absence and utilise it in future periods or receive cash compensation at retirement or termination of employment for the unutilised accrued compensated absence. The company recognises an obligation for compensated absences in the period in which the employee renders the services. The company provides for the expected cost of compensated absence in the statement of profit and loss as the additional amount that the company expects to pay as a result of the unused entitlement that has accumulated based on actuarial valuations carried out by an independent actuary at the balance sheet date.

2.18 Segment reporting

As the company's business activities fall within a single primary business segment of pharmaceuticals, the disclosure requirements of Ind AS 108 in this regard are not applicable.

2.19 Leases

A lease that transfers substantially all the risks and rewards incidental to ownership to the lessee is classified as a finance lease. All other leases are classified as operating leases.

Company as a lessee

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in profit or loss as finance costs, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are generally recognised as an expense in the profit or loss on a straight-line basis over the lease term. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

Ind AS 116 Leases:

In March 2019, the Ministry of Corporate Affairs, issued the Companies (Indian Accounting Standards) Amendment Rules 2018, notifying Ind AS 116 "Leases" which replaces Ind AS 17 "Leases". The new standard shall require lessees to recognise the Leases on their Balance Sheet with limited exemptions related to low value asset and assets with a lease term of less than 12 months.

Lessees will use a single accounting model for all leases. Accordingly, the lessee is required to recognise "Right of Use" asset representing its right to use the underlying asset and a "Lease Liability" representing its obligations to make lease payments.

2.20 Government Grants

Government grants are initially recognised at fair value if there is reasonable assurance that they will be received and the company will comply with the conditions associated with the grant;

- In case of capital grants, the amount of grant received is set off against the value of the property, plant and equipment against which the grant has been given.
- In case of grants that compensate the company for expenses incurred are recognised in Statement of Profit and Loss on a systematic basis in the periods in which the expenses are recognised.

Export benefits available under prevalent schemes are accrued in the year in which the goods are exported and there is no uncertainty in receiving the same.

2.21 Global Health Pandemic on Covid-19 and subsequent lockdown

The outbreak of Covid-19 pandemic globally and in India is causing a significant downturn in economic activity. In many countries, businesses are being required to cease or limit their activities for long or indeterminate length of time. Measures taken to contain the spread of Covid-19 include restrictions on travel, quarantines, social distancing and closure of non-essential services

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have resulted in economic slowdown and stress on businesses.

The Government of Maharashtra has again declared a general lockdown from 15th April, 2021. The company being a manufacturer of pharmaceuticals, its manufacturing facilities have been exempted from lockdown by the state government. Challenges in terms of shortage of manpower, availability of raw materials and disruption in logistics and supply chain however continue. The company has considered the possible effects that may result due to the lockdown on the carrying amounts of property, plant and equipment, investments, inventories, receivables and other current assets. Based on internal and external sources of information and economic forecasts, the company expects the carrying amount of these assets will be recovered and will continue to have sufficient liquidity to fund its business operations as well as expansion plans. However a definite assessment of the impact, at this stage, is not possible in view of the highly uncertain economic environment and the situation is still evolving.

2.22 Recent accounting pronouncements

On 24th March, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from 1st April, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.
- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the company will evaluate the same to give effect to them as required by law.

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3. PROPERTY, PLANT AND EQUIPMENT

(1) Current reporting period

(All amounts are in ₹ unless stated otherwise)

Particulars	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	As on 1st April, 2020	Additions	Deductions	As at 31st March, 2021	As on 1st April, 2020	For the year	Additions/ (-)Deductions	As at 31st March, 2021	As at 31st March, 2021	As at 31st March, 2020
Leasehold land	3,12,90,596	-	-	3,12,90,596	13,38,816	3,30,660	-	16,69,476	2,96,21,120	2,99,51,780
Buildings	19,95,25,790	-	(5,32,468)	19,89,93,322	1,90,91,368	86,21,045	-	2,77,12,413	17,12,80,910	18,04,34,423
Plant and Equipment	55,14,46,975	3,89,85,161	(35,57,368)	58,68,74,768	16,67,77,107	6,09,15,506	(26,85,314)	22,50,07,298	36,18,67,470	38,46,69,869
Furniture and Fixtures	42,01,668	47,000	-	42,48,668	19,21,845	4,97,199	-	24,19,044	18,29,624	22,79,823
Vehicles	1,44,50,577	5,63,734	(3,28,288)	1,46,86,023	78,15,645	17,05,765	(2,98,462)	92,22,948	54,63,075	66,34,932
Office Equipments	52,08,498	2,82,975	(10,980)	54,80,493	30,42,428	7,19,131	(9,360)	37,52,199	17,28,295	21,66,070
Total	**80,61,24,105**	**3,98,78,870**	**(44,29,104)**	**84,15,73,871**	**19,99,87,209**	**7,27,89,305**	**(29,93,136)**	**26,97,83,378**	**57,17,90,493**	**60,61,36,896**
Capital work-in-progress	-	90,96,599	-	90,96,599	-	-	-	-	90,96,599	-

(2) Previous reporting period

(All amounts are in ₹ unless stated otherwise)

Particulars	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	As on 1st April, 2019	Additions	Deductions	As at 31st March, 2020	As on 1st April, 2019	For the year	Additions/ (-)Deductions	As at 31st March, 2020	As at 31st March, 2020	As at 31st March, 2019
Leasehold land	3,12,90,596	-	-	3,12,90,596	10,08,156	3,30,660	-	13,38,816	2,99,51,780	3,02,82,440
Buildings	19,17,41,275	77,84,515	-	19,95,25,790	1,16,09,045	74,82,323	-	1,90,91,368	18,04,34,423	18,01,32,230
Plant and Equipment	49,07,61,206	6,17,88,966	(11,03,197)	55,14,46,975	10,61,67,997	6,12,31,337	(6,22,227)	16,67,77,107	38,46,69,869	38,45,93,209
Furniture and Fixtures	39,26,126	2,75,542	-	42,01,668	14,16,006	5,05,839	-	19,21,845	22,79,823	25,10,120
Vehicles	1,44,50,577	-	-	1,44,50,577	59,41,156	18,74,489	-	78,15,645	66,34,932	85,09,421
Office Equipments	43,31,507	9,36,385	(59,394)	52,08,498	21,70,242	9,26,814	(54,628)	30,42,428	21,66,070	21,61,265
Total	**73,65,01,287**	**7,07,85,409**	**(11,62,591)**	**80,61,24,105**	**12,83,12,602**	**7,23,51,462**	**(6,76,855)**	**19,99,87,209**	**60,61,36,896**	**60,81,88,685**
Capital work-in-progress	-	-	-	-	-	-	-	-	-	-

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

Depreciation is provided based on useful life supported by the technical evaluation considering business specific usage, the consumption pattern of the assets and the past performance of similar assets.

Asset Class	Estimated useful life (number of years)	Estimated life as per Companies Act
Plant and Machinery	9.67	9.67
Computers - Servers	6.00	6.00
Computers - Others	3.00	3.00
Electrical Installations	9.67	9.67
Laboratory Equipments	9.67	9.67
Buildings	30.00	30.00
Furniture and Fixtures	10.00	10.00
Vehicles	8.00	8.00
Office Equipments	5.00	5.00

4. INTANGIBLE ASSETS

(1) Current reporting period

(All amounts are in ₹ unless stated otherwise)

Particulars	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	As on 1st April, 2020	Additions	Deductions	As at 31st March, 2021	As on 1st April, 2020	For the year	Additions/ (-)Deductions	As at 31st March, 2021	As at 31st March, 2021	As at 31st March, 2020
Computer Software	63,70,371	22,57,000	-	86,27,371	39,80,428	11,50,764	-	51,31,192	34,96,179	23,89,943
Goodwill	-	-	-	-	-	-	-	-	-	-
Total	**63,70,371**	**22,57,000**	**-**	**86,27,371**	**39,80,428**	**11,50,764**	**-**	**51,31,192**	**34,96,179**	**23,89,943**

(2) Previous reporting period

(All amounts are in ₹ unless stated otherwise)

Particulars	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	As on 1st April, 2019	Additions	Deductions	As at 31st March, 2020	As on 1st April, 2019	For the year	Additions/ (-)Deductions	As at 31st March, 2020	As at 31st March, 2020	As at 31st March, 2019
Computer Software	42,13,470	21,56,901	-	63,70,371	29,99,141	9,81,287	-	39,80,428	23,89,943	12,14,329
Goodwill	-	-	-	-	-	-	-	-	-	-
Total	**42,13,470**	**21,56,901**	**-**	**63,70,371**	**29,99,141**	**9,81,287**	**-**	**39,80,428**	**23,89,943**	**12,14,329**

Note: Depreciation is provided based on useful life supported by technical evaluation considering business specific usage, the consumption pattern of the assets and the past performance of similar assets.

Asset Class	Estimated useful life (number of years)
Computer Software	3.00

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

5. NON CURRENT FINANCIAL ASSETS - INVESTMENTS

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Investment in fully paid equity shares of Macrotech Polychem Private Limited- wholly owned subsidiary (unquoted)	3,72,50,577	3,72,50,577
Total	**3,72,50,577**	**3,72,50,577**

Note: Investment is carried at cost under Ind AS 27.

6. NON CURRENT FINANCIAL ASSETS - LOANS

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Loan to Macrotech Polychem Private Limited- wholly owned subsidiary	15,37,22,412	3,53,11,517
Total	**15,37,22,412**	**3,53,11,517**

7. OTHER NON CURRENT FINANCIAL ASSETS

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Others		
Earnest money deposit	4,20,00,000	4,20,00,000
Advance income tax	37,82,046	37,82,046
Total	**4,57,82,046**	**4,57,82,046**

8. OTHER NON CURRENT ASSETS

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Capital advances	59,38,274	23,65,202
Prepaid lease rent	-	96,300
Deferred processing fees	3,548	26,607
Total	**59,41,822**	**24,88,109**

9. INVENTORIES

(At cost or realisable value whichever is lower)

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Raw materials	20,44,33,071	8,66,88,171
Work-in-progress	10,83,17,418	13,03,03,323
Finished goods	6,29,31,007	5,95,57,622
Fuel & Oil	7,51,871	5,01,310
Consumables	13,93,003	10,44,557
Packing Materials	6,78,952	8,73,710
Total	**37,85,05,322**	**27,89,68,693**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

10. CURRENT INVESTMENTS

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	No. of units	Amount	No. of units	Amount
Investments in Equity Instruments				
Quoted				
Tata Consultancy Services Limited	1,168	37,11,437	1,168	21,29,322
Investment in mutual funds				
Quoted				
ABSL Equity Fund	7,368	74,41,754	7,368	42,39,936
ABSL Income Fund	2,10,232	2,17,23,184	2,10,232	1,99,62,705
ABSL Midcap Fund	19,962	75,54,247	19,962	41,30,352
ABSL Short Term Fund	19,57,166	7,52,61,852	-	-
ABSL Small Cap Fund	88,819	41,06,884	88,819	19,33,324
Aditya Birla Sun Life Equity fund	-	-	4,971	26,75,823
Aditya Birla Sun Life Frontline Equity Fund	-	-	6,489	10,71,033
ABSL Arbitrage Fund	13,84,467	3,01,55,499	-	-
AXIS Banking & PSU Debt Fund	1,630	33,56,495	1,630	31,15,219
AXIS Bluechip Fund	3,99,451	1,54,62,761	1,95,054	50,71,394
Axis Midcap Fund	1,04,235	56,93,334	1,04,235	33,93,902
AXIS Small Cap Fund	1,32,275	57,93,651	1,32,275	32,02,381
BNP Paribas Large CAP Fund	42,882	50,48,027	42,882	32,47,856
DSP Equity Fund	-	-	98,888	32,06,527
Franklin India Banking & PSU Debt Fund	2,16,900	37,94,694	-	-
Franklin India Focused Equity Fund	-	-	1,07,799	31,50,953
HDFC Banking And PSU Debt Fund	1,79,631	32,04,174	-	-
HDFC Equity Fund	-	-	2,300	10,52,992
HDFC Index Fund - NIFTY	1,02,951	1,38,57,059	57,977	45,49,255
HDFC MID-CAP Opportunities Fund	1,26,651	92,97,210	37,391	14,58,969
HDFC Top 100 Fund	-	-	49,597	14,43,681
ICICI Prudential Floating Interest Fund	49,660	1,61,05,756	49,660	1,49,06,852
ICICI Prudential Medium Term Bond Fund	92,368	31,34,763	-	-
ICICI Prudential Multi Asset Fund	-	-	5,381	11,35,494
ICICI Prudential Smallcap Fund	1,64,406	59,95,890	1,64,406	29,36,293
IDFC Bond Fund	2,09,950	76,73,258	-	-
IDFC Infrastructure Fund	-	-	1,45,459	13,35,312
IDFC Multi Cap Fund	-	-	15,634	11,23,588
Kotak Equity Opportunities Fund	50,369	82,28,096	12,684	12,08,556
Kotak Standard Multicap Fund	1,93,274	86,89,787	1,93,274	52,20,328
L&T Emerging Business Fund	89,272	26,99,154	89,272	13,48,907
L&T India Value Fund	-	-	40,652	10,06,454
Mirae Asset Hybrid-Equity Fund	4,43,006	83,29,849	1,38,331	17,09,776
Nippon India Nivesh Lakshya Fund	5,61,279	77,32,575	-	-
Motilal Oswal Most Focused Multicap Fund	-	-	55,614	10,83,725
SBI Banking & PSU Fund	874	21,42,623	-	-
SBI Bluechip Fund	36,973	19,14,875	36,973	10,99,997
SBI Magnum Multicap Fund	-	-	45,521	16,86,007
Sundaram Rural India Fund	52,422	25,91,652	52,422	16,69,157
Total		**29,07,00,542**		**10,65,06,070**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

Details of quoted investments

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Book Value	25,03,61,184	11,80,50,994
Market Value	29,07,00,542	10,65,06,070

11. TRADE RECEIVABLES

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Unsecured considered good	37,56,25,176	26,27,21,042
Unsecured considered doubtful	-	4,42,500
	37,56,25,176	**26,31,63,542**
Less: Allowance for doubtful debts	(51,268)	(12,36,899)
Total Receivables	**37,55,73,908**	**26,19,26,643**
Current	37,55,73,908	26,19,26,643
Non-current	-	-

12. CASH AND CASH EQUIVALENTS

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Cash and cash equivalents		
- Cash on hand	16,85,506	5,33,436
- Balances with banks	1,86,34,499	27,30,606
Total	**2,03,20,005**	**32,64,042**

13. BANK BALANCES OTHER THAN ABOVE

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Fixed deposits with bank	2,66,50,175	2,74,84,767
Total	**2,66,50,175**	**2,74,84,767**

(i) Deposits of ₹ 2,56,89,137 (previous year ₹ 1,00,00,000) with maturity of more than 12 months.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

14. OTHER CURRENT FINANCIAL ASSETS

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Unsecured, considered good		
Advance to vendors	70,36,817	2,44,40,479
Security deposits	2,11,95,474	1,51,93,194
Interest accrued on FDR	19,10,916	17,14,002
Advances to employees	7,73,330	14,70,630
Others	-	68,70,441
Total	**3,09,16,537**	**4,96,88,746**

15. OTHER CURRENT ASSETS

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Prepaid expenses	1,06,16,412	99,95,253
Balance with government authorities	10,09,56,750	4,31,19,816
Unrealised Gains on Forex Derivatives	4,34,790	-
Others	-	4,55,00,000
Total	**11,20,07,952**	**9,86,15,069**

16. SHARE CAPITAL

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Number	Amount	Number	Amount
Authorised share capital				
At the beginning of the year	1,00,00,000	5,00,00,000	1,00,00,000	5,00,00,000
Increase/ (decrease) during the year	-	-	-	-
At the end of the year	1,00,00,000	5,00,00,000	1,00,00,000	5,00,00,000
Issued share capital				
At the beginning of the year	61,78,024	3,08,90,120	61,78,024	3,08,90,120
Increase/ (decrease) during the year	-	-	-	-
At the end of the year	61,78,024	3,08,90,120	61,78,024	3,08,90,120

a) The company has one class of equity shares having a par value of ₹ 5 each. Each shareholder is eligible for one vote per share held. Dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

b) Details of Share holder holding more than 5% shares in the company :

Name of the shareholder	As at 31st March, 2021		As at 31st March, 2020	
	Number	**% Holding**	**Number**	**% Holding**
Equity shares				
Rahul J Nachane	10,83,450	17.54%	10,83,450	17.54%
Rajesh N Lawande	13,52,366	21.89%	11,43,811	18.51%
Sunita Sandip Potdar	8,92,957	14.45%	8,92,957	14.45%
Ajita Rahul Nachane	7,13,449	11.55%	7,13,449	11.55%
PCI Fermone Chemicals (I) Private Limited	5,17,871	8.38%	5,17,871	8.38%

c) Reconciliation of the number of equity shares and share capital:

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Number	**Amount**	**Number**	**Amount**
Outstanding at the beginning of the year	61,78,024	3,08,90,120	61,78,024	3,08,90,120
Issued during the year	-	-	-	-
Outstanding at the end of the year	**61,78,024**	**3,08,90,120**	**61,78,024**	**3,08,90,120**

17. RESERVES AND SURPLUS

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Capital reserve		
Balance at the beginning of the year	1,50,00,000	1,50,00,000
Add: Additions during the year	-	-
Balance at the end of the year	**1,50,00,000**	**1,50,00,000**
Securities premium		
Balance at the beginning of the year	11,73,981	11,73,981
Add: Additions during the year	-	-
Balance at the end of the year	**11,73,981**	**11,73,981**
General reserve		
Balance at the beginning of the year	59,28,682	19,23,714
Add: Additions during the year	-	40,04,968
Balance at the end of the year	**59,28,682**	**59,28,682**
Amalgamation Reserve Account		
Balance at the beginning of the year	-	40,04,968
Less: Transferred to General Reserve	-	(40,04,968)
Balance at the end of the year	**-**	**-**
Retained earnings		

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Opening Balance	95,90,56,657	86,82,37,625
Add: Profit for the year	55,32,88,515	10,38,52,920
Less: Appropriations	-	-
Dividend on Equity Shares (₹ 1.75/- Per Share)	(1,08,11,542)	(1,08,11,542)
Tax on Dividend	-	(22,22,345)
Closing Balance	**1,50,15,33,630**	**95,90,56,657**
Total	**1,52,36,36,293**	**98,11,59,320**

Notes:

i) Capital Reserve: It represents the gains of capital nature which mainly includes the excess of value of net assets acquired over consideration paid by the company for business amalgamation transaction in earlier years.

ii) Share Premium: This is the difference between the face value of the equity shares and the consideration received in respect of shares issued.

iii) General Reserve: The company created a general reserve in earlier years pursuant to the provisions of the Companies Act wherein certain percentage of profits were required to be transferred to general reserve before declaring dividends. As per Companies Act, 2013, the requirement to transfer profits to general reserve is not mandatory. General Reserve is a free reserve available to the company.

iv) Amalgamation Reserve: Reserve was created when certain statutory reserves needed to be maintained by the transferee company during the scheme of amalgamation, which were previously maintained in the books of transferor company. During the previous year this reserve has been transfered to general reserve.

18. NON CURRENT BORROWINGS

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Secured		
Term loans from banks:		
Term Loans from HDFC Bank	6,13,13,165	8,32,47,725
Total	**6,13,13,165**	**8,32,47,725**

Terms and conditions of loans:

Interest on term loan from HDFC Bank is @9.05% p.a. (Previous Year: @ 9.60% p.a.) and repayment to be made in 60 monthly instalments, secured by exclusive mortgage & charge on all of the companys assets including moveable & immovable property, hypothecation of inventories and book debts and personally guaranteed by Mr Rahul Nachane, Managing Director and Mr Rajesh Lawande, Executive Director.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

19. PROVISIONS

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Non-current		
Leave Encashment	1,65,47,686	1,51,21,958
Gratuity	77,76,575	58,49,764
	2,43,24,261	**2,09,71,722**
Current		
Leave Encashment	21,55,391	17,02,901
Gratuity	26,96,296	22,99,078
Others	14,17,441	86,27,507
	62,69,128	**1,26,29,486**
Total	**3,05,93,389**	**3,36,01,208**

20. DEFERRED TAX LIABILITIES (NET)

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Opening balance as at April 1	96,64,013	2,23,44,379
Tax (Income)/Expense during the period recognised in:		
(i) Statement of Profit and Loss in Profit or Loss section	1,45,79,767	(1,19,45,987)
(ii) Statement of Profit and Loss under OCI Section	(4,73,457)	(7,34,379)
(iii) Retained earnings	-	-
Closing balance	**2,37,70,323**	**96,64,013**

21. OTHER NON CURRENT LIABILITIES

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Lease equalisation reserve	19,51,491	20,09,730
Total	**19,51,491**	**20,09,730**

22. CURRENT BORROWINGS

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Secured		
From banks for working capital	4,83,16,567	14,60,07,799
Total	**4,83,16,567**	**14,60,07,799**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

(a) Working capital loans are personally guaranteed by Mr Rahul Nachane, Managing Director and Mr Rajesh Lawande, Executive Director.

(b) Working capital loans comprise of loans repayable on demand in the form of cash credit, pre shipment finance and post shipment finance. These are secured by hypothecation of inventories, trade receivables and book debts. Interest payable on these loans is MCLR + 0.75% p.a. (Previous Year: MCLR + 0.9% p.a.).

23. TRADE PAYABLES

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Current		
Trade payables:		
Acceptances	4,82,93,501	1,42,51,183
Other than Acceptances	22,15,06,756	19,15,42,186
Total	**26,98,00,257**	**20,57,93,369**

Notes:

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Of the above,		
payables to Micro and Small Enterprises	5,30,76,344	4,64,93,776

This information as required to be disclosed under the Micro, Small & Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the company.This information has been relied upon by the auditors.

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Principal amount due and remaining unpaid	5,30,76,344	4,64,93,776
Interest due on the above and unpaid interest	-	-
Interest paid	-	-
Payment made beyond the appointed date during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding year	-	-

24. OTHER FINANCIAL LIABILITIES

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Current		
Current Maturities of Long Term Debt	5,48,54,026	5,30,57,461
Payables for Capital Purchases	63,45,447	1,03,63,404
Total	**6,11,99,473**	**6,34,20,865**

Note: Current Maturities of Long Term debt comprise of secured borrowing listed in Note 18.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

25. CURRENT TAX LIABILITIES

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Provision for taxation (net of taxes paid)	1,02,62,113	-
Total	**1,02,62,113**	**-**

26. OTHER CURRENT LIABILITIES

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Interest payable	21,379	18,969
Total	**21,379**	**18,969**

27. REVENUE FROM OPERATIONS

(All amounts are in ₹ unless stated otherwise)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Sale of products	2,55,20,76,262	1,49,44,90,606
Other operating revenue	2,97,39,055	2,73,18,532
Total revenue from operations	**2,58,18,15,317**	**1,52,18,09,138**

Note: Other operating revenues comprises of duty drawback and other export incentives.

28. OTHER INCOME

(All amounts are in ₹ unless stated otherwise)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Interest income	73,12,981	50,84,406
Dividend income		
- from current investments	47,888	3,04,433
Other non-operating income (net of expenses directly attributable to such income)	1,24,86,701	8,46,158
Net gain on sale or fair valuation of investments	5,10,45,623	-
Gain on exchange fluctuations	1,45,76,642	2,71,19,709
Total	**8,54,69,835**	**3,33,54,706**

29. COST OF MATERIALS CONSUMED

(All amounts are in ₹ unless stated otherwise)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Raw materials at the beginning of the year	8,66,88,171	4,74,43,143
Add: Purchases	1,12,41,40,551	74,11,86,700
Less: Raw material at the end of the year	(20,44,33,071)	(8,66,88,171)
Total cost of raw materials consumed	**1,00,63,95,651**	**70,19,41,672**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

30. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

(All amounts are in ₹ unless stated otherwise)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Inventories at the end of the year:		
Finished goods	6,29,31,007	5,95,57,622
Work-in-progress	10,83,17,418	13,03,03,323
	17,12,48,425	**18,98,60,945**
Inventories at the beginning of the year:		
Finished goods	5,95,57,622	3,03,88,328
Work-in-progress	13,03,03,323	10,56,21,045
	18,98,60,945	**13,60,09,373**
Total changes in inventories of finished goods and work-in-progress	**1,86,12,520**	**(5,38,51,572)**

31. EMPLOYEE BENEFITS EXPENSE

(All amounts are in ₹ unless stated otherwise)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Salaries and wages	25,81,89,136	22,41,28,738
Contribution to provident fund and other funds	94,09,340	90,30,172
Staff welfare expenses	47,51,064	49,39,201
Total	**27,23,49,540**	**23,80,98,111**

Disclosure pursuant to Ind AS 19 - "Employee Benefits"

(i) Defined contribution plans: Note 2.17

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Contribution to provident fund	61,75,153	62,35,909

(ii) Defined benefit plans: Note 2.17

Gratuity Plan

(a) Funded status of the plan

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021	As at 31st March, 2020
A) Present value of defined benefit obligation		
- Wholly funded	2,45,42,197	2,01,70,363
- Wholly unfunded	-	-
	2,45,42,197	**2,01,70,363**
Less: Fair value of plan assets	(1,40,69,326)	(1,20,21,521)
Amount to be recognised as liability or (asset)	**1,04,72,871**	**81,48,842**
B) Amounts reflected in Balance Sheet		
Liabilities	1,04,72,871	81,48,842
Assets	-	-
Net liability/(asset)	**1,04,72,871**	**81,48,842**
Net liability/(asset) - current	26,96,296	22,99,078
Net liability/(asset) - non current	77,76,575	58,49,764

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

(b) The amount recognised in the Statement of Profit and Loss are as follows

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021	As at 31st March, 2020
1. Current service cost	22,99,078	17,44,820
2. Past service cost and loss/(gain) on curtailments and settlements	-	-
3. Interest cost	4,58,454	3,26,754
Total charge to Profit & Loss	**27,57,532**	**20,71,574**

(c) The amount recognised in Other Comprehensive Income

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Components of actuarial gain/(losses) on obligations		
Due to change in financial assumptions	4,24,657	16,54,835
Due to change in demographic assumptions	-	(7,739)
Due to experience adjustments	12,14,604	13,25,782
Return on plan assets excluding amount included in interest income	2,41,926	(54,971)
Amount recognised in Other Comprehensive Income	18,81,187	29,17,907

(d) Reconciliation of defined benefit obligation

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Opening defined benefit obligation	2,01,70,363	1,45,36,666
Transfer in/(out) obligation	-	-
Current service cost	22,99,078	17,44,820
Interest cost	12,70,460	10,54,714
Actuarial loss/(gain) due to change in financial assumptions	4,24,657	16,54,835
Actuarial loss/(gain) due to change in demographic assumptions	-	(7,739)
Actuarial loss/(gain) due to experience adjustments	12,14,604	13,25,782
Past service cost	-	-
Loss/(gain) on curtaiments	-	-
Liabilities extinguished on settlements	-	-
Liabilities assumed in an amalgamation in the nature of purchase	-	-
Exchange differences on foreign plans	-	-
Benefits paid	(8,36,965)	(1,38,715)
Closing defined benefit obligation	**2,45,42,197**	**2,01,70,363**

(e) Reconciliation of plan assets

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Opening value of plan assets	1,20,21,521	93,64,860
Transfer in/(out) of plan assets	-	-
Interest income	8,12,006	7,27,960
Return on plan assets excluding amount included in interest income	(2,41,926)	54,971
Assets distributed on settlements	-	-
Contributions by employer	23,14,690	20,12,445
Assets acquired in an amalgamation in the nature of purchase	-	-
Exchange differences on foreign plans	-	-
Benefits paid	(8,36,965)	(1,38,715)
Adjustment to the opening fund	-	-
Closing balance of plan assets	**1,40,69,326**	**1,20,21,521**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

(f) Reconciliation of net defined benefit liability

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Net opening provision in books of account	81,48,842	51,71,806
Transfer in/(out) obligation	-	-
Transfer in/(out) plan assets	-	-
Employee benefit expense (from (b) above)	27,57,532	20,71,574
Amounts recognised in other comprehensive income (from (c) above)	18,81,187	29,17,907
	1,27,87,561	**1,01,61,287**
Contribution to plan assets	(23,14,690)	(20,12,445)
Closing provision in books of accounts	**1,04,72,871**	**81,48,842**

(g) Composition of plan assets

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Policy of insurance	100%	100%

(h) Principal actuarial assumptions

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Discount rate	6.35%	6.55%
Salary growth rate	6.00%	6.00%
Withdrawal rates	10% at younger ages reducing to 2% at older ages	10% at younger ages reducing to 2% at older ages
Rate of return on plan assets	6.35% p.a.	6.55% p.a.

(i) Expected cash flows based on past service liability

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Rupees	%	Rupees	%
Year 1 Cash Flow	33,40,814	7.00%	15,48,054	3.90%
Year 2 Cash Flow	23,02,786	4.80%	27,58,141	7.00%
Year 3 Cash Flow	18,89,144	3.90%	22,31,957	5.70%
Year 4 Cash Flow	12,95,323	2.70%	15,29,755	3.90%
Year 5 Cash Flow	16,01,935	3.30%	10,08,034	2.60%
Year 6 to Year 10 Cash Flow	75,65,798	15.80%	61,55,027	15.70%

(j) Sensitivity analysis of key assumptions

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	DBO	Change in DBO %	DBO	Change in DBO %
Discount rate varied by 0.5%				
+ 0.5%	2,35,04,084	(4.23%)	1,93,50,240	(4.07%)
- 0.5%	2,56,62,381	4.56%	2,10,54,895	4.39%

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	DBO	Change in DBO %	DBO	Change in DBO %
Salary growth rate varied by 0.5%				
+ 0.5%	2,55,13,180	3.96%	2,09,83,886	4.03%
- 0.5%	2,36,69,537	(3.56%)	1,94,01,537	(3.81%)
Withdrawal rate (WR) varied by 10%				
WR x 110%	2,45,78,989	0.15%	2,01,97,724	0.14%
WR x 90%	2,45,04,017	(0.16%)	2,01,39,479	(0.15%)

(iii) Employee benefits (leave encashment)

The company has provided for accumulated compensation absences (leave encashment) as per Ind AS 19 "Employee Benefits". The provision is made on the basis of actuarial evaluation carried out. The current years provision is charged under Salaries and Wages as given below. This liability is not funded.

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Salaries - leave encashment	61,47,648	55,98,115

32. OTHER EXPENSES

(All amounts are in ₹ unless stated otherwise)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Power and Fuel	9,27,17,233	9,75,43,161
Consumable Stores	1,86,58,685	1,28,44,692
Packing Materials	2,13,28,759	1,26,87,648
Processing Charges	9,46,91,213	2,97,71,577
Factory Expenses	2,12,88,385	2,05,17,462
Water Charges	24,17,542	27,98,537
Repairs to		
Plant & Machinery	5,68,14,511	6,06,56,393
Factory Buildings	39,55,943	1,44,82,353
Other Assets	27,268	10,34,643
Insurance	1,19,91,722	1,00,60,709
Laboratory Expenses	1,39,15,931	1,55,09,576
Payment to Auditors (See note below)	16,76,859	12,76,157
Postage & Telephone Expenses	21,28,711	24,51,391
Legal and Professional Fees	1,59,25,362	1,97,36,700
Bank Charges and Commission	36,35,466	37,04,236
Rent, Rates and Taxes	1,36,74,903	1,17,18,308
Printing & Stationery	30,02,208	32,71,851
Vehicle Expenses	20,49,476	17,91,487
Advertisement & Business Promotion	93,54,962	92,85,210
Commission on Sales	81,95,543	77,61,933
Travelling Expenses	16,98,440	1,20,86,665
Freight, Coolie & Cartage	5,31,69,181	2,73,76,049
Insurance Claim w/off	4,55,00,000	-
Loss on Investments - Mark to Market	-	2,24,35,215
Miscellaneous Expenses	1,97,96,721	2,94,60,521
Total	**51,76,15,024**	**43,02,62,474**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

(a) Details about payment to auditors

(All amounts are in ₹ unless stated otherwise)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
(i) Payment to statutory auditors (net of GST input)		
As auditors - statutory audit & tax audit	9,25,000	8,10,000
As auditors - other services	2,25,000	90,000
sub total (i)	**11,50,000**	**9,00,000**
(ii) Payment to internal auditors and cost auditors (net of GST input)		
Internal Audit Fees	3,76,859	3,76,157
Cost Audit Fees	1,50,000	-
sub total (ii)	**5,26,859**	**3,76,157**
Total (i + ii)	**16,76,859**	**12,76,157**

33. FINANCE COSTS

(All amounts are in ₹ unless stated otherwise)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Interest expense on:		
-Long term borrowings	1,24,40,855	1,50,08,940
-Short term borrowings	59,60,212	75,16,627
Total	**1,84,01,067**	**2,25,25,567**

34. CONTINGENT LIABILITY

(All amounts are in ₹ unless stated otherwise)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
(i) Provident Fund claim disputed		
Demand raised on the company by the provident fund department for amount payable by contractor.	17,75,767	17,75,767

35. COMMITMENTS

(All amounts are in ₹ unless stated otherwise)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
(i) Estimated amount of contracts remaining to be executed on capital account and not provided		
Tangible assets	2,81,03,821	92,47,420
(ii) Other commitments (specify nature)		
Guarantees issued by banks on behalf of the company	8,40,101	5,00,000
Letters of credit established for which goods are yet to be received	1,51,14,983	54,79,972

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

36. RELATED PARTIES DISCLOSURES

Disclosures as required by IND AS 24 - "Related Party Disclosures" are given below

(a) Related Parties with whom transactions have taken place during the year

(i) Associates Companies / Firms in which Directors or their relatives are interested

Nupur Remedies Private Limited

(ii) Key management personnel and their relatives with whom the company has transacted

Name	Designation	Relatives
Rahul Nachane	Managing Director	Ajita Nachane
Rajesh Lawande	Executive Director	Ajita Nachane
Ajita Nachane	Non Independent Director	Rahul Nachane
Milind Shinde	Independent Director	--
Jayaram Sitaram	Independent Director	--
Kumarapuram V Subramanian	Independent Director	--

(iii) Subsidiaries of the company

Name	% of Holding
Macrotech Polychem Private Limited	100%

(b) Nature of transactions

(All amounts are in ₹ unless stated otherwise)

Particulars	For the year ended 31st March, 2021 Amount (₹)	For the year ended 31st March, 2020 Amount (₹)
(i) Expenses		
Rent		
Nupur Remedies Private Limited	44,64,900	40,59,000
Rahul Nachane	32,05,140	31,49,235
Rajesh Lawande	32,05,140	31,49,235
Managerial Remuneration		
Rahul Nachane	85,65,600	85,65,600
Rajesh Lawande	84,21,600	84,21,600
Commission on profits		
Rahul Nachane	1,85,11,000	37,76,200
Rajesh Lawande	1,85,11,000	37,76,200
Legal & Professional Fees		
Nupur Remedies Private Limited	66,00,000	66,00,000
Director's Sitting Fees		
Ajita Nachane	3,00,000	2,25,000
Milind Shinde	3,40,000	2,45,000
Jayaram Sitaram	3,30,000	2,40,000
Leave Encashment		
Rahul Nachane	28,83,600	-
Processing Charges		
Macrotech Polychem Private Limited	5,48,82,970	85,56,498
Purchase of Raw Material		
Macrotech Polychem Private Limited	23,50,429	13,11,547

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

(All amounts are in ₹ unless stated otherwise)

Particulars	For the year ended 31st March, 2021 Amount (₹)	For the year ended 31st March, 2020 Amount (₹)
(ii) Income		
Interest on Loan given		
Macrotech Polychem Private Limited	53,63,132	28,46,771
Sales		
Macrotech Polychem Private Limited	20,67,510	49,45,200
(iii) Deposits		
Nupur Remedies Private Limited	3,50,000	3,50,000
Rahul Nachane - Office Deposit	20,00,000	20,00,000
Rajesh Lawande - Office Deposit	20,00,000	20,00,000
(iv) Outstanding balances		
Nupur Remedies Private Limited (Trade Payable)	10,48,976	9,86,040
Macrotech Polychem Private Limited- Advance to Suppliers	44,05,920	2,13,35,200
Macrotech Polychem Private Limited- Loan given	15,37,22,412	3,53,11,517

Note: In the case of present key managerial personnel, remuneration does not include gratuity benefits which are determined for the company as a whole.

37. FAIR VALUES

Fair value measurement includes both the significant financial instruments stated at amortised cost and at fair value in the statement of financial position. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The carrying values of the long-term financial instruments approximates the fair values as the management has considered the fair value measurement techniques using the observable data i.e. the discounting rate which was similar as to rates, tenure and the credit rating of the other instruments of the company. The management has also considered the effect of time value of money with respect to other long term financial instruments at applicables rates.

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company's activities expose it to a variety of financial risks: market risk,credit risk and liquidity risk. The company's risk management assessment and policies and processes are established to identify and analyze the risks faced by the company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same.

The company has constituted a Risk Management Committee consisting of its directors. The company has a robust risk management policy to identify, evaluate business risks and opportunities. This policy seeks to create transparency, minimise adverse impact on the business objectives and enhance the company's competitive advantage.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

Carrying amount of financial assets and liabilities:

The following table summaries the carrying amount of financial assets and liabilities recorded at the end of the year by categories:

(All amounts are in ₹ unless stated otherwise)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Financial assets		
Investments	29,07,00,542	10,65,06,070
Cash and cash equivalents	2,03,20,005	32,64,042
Bank balances other than above	2,66,50,175	2,74,84,767
Trade receivables	37,55,73,908	26,19,26,643
Other financial assets	3,09,16,537	4,96,88,746
At end of the year	**74,41,61,167**	**44,88,70,269**
Financial liabilities		
Borrowings	4,83,16,567	14,60,07,799
Trade payables	26,98,00,257	20,57,93,369
Other current financial liabilities	6,11,99,473	6,34,20,865
At end of the year	**37,93,16,297**	**41,52,22,033**

39. CREDIT RISK

Credit risk arises from the possibility that customers may not be able to settle their obligations as agreed and arises principally from the company's receivables from customers, loans and investments.Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworhtiness of counterparty to which the company grants credit terms in the normal course of business.

Investments

The company limits its exposure to credit risk by investing in liquid securitites which primarily include mutual fund units. The company mitigates risk from non-performance of these securities by ensuring that it does not have any significant concentration of exposures to specific industry sectors or specific country risks.

Trade receivables

Trade receivables are typically unsecured and derived from revenue earned from customers. On account of adoption of Ind AS 109, the company uses expected credit loss model to assess the impairment loss or gain, however this is modified if in the past experience of the company, there is likely mitigation of the credit risk.

Ageing of trade receivable

(All amounts are in ₹ unless stated otherwise)

Particulars	Days			
	0-180	180-365	Above 365	Total
As on 31st March, 2021	37,55,73,908	-	-	37,55,73,908
As on 31st March, 2020	25,96,63,028	12,18,157	10,45,458	26,19,26,643

40. MARKET RISK

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk, such as equity price risk and commodity risk. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Financial instruments affected by market risk include loans and borrowings, deposits and investments.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

41. FOREIGN CURRENCY RISK

Foreign exchange risk arises on future commercial transactions and on all recognised monetary assets and liabilities, which are denominated in a currency other than the functional currency of the company. The company's management has set policy wherein exposure is identified, benchmark is set and monitored closely, and accordingly suitable hedges are undertaken. The company's foreign currency exposure arises mainly from foreign exchange imports and exports, primarily with respect to USD, JPY and EUR.

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Currency	₹	Currency	₹
Payables				
Advances from customers	USD 77,400	56,05,445	USD 3,15,815	2,38,72,426
Trade Payables	USD 5,06,748	3,74,34,548	USD 1,32,498	1,00,16,849
Trade Payables	JPY 1,92,24,000	1,36,00,980	JPY 52,56,000	36,61,461
Trade Payables	EUR 80	21,169	EUR 0	-
Receivables				
Trade Receivables	USD 35,76,414	25,95,28,959	USD 21,13,425	15,97,53,758

Following table analyses the company's Sensitivity to a 5% increase and a 5% decrease in the exchange rates of Foreign Currencies against ₹.

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Currency	₹	Currency	₹
Net foreign currency assets USD	USD 29,92,266	21,64,88,966	USD 16,65,112	12,58,64,483
Impact on profit or loss: Income/(Expense)				
USD - Increase by 5%		1,08,24,448		62,93,224
USD - Decrease by 5%		(1,08,24,448)		(62,93,224)
Net foreign currency liabilities JPY	JPY 1,92,24,000	1,36,00,980	JPY 52,56,000	36,61,461
Impact on profit or loss: Income/(Expense)				
JPY - Increase by 5%		(6,80,049)		(1,83,073)
JPY - Decrease by 5%		6,80,049		1,83,073
Net foreign currency liabilities EUR	EUR 80	21,169	EUR 0	-
Impact on profit or loss: Income/(Expense)				
EUR - Increase by 5%		(1,058)		-
EUR - Decrease by 5%		1,058		-
Net Impact - increase by 5%		(1,01,43,341)		61,10,151
Net Impact - decrease by 5%		(1,01,43,341)		(61,10,151)

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

42. INTEREST RATE RISK

Company's interest rate risk arises from borrowings. The long term borrowings are at fixed interest rate while the short term borrowing are at floating interest rate. The interest rate profile of the company's interest-bearing financial instruments is as follows:

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Fixed rate instruments		
Financial Assets	2,66,50,175	2,74,84,767
Financial liabilities	11,61,67,191	13,63,05,186
Variable rate instruments		
Financial Assets	29,07,00,542	10,65,06,070
Financial liabilities	4,83,16,567	14,60,07,799

Interest rate sensitivity

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market rates. The company's exposure to the risk of changes in market rates relates primarily to the company's debt obligations with floating interest rates.

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Long term variable interest rate borrowings	-	-
Short term variable interest rate borrowings	4,83,16,567	14,60,07,799
	4,83,16,567	**14,60,07,799**

Cash flow sensitivity analysis for variable-rate instruments:

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss before tax by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant:

(All amounts are in ₹ unless stated otherwise)

Year ended	Increase/ (decrease) in basis points	Effect on profit before tax increase/ (decrease)
31st March, 2021	100	(4,83,166)
	(100)	4,83,166
31st March, 2020	100	(14,60,078)
	(100)	14,60,078

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

43. LIQUIDITY RISK

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they become due. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The company manages the liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The company invests its surplus funds in bank fixed deposits and liquid schemes of mutual funds which carry limited mark to market risks. The company also invests in equity schemes of mutual funds which carry liquidity and rate return risks.

(All amounts are in ₹ unless stated otherwise)

Particulars	On demand	Upto 1 year	1 to 5 years	More than 5 years	Total
	₹	₹	₹	₹	₹
Year ended 31st March, 2021					
Trade payables	-	26,98,00,257	-	-	26,98,00,257
Other financial liabilities	-	6,11,99,473	-	-	6,11,99,473
	-	**33,09,99,730**	**-**	**-**	**33,09,99,730**
Year ended 31st March, 2020					
Trade payables	-	20,57,93,369	-	-	20,57,93,369
Other financial liabilities	-	6,34,20,865	-	-	6,34,20,865
	-	**26,92,14,234**	**-**	**-**	**26,92,14,234**

At present, the company expects to repay all liabilities at their contractual maturity. In order to meet such cash commitments, the operating activity is expected to generate sufficient cash inflows.

44. CAPITAL MANAGEMENT

For the purpose of the company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the company. The primary objective of the company's capital management is to maximise the value of shareholder.

The company monitors capital using Capital Gearing Ratio, which is net debt divided by total capital plus net debt. Net debt includes loans and borrowings, trade and other payables, less cash and cash equivalents.

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Loans and borrowings	10,96,29,732	22,92,55,524
Trade payables	26,98,00,257	20,57,93,369
Other payables	7,77,52,093	7,60,69,320
Less: Cash and cash equivalents	(4,69,70,180)	(3,07,48,809)
Net debt (A)	**41,02,11,902**	**48,03,69,404**
Equity	1,55,45,26,413	1,01,20,49,440
Capital and net debt (B)	**1,55,45,26,413**	**1,01,20,49,440**
Capital gearing ratio (A/B)	**0.26**	**0.47**

To achieve the overall objective, the company's capital management aims to ensure that it meets the financial covenants attached to loans and borrowings. Breaches in meeting the covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any loans and borrowings in the current year.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

45. INCOME TAX

The major components of income tax expense for the years are:

Income statement

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Current income tax:		
Current income tax charge	(19,12,00,000)	(4,84,00,000)
Adjustments in respect of current income tax of previous year	5,04,730	(10,41,237)
Deferred tax:		
Relating to origination and reversal of temporary differences	(1,45,79,767)	1,19,45,987
Relating to origination and reversal of temporary differences through OCI	4,73,457	7,34,379
Income tax expense reported in the income statement	**(20,48,01,580)**	**(3,67,60,871)**

The income tax expense for the year can be reconciled to the accounting profits as follows:

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Profit before tax	75,99,71,282	14,35,31,698
Income tax expense calculated at 25.17%	(19,12,84,772)	(3,61,26,928)
Effect of income that is exempt from taxation	1,48,44,567	4,46,452
Effect of expenses that are not deductible in determining taxable profits	(2,83,61,375)	(10,80,395)
Total tax expense	**(20,48,01,580)**	**(3,67,60,871)**

The tax rate used for the reconciliations above is the corporate tax rate of 25.17% payable by corporate entities in India on taxable profits under tax law in the Indian jurisdiction.

46. ADDITIONAL INFORMATION

(a) Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding at the end of the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding at the end the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computation:

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Profit for the year from continuing operations	55,46,96,245	10,60,36,448
Weighted average number of equity shares for basic EPS*	61,78,024	61,78,024
Weighted average number of equity shares adjusted for the effect of dilution*	61,78,024	61,78,024
Face value per share	5	5
Basic earning per share	89.79	17.16
Diluted earning per share	89.79	17.16

* There have been no other transactions involving equity shares or potential equity shares between the reporting date and the date of authorisation of the financial statements.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

(All amounts are in ₹ unless stated otherwise)

	Particulars		As at 31st March, 2021		As at 31st March, 2020
(b)	**Value of imports calculated on CIF basis:**				
	Raw materials		25,11,94,623		13,85,85,889
	Capital goods		34,80,350		76,93,394
	Total		**25,46,74,973**		**14,62,79,283**
(c)	**Expenditure in foreign currency:**				
	Professional and consultation fees		-		-
	Other matters		2,65,37,295		2,33,69,760
	Total		**2,65,37,295**		**2,33,69,760**
(d)	**Details of consumption of imported and indigenous items:**				
	(i) Raw materials Consumed				
	Indigenous	76.4%	76,92,35,943	80.0%	56,15,13,534
	Imported	23.6%	23,71,59,708	20.0%	14,04,28,138
	Total	**100.0%**	**1,00,63,95,651**	**100.0%**	**70,19,41,672**
	(ii) Stores and spares Consumed				
	Indigenous	100.0%	1,86,58,685	100.0%	1,28,44,692
	Imported	0.0%	-	0.0%	-
	Total	**100.0%**	**1,86,58,685**	**100.0%**	**1,28,44,692**
(e)	**Earnings in foreign exchange:**				
	Export of goods calculated on FOB basis		1,94,68,39,643		1,09,40,65,983
	Other (Insurance & Freight)		3,06,39,408		1,23,33,725
(f)	**Operating Lease:**				
	The company's significant leasing arrangements are in respect of office and laboratory in Mumbai and warehouses at Tarapur and Navi Mumbai. The leasing arrangements are usually renewed by consent on an agreeable basis. The aggregate lease rentals payable is charged as "Rent" under Other Expenses.				
	Future minimum rentals (excluding taxes) payable under operating leases are as follows:				
	Within one year		1,30,04,298		85,89,645
	Later than one year but not later than five years		3,02,62,232		1,34,21,612
	Later than five years		-		-
	Rental expense relating to operating lease:				
	Minimum lease payments		1,24,76,691		1,14,10,872
	Total rental expense relating to operating lease		**1,24,76,691**		**1,14,10,872**

47. SEGMENTAL INFORMATION

The company has presented data relating to its segments based on its consolidated financial statements, which are presented in the same Annual Report. Accordingly, in terms of paragraph 4 of the Indian Accounting Standard (Ind AS 108) "Operating Segments", no disclosures related to segments are presented in these standalone financial statements.

48. REMEASUREMENT OF SECURITY DEPOSIT

Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the company has recorded these security deposits at fair value under Ind AS. Differences between the fair value and the transaction value of the security deposits have been recognised as prepaid rent.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

49. CLASSIFICATION AND PRESENTATION OF ASSETS AND LIABILITIES

Under Ind AS, the company is required to present its assets and liabilities bifurcated between financial assets/ financial liabilities and non-financial assets/ non-financial liabilities. Accordingly, the company has classified and presented the assets and liabilities.

In the opinion of the management, the current assets, loans & advances have been stated at realisable value. Provision for all the known liabilities is adequate and not in excess of the amount reasonably necessary.

50. INSURANCE CLAIM

Subsequent to the fire loss in June 2018, the company had lodged a fire claim with insurance company.The said claim has not been received till date and is being disputed by the insurance company.Consequently, adopting a conservative view, the amount receivable has been fully provided during FY 2020-2021 by charging a sum of ₹ 455 Lakhs to the profit and loss account.

51. SUBSEQUENT EVENTS

i) The Board of Directors have recommended a dividend of ₹ 1.75 per fully paid up equity share of ₹ 5 each aggregating to ₹ 108.12 Lakhs for FY 2020-2021, which is based on relevant share capital as on 31st March, 2021.

ii) The company evaluated all events and transactions that occurred after 31st March, 2021 through 1st June, 2021, the date on which the financial statements are issued. Based on the evaluation, the company is not aware of any events or transactions that would require recognition or disclosure in the financial statements other than that mentioned above.

iii) The Government of Maharashtra has again declared a general lockdown from 15th April, 2021. The company being a manufacturer of pharmaceuticals, its manufacturing facilities have been exempted from lockdown by the state government. Challenges in terms of shortage of manpower, availability of raw materials and disruption in logistics and supply chain however continue. The company has considered the possible effects that may result due to the lockdown on the carrying amounts of property, plant and equipment, investments, inventories, receivables and other current assets. Based on internal and external sources of information and economic forecasts, the company expects the carrying amount of these assets will be recovered and will continue to have sufficient liquidity to fund its business operations as well as expansion plans. However a definite assessment of the impact, at this stage, is not possible in view of the highly uncertain economic environment and the situation is still evolving.

52. The previous years figures have been regrouped and rearranged whereever necessary.

(The accompanying notes 1 to 52 are an integral part of the financial statements)

As per our report of even date attached

For **Manek & Associates**
Chartered Accountants
Firm Registration Number: 126679W

Sd/-
Shailesh Manek
Partner
Membership Number: 034925

Place: Mumbai
Date: 1st June, 2021

For and on behalf of the Board of Directors

Sd/-
Rahul Nachane
Managing Director
DIN: 00223346

Sd/-
Rajesh Lawande
Whole-Time Director & CFO
DIN: 00327301

Sd/-
Pallavi Pednekar
Company Secretary
ACS : A33498

Place: Mumbai
Date: 1st June, 2021

INDEPENDENT AUDITOR'S REPORT

To,

The Members,

NGL FINE-CHEM LIMITED

Report on the consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of **M/S. NGL FINE-CHEM LIMITED** ("hereinafter referred to as the Holding company") and its wholly owned subsidiary M/S. Macrotech Polychem Private Limited (Holding company along with its subsidiary together referred to as "the group), which comprise the consolidated Balance Sheet as at 31st March, 2021, the consolidated statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of changes in Equity and the consolidated Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the group as at 31st March, 2021, the consolidated profit and total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the consolidated Ind AS Financial Statements section of our report. We are independent of the group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence and ethical requirements that are relevant to our audit of the consolidated Ind AS financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Key Audit Matters

Key audit matters ("KAM") are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Report	How was the matter addressed in our audit
Revenue Recognition Revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration which the group expects to receive in exchange for those goods. Revenue is measured based on transaction price, which is the consideration, adjusted for rebates, discounts and incentives as also estimated sales returns. Revenue is one of the key profit drivers and therefore, accounting of revenue is considered as a key audit matter. [Refer Note 2.08 to the consolidated financial statements]	**Our audit procedures, among other things, included the following:** • Considered the appropriateness of the group's accounting policies regarding revenue recognition. • Testing controls, automated and manual, around dispatches/ deliveries/shipments inventory reconciliations and process of confirmation of receivable balances, testing for cut-offs and analytical review procedures. • Assessed the disclosures in accordance with the requirements of Ind AS 115 on "Revenue from Contracts with Customers".

Key Audit Report	How was the matter addressed in our audit
Valuation of inventories The group has complex product manufacturing process and thus, the overhead absorption over each process is quite complex and more particularly, to have the basis of absorption. The group has worked out the overhead absorption cost rate based on the consumption of electricity of each process and apply the same for all other overheads. Due to significance of arriving at the overhead absorption rate for the valuation of inventories, it is considered to be a key audit matter. [Refer Note 2.07 to the consolidated financial statements]	**Our audit procedures, among other things, included the following:** • Evaluated the appropriateness of the basis applied to arrive at the overhead absorption rate. • Examined the workings of the absorption of over heads to arrive at the cost of inventories. • Our audit methodology involves process adopted to ascertain and evaluate the methods used are reasonable and absorbs overheads in an appropriate & logical manner. • Assessed the disclosures in accordance with the requirements of Ind AS 2 on "Inventories".
Allowance for Expected Credit Loss of Trade Receivables Provision for impairment by way of allowance for expected credit loss (ECL) of Trade Receivables require – • the appropriateness of accounting policies for determination of allowance for ECL. • operational procedures and systems of internal control in estimation of ECL. • estimation of expected losses and appropriate assumptions and significant judgments on the recoverability of receivables. • the completeness, accuracy, relevance and reliability of historical information. • the group's overall review of the estimate. • the clarity and reasonableness of related ECL disclosures. In view of the determination of the basis and quantum of allowance of ECL, it is a significant item in the financial statements and hence, considered to be a key audit matter. [Refer Note 2.16 to the consolidated financial statements]	**Our audit procedures included, among others, the following :** • Obtained sufficient and appropriate audit evidence about whether policies, operational procedures, internal control systems and other relative assumptions for estimation and determination of allowance for ECL are reasonable. • Objectively evaluated the estimates made in the broader context of the financial statements as a whole. • Assessed the estimates and assumptions adopted by the group in determining the need to recognise a provision and, where applicable, its amount. • Evaluated the completeness of disclosures in respect of allowance for expected credit loss.

Information Other than the consolidated Ind AS Financial Statements and Auditor's Report Thereon

The group's Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the consolidated Ind AS Financial Statements

The group's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to preparation of these consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total other comprehensive income, consolidated cash flows and changes in equity of the group in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015 as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of

INDEPENDENT AUDITOR'S REPORT (Contd.)

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

In preparing the consolidated Ind AS financial statements, the management is responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the group are also responsible for overseeing the group's financial reporting process.

Auditor's Responsibilities for the Audit of the consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the group has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the consolidated Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding Independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our Independence, and where applicable, related safeguards.

INDEPENDENT AUDITOR'S REPORT (Contd.)

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

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

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

    c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss including Other Comprehensive Income, consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

    d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

    e) On the basis of the written representations received from the directors as on 31st March, 2021, taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2021, from being appointed as a director in terms of Section 164 (2) of the Act.

    f) With respect to the adequacy of the internal financial controls over financial reporting of the group and the operating effectiveness of such controls, refer to our separate report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the group's internal financial controls over financial reporting.

    g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

        In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the group to its directors during the year is in accordance with the provisions of section 197 of the Act.

    h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

        (i) The group has disclosed the impact of pending litigations on its consolidated financial position in its consolidated Ind AS Financial Statements- Refer Note 32 to the consolidated Ind AS Financial Statements.

        (ii) The group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

        (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the group.

For **MANEK & ASSOCIATES**
Chartered Accountants
Firm's registration number: 0126679W

Sd/-
(SHAILESH MANEK)
Partner
Membership number.034925
UDIN: 21034925AAAAFP6531

Mumbai
Dated: 1st June, 2021

ANNEXURE - A
TO THE AUDITORS' REPORT

Report on the Internal Financial Controls over financial reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of the group as of 31st March, 2021, in conjunction with our audit of the consolidated financial statements of the group for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The group's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to group's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the group's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the group's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A group's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A group's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the group; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the group are being made only in accordance with authorizations of management and directors of the group; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the group's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

ANNEXURE - A
TO THE AUDITORS' REPORT (Contd.)

Opinion

In our opinion, the group has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2021, based on the internal control over financial reporting criteria established by the group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **MANEK & ASSOCIATES**
Chartered Accountants
Firm's registration number: 0126679W

Sd/-
(SHAILESH MANEK)
Partner
Membership number.034925
UDIN: 21034925AAAAFP6531

Mumbai
Dated: 1st June, 2021

CONSOLIDATED BALANCE SHEET

AS AT 31ST MARCH, 2021

(All amounts are in ₹ unless stated otherwise)

Particulars	Notes	As at 31st March, 2021	As at 31st March, 2020
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	3	63,62,42,710	67,35,21,038
(b) Capital work-in-progress	3	12,35,14,675	-
(c) Intangible assets	4	50,23,444	39,17,208
(d) Financial assets			
(i) Others	5	4,63,45,870	4,57,82,046
(e) Other non-current assets	6	2,12,48,213	43,71,609
Total non-current assets		**83,23,74,913**	**72,75,91,901**
(2) Current assets			
(a) Inventories	7	37,85,05,322	27,89,68,693
(b) Financial assets			
(i) Investments	8	29,07,00,542	10,65,06,070
(ii) Trade receivables	9	37,55,73,908	26,19,26,643
(iii) Cash and cash equivalents	10	2,10,32,864	39,88,582
(iv) Bank balances other than (iii) above	11	2,67,65,063	2,75,92,690
(v) Others	12	3,03,62,348	2,94,33,630
(c) Other current assets	13	12,23,40,475	10,02,00,708
Total current assets		**1,24,52,80,522**	**80,86,17,016**
Total Assets		**2,07,76,55,434**	**1,53,62,08,916**
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	14	3,08,90,120	3,08,90,120
(b) Other equity			
(i) Reserves and surplus	15	1,51,36,87,663	95,87,17,805
Total Equity		**1,54,45,77,783**	**98,96,07,925**
(2) Liabilities			
(I) Non-current liabilities			
(a) Financial liabilites			
(i) Borrowings	16	6,13,13,165	8,32,47,725
(b) Provisions	17	2,46,04,969	2,10,75,868
(c) Deferred tax liabilities	18	2,37,77,039	98,78,177
(d) Other non-current liabilities	19	19,51,491	20,09,730
Total non-current liabilities		**11,16,46,664**	**11,62,11,500**
(II) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	20	4,83,16,567	14,60,07,799
(ii) Trade payables	21	29,53,40,471	20,83,03,729
(iii) Other financial liabilities	22	6,11,99,473	6,34,20,865
(b) Provisions	17	62,90,984	1,26,38,129
(c) Current Tax Liabilities (Net)	23	1,02,62,113	-
(d) Other Current Liabilities	24	21,379	18,969
Total current liabilities		**42,14,30,987**	**43,03,89,491**
Total Liabilities		**53,30,77,651**	**54,66,00,991**
Total Equity and Liabilities		**2,07,76,55,434**	**1,53,62,08,916**

(The accompanying notes 1 to 51 are an integral part of the financial statements)

As per our report of even date attached

For **Manek & Associates**
Chartered Accountants
Firm Registration Number: 126679W

Sd/-
Shailesh Manek
Partner
Membership Number: 034925

Place: Mumbai
Date: 1st June, 2021

For and on behalf of the Board of Directors

Sd/-
Rahul Nachane
Managing Director
DIN: 00223346

Sd/-
Rajesh Lawande
Whole-Time Director & CFO
DIN: 00327301

Sd/-
Pallavi Pednekar
Company Secretary
ACS : A33498

Place: Mumbai
Date: 1st June, 2021

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2021

(All amounts are in ₹ unless stated otherwise)

Particulars	Notes	For the year ended 31st March, 2021	For the year ended 31st March, 2020
INCOME			
Revenue from Operations	**25**	2,57,97,47,807	1,51,68,63,938
Other income	**26**	8,01,74,894	3,05,07,935
Total income		**2,65,99,22,701**	**1,54,73,71,873**
EXPENSES			
Cost of materials consumed	**27**	1,00,48,24,922	69,75,19,716
Changes in inventories of finished goods and work in progress	**28**	1,86,12,520	(5,38,51,572)
Employee benefits expense	**29**	28,09,28,178	24,03,94,216
Other expenses	**30**	47,79,20,618	43,89,14,583
Finance Cost	**31**	1,84,01,067	2,25,52,052
Depreciation expense	**3**	8,33,40,291	8,11,20,101
Total expenses		**1,88,40,27,596**	**1,42,66,49,096**
Profit before tax from continuing operations		**77,58,95,106**	**12,07,22,777**
Current tax	**43**	(19,43,00,000)	(4,84,00,000)
Less: MAT Credit		-	-
Current tax expense relating to prior years		(33,057)	(10,41,237)
Deferred tax		(1,43,72,475)	1,20,71,284
Income tax expense		**(20,87,05,532)**	**(3,73,69,953)**
Profit for the year from continuing operations		**56,71,89,574**	**8,33,52,824**
Other comprehensive income (OCI)			
Other comprehensive income not to be reclassified to profit and loss in subsequent periods:			
Profit/(Loss) on acturial valuation of post employment benefits		(18,81,786)	(29,17,907)
Add/(Less): Income tax expense		4,73,613	7,34,379
Other comprehensive income for the year, net of tax		**(14,08,173)**	**(21,83,528)**
Total comprehensive income for the year		**56,57,81,401**	**8,11,69,296**
Earnings per equity share (for continuing operations)			
Basic		91.81	13.49
Diluted		91.81	13.49

(The accompanying notes 1 to 51 are an integral part of the financial statements)

As per our report of even date attached

For **Manek & Associates**
Chartered Accountants
Firm Registration Number: 126679W

Sd/-
Shailesh Manek
Partner
Membership Number: 034925

Place: Mumbai
Date: 1st June, 2021

For and on behalf of the Board of Directors

Sd/-
Rahul Nachane
Managing Director
DIN: 00223346

Sd/-
Rajesh Lawande
Whole-Time Director & CFO
DIN: 00327301

Sd/-
Pallavi Pednekar
Company Secretary
ACS : A33498

Place: Mumbai
Date: 1st June, 2021

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST MARCH, 2021

A. EQUITY SHARE CAPITAL

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Number of shares	Value	Number of shares	Value
Balance at beginning of year	61,78,024	3,08,90,120	61,78,024	3,08,90,120
Issue of share capital	-	-	-	-
Balance at end of year	**61,78,024**	**3,08,90,120**	**61,78,024**	**3,08,90,120**

B. OTHER EQUITY

(All amounts are in ₹ unless stated otherwise)

Particulars	Equity share capital	Reserves and Surplus			Total	Items of OCI
		Securities Premium	Retained Earnings	Other reserves		Remeasurement of net defined benefit liability /asset
At 31st March, 2020	**3,08,90,120**	**11,73,981**	**93,66,15,142**	**2,09,28,682**	**98,96,07,925**	**(21,83,528)**
Profit for the year		56,71,89,574			56,71,89,574	-
Less:- Dividend Paid		(1,08,11,542)			(1,08,11,542)	
Other comprehensive income for the year		(14,08,173)			(14,08,173)	7,75,355
At 31st March, 2021	**3,08,90,120**	**55,61,43,840**	**93,66,15,142**	**2,09,28,682**	**1,54,45,77,783**	**(14,08,173)**

(The accompanying notes 1 to 51 are an integral part of the financial statements)

As per our report of even date attached

For **Manek & Associates**
Chartered Accountants
Firm Registration Number: 126679W

Sd/-
Shailesh Manek
Partner
Membership Number: 034925

Place: Mumbai
Date: 1st June, 2021

For and on behalf of the Board of Directors

Sd/-
Rahul Nachane
Managing Director
DIN: 00223346

Sd/-
Rajesh Lawande
Whole-Time Director & CFO
DIN: 00327301

Sd/-
Pallavi Pednekar
Company Secretary
ACS : A33498

Place: Mumbai
Date: 1st June, 2021

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2021

(All amounts are in ₹ unless stated otherwise)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before extraordinary items and tax	**77,58,95,106**	**12,07,22,777**
Preacquisition losses of Subsidiary (1st April, 2019 to 14th May, 2019)	-	2,42,108
Adjustments for:		
Depreciation and amortisation expense	8,33,40,291	8,11,20,101
Finance costs	1,84,01,067	2,25,52,052
Dividend income	(47,888)	(3,04,433)
Interest income	(19,75,640)	(22,37,635)
Loss/(Gain) on MTM of investments	(5,10,45,623)	2,24,35,215
Other Comprehensive Income	(14,08,173)	(21,83,528)
Operating profit before working capital changes	**82,31,59,139**	**24,23,46,657**
Changes in working capital:		
Adjustments for (increase)/ decrease in operating assets:		
Inventories	(9,95,36,629)	(9,28,67,499)
Other non current financial assets	(5,63,824)	(3,48,98,289)
Other non-current assets	(1,68,76,604)	33,03,075
Trade receivables	(11,36,47,265)	6,93,12,536
Other current financial assets	(19,42,51,243)	(1,83,53,648)
Other current assets	(2,21,39,767)	2,33,35,586
	(44,70,15,332)	**(5,01,68,239)**
Adjustments for increase/ (decrease) in operating liabilities:		
Trade payables	8,70,36,742	4,71,50,892
Other current financial liabilities	(22,21,392)	73,50,554
Other current provisions	(63,47,145)	95,97,317
Other current liabilities	1,02,64,523	(82,96,992)
Other non current liabilities	1,38,40,623	(1,30,25,670)
Other non-current provisions	35,29,101	70,59,879
	10,61,02,452	**4,98,35,980**
Cash generated from operations	**48,22,46,259**	**24,20,14,398**
Net income tax paid	(20,87,05,532)	(3,73,69,953)
Net cash flow from operating activities (A)	**27,35,40,727**	**20,46,44,445**
B. CASH FLOW FROM INVESTING ACTIVITIES		
(Loss)/Gain on sale of investments	5,10,45,623	(2,24,35,215)
Dividend income	47,888	3,04,433
Fixed Deposit Matured	99,55,680	-
Interest Income	19,75,640	22,37,635
Finance Cost	(1,84,01,067)	(2,25,52,052)
Non current Investments	-	-
Non current Loans	-	-
Long term borrowings	(2,19,34,560)	31,80,202
Short term borrowings	(9,76,91,232)	(70,90,916)
Purchases of Property, Plant and Equipment	(17,21,18,843)	(15,14,17,923)
Disposal of Property,Plant and Equipment	14,35,968	22,62,591
Net cash flow used in investing activities (B)	**(24,56,84,902)**	**(19,55,11,245)**

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

(All amounts are in ₹ unless stated otherwise)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Share Capital	-	-
Dividend Paid	(1,08,11,542)	(1,30,33,887)
Share application money	-	-
Share Premium	-	-
Net cash flow from/ (used in) financing activities (C)	**(1,08,11,542)**	**(1,30,33,887)**
Net increase/ (decrease) in Cash and cash equivalents (A+B+C)	**1,70,44,282**	**(39,00,686)**
Add: Cash and cash equivalents at the beginning of the year	39,88,582	78,89,268
Cash and cash equivalents at the end of the year *	**2,10,32,864**	**39,88,582**

(All amounts are in ₹ unless stated otherwise)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Cash and cash equivalents at the end of the year*		
*Comprises of:		
(a) Cash on hand	16,93,273	5,37,710
(b) Balances with banks		
(i) In current accounts	1,93,39,591	34,50,872
	2,10,32,864	**39,88,582**

* Include towards Unclaimed Dividend of ₹ 6,89,199.45

(The accompanying notes 1 to 51 are an integral part of the financial statements)

As per our report of even date attached

For **Manek & Associates**
Chartered Accountants
Firm Registration Number: 126679W

Sd/-
Shailesh Manek
Partner
Membership Number: 034925

Place: Mumbai
Date: 1st June, 2021

For and on behalf of the Board of Directors

Sd/-
Rahul Nachane
Managing Director
DIN: 00223346

Sd/-
Rajesh Lawande
Whole-Time Director & CFO
DIN: 00327301

Sd/-
Pallavi Pednekar
Company Secretary
ACS : A33498

Place: Mumbai
Date: 1st June, 2021

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

1. CORPORATE INFORMATION

NGL Fine-Chem Limited (company) together with its subsidiary – Macrotech Polychem Private Limited (Subsidiary) is hereinafter referred to as "group". NGL Fine-Chem Limited is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956 (CIN: L24110MH1981PLC025884). Its shares are listed on the Bombay Stock Exchange. The company is a manufacturer of pharmaceuticals and intermediates for usage in veterinary and human health. The company caters to various global companies to custom manufacture high quality pharmaceuticals. Macrotech Polychem Private Limited, a private company domiciled in India and incorporated under the provisions of the Companies Act, 1956 (CIN: U24100MH2004PTC145189) is a 100% subsidiary of NGL Fine-Chem Limited.

2. SIGNIFICANT ACCOUNTING POLICIES

2.01 Basis of preparation

Financial statements for the year ended 31st March, 2021 are prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 together with comparative period data as at and for the year ended 31st March, 2020. The acquisition of Macrotech Polychem Private Limited by NGL Fine-Chem Limited was done on 15th May, 2019.

2.02 Functional currency and presentation currency

Items included in the financial statements of the group are measured using the currency of the primary economic environment in which the group operates ("the functional currency"). Indian Rupee is the functional currency of the group.

The financial statements are presented in Indian Rupees.

Transactions and balances

Transactions in foreign currency are translated into Indian rupees at the exchange rates prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currency are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in foreign currency are translated using the exchange rates at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation difference on items whose fair value gain or loss is recognised in the statement of Other Comprehensive Income (OCI) or the statement of profit or loss is also recognised in the statement of OCI or the statement of profit or loss, respectively).

2.03 Use of estimates

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent assets and contingent liabilities at the date of financial statements, and the income and expenses during the reporting period. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in future periods which are affected.

Application of accounting policies that require critical accounting estimates and the assumptions having the most significant effect on the amounts recognised in the financial statements are:

- Valuation of financial instruments
- Useful life of property, plant and equipment
- Useful life of intangible assets (excluding Goodwill)
- Provisions

2.04 Principles of Consolidation

Subsidiaries

Subsidiaries are all entities that are controlled by the company. Control exists when the company is exposed to or has rights, to variable returns from its involvement with the entity, and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive. The financial statements of subsidiaries are included in these consolidated financial statements from the date that control commences until the date that the control ceases. The financial statements of the company and its subsidiary have been consolidated using uniform accounting policies for like transactions and other events in similar

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

circumstances as mentioned in those policies, unless otherwise mentioned separately under these notes

Transactions eliminated on consolidation

Intra-group balances and transactions and any unrealised income and expenses arising from intra-group transactions, are eliminated in full while preparing these consolidated financial statements.

2.05 Current versus non-current classification

The group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when

- It is expected to be settled in normal operating cycle
- It is held primarily for trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The group has identified twelve months as its operating cycle.

2.06 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, if market participants act in their economic best interest.

A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 -Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in financial statements on a recurring basis, the group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The group's Management determines the policies and procedures for both; recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the group's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

valuation computation to contracts and other relevant documents.

The Management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable. For the purpose of fair value disclosures, the group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

2.07 Inventories

Stock of raw materials, consumable stores and fuel and oil are valued at lower of cost or market value, on FIFO basis. Finished goods and work in progress are valued at cost of production or market value whichever is lower.

2.08 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, considering contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The specific recognition criteria described below must also be met before revenue is recognised.

Revenue from sale of goods and services

Revenue is recognised when it is probable that economic benefits associated with a transaction flows to the group in the ordinary course of its activities and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, net of returns & trade discounts.

Revenue includes only the gross inflows of economic benefits. Amounts collected on behalf of third parties such as goods and service tax are excluded from revenue.

Revenue from sale of goods is recognised when the following conditions are satisfied:

- The group has transferred the significant risks and rewards of ownership of the goods to the buyer.
- The group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over goods sold.
- The amount of revenue can be measured reliably.
- It is probable that the economic benefits associated with the transaction will flow to the group.
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from sale of services is recognised when the following conditions are satisfied:

- the amount of revenue can be measured reliably.
- it is probable that the economic benefits associated with the transaction will flow to the group.
- the stage of completion of the transaction at the end of the reporting period can be measured reliably.
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the group expects to receive in exchange for those products or services.

Other income

- Dividend income is accounted for when the right to receive dividend is established.
- Interest is recognised only when no uncertainty as to measurability or collectability exists. Interest on fixed deposits is recognised on time proportion basis considering the amount outstanding and the rate applicable.
- Export Duty Drawback and MEIS Incentives are accounted on accrual basis when the certainty to receive is established.

2.09 Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and where applicable accumulated impairment losses. Property, plant and equipment and capital work in progress cost include expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour and any other costs directly attributable to bringing the asset to a working condition for its intended use, and

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

the costs of dismantling and removing the items and restoring the site on which they are located. Interest on Funds borrowed for acquisition of property, plant and equipment up to the period such property, plant and equipment is ready for use is capitalised and added to the cost of such items.

Gains and losses on disposal are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within "other income/other expenses" in the statement of profit and loss.

Depreciation in accounts is charged on Straight Line Method for both - NGL Fine-Chem Limited & for Macrotech Polychem Private Limited based on the management's estimate of useful life of each class of assets and considering the useful life prescribed by Schedule II of the Companies Act, 2013 on the cost, as reduced by the amount of Excise Cenvat, GST and VAT setoff claimed.

Subsequent cost

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of profit and loss.

Depreciation is provided on Straight Line Method (SLM) basis, based on the estimated useful life of the assets.

Asset Class	Estimated useful life (number of years)	Estimated life as per Companies Act
Plant and Machinery	9.67	9.67
Computers- Servers	6.00	6.00
Computers - Others	3.00	3.00
Electrical Installation	9.67	9.67
Laboratory Equipments	9.67	9.67
Buildings	30.00	30.00
Furniture and Fixtures	10.00	10.00
Vehicles	8.00	8.00
Office Equipments	5.00	5.00

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.10 Intangible assets

Intangible assets acquired by the group and having finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the intangible asset.

Goodwill represents the purchase consideration in excess of the group's interest in the net fair value of identifiable assets, liabilities and contingent liabilities of the acquired entity. When the net fair value of the identifiable assets, liabilities and contingent liabilities acquired exceeds the purchase consideration, the fair value of net assets acquired is reassessed and the bargain purchase gain is recognised in capital reserve.

All revenue expenses pertaining to research are charged to the profit and loss account in the year in which they are incurred. Expenditure of capital nature is capitalised as fixed assets and depreciated as per the group's policy.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, are recognised in profit or loss as incurred.

Amortisation of intangible assets with finite useful lives:

Amortisation is recognised in profit and loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use.

Goodwill is measured at cost less accumulated impairment losses. Impairment Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a CGU is less than its carrying amount. For the impairment test, goodwill is allocated to the CGU or groups of CGUs which benefit from the synergies of the acquisition. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Impairment occurs when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of future cash flows expected to be derived from the CGU. Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU. An impairment loss on goodwill is recognised in the Consolidated Statement of Profit and Loss and is not reversed in the subsequent period.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

2.11 Earning per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

2.12 Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The group determines the tax as per the provisions of Income Tax Act 1961 and other rules specified thereunder.

Current income tax relating to items recognised outside the statement of profit and loss is recognised in other comprehensive income. Current tax items are recognised in correlation to the underlying transaction in OCI. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Minimum Alternate Tax (MAT) is accounted as current tax when the group is subjected to such provisions of the Income Tax Act. However, credit of such MAT paid is available when the group is subjected to tax as per normal provisions in the future. Credit because of MAT is recognised as an asset based on the management's estimate of its recoverability in the future.

Deferred tax

Deferred tax is measured using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction affects neither the accounting profit nor taxable profit or loss.
- The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.
- Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.
- Deferred tax relating to items recognised outside the statement of profit and loss is recognised in other comprehensive income. Deferred tax items are recognised in correlation to the underlying transaction in OCI.
- Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same tax authority.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

2.13 Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing cost directly attributable to the cost of acquisition or construction of the fixed assets is capitalised as part of the cost of the assets, upto the date the asset is put to use. Other borrowing costs are charged to the Statement of Profit and Loss in the year in which they are incurred.

2.14 Provisions and contingent liabilities

The group recognises a provision when there is a present legal or constructive obligation as a result of a past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Long term provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

2.15 Impairment of non-financial assets

The group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset unless the asset does not generate cash inflows that are largely independent of those from other assets or group's assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

2.16 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial asset

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the group commits to purchase or sell the assets.

Investment in subsidiaries are carried at cost less impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories;

- at amortised cost through profit or loss
- at amortised cost through other comprehensive income
- at fair value through other comprehensive income
- at fair value through profit or loss

Financial assets at amortised cost

A financial asset is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the group. All the loans and other receivables under financial assets (except investments) are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade receivables do not carry any interest and are stated at their nominal value as reduced by impairment amount.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
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After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

Financial assets at fair value through the statement of profit and loss/other comprehensive income

Instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

If the group decides to classify an instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the statement of OCI. There is no recycling of the amounts from OCI to Statement of Profit & Loss, even on sale of investment. However, the group may transfer the cumulative gain or loss within equity.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material lay to a third party under a 'pass-through' arrangement; and either (a) the group has transferred substantially all the risks and rewards of the asset, or (b) the group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the group continues to recognise the transferred asset to the extent of the group's continuing involvement. In that case, the group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the group has retained.

Impairment of financials assets

The Management has evaluated the impairment provision requirement under IND AS 109 and has listed below major facts for trade and other receivables impairment provisioning:

The group does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

Expected Credit Loss (ECL) impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the Statement of Profit & Loss. The balance sheet presentation for various financial instruments is described below:

Financial assets measured as at amortised cost and other contractual revenue receivables- ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the group does not reduce impairment allowance from the gross carrying amount.

Financial assets measured at FVTOCI- Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through the statement of profit or loss, loans and borrowings, trade payables and other payables.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The group's financial liabilities include trade and other payables, loans and borrowings including other payables.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
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Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

This category generally applies to interest-bearing loans and borrowings.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or it expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Embedded derivatives

Embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract - with the effect that some of the cash flows of the combined instrument vary in a way like a stand alone derivative. Embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through the statement of profit and loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the group does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

Compound instruments

Reclassification of financial assets

The group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The group's senior management determines change in the business model as a result of external or internal changes which are significant to the group's operations. Such changes are evident to external parties. A change in the business model occurs when the group either begins or ceases to perform an activity that is significant to its operations. If the group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

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The following table shows various reclassification and how they are accounted for:

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in Statement of Profit & Loss.
FVTPL	Amortised cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognised in OCI is reclassified to Statement of Profit & Loss at the reclassification date.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.17 Cash and cash equivalents

For presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts and cash credits are shown within borrowings in current liabilities in the balance sheet.

2.18 Employee benefits

i) Defined contribution plans (Provident Fund)

In accordance with Indian Law, eligible employees receive benefits from Provident Fund, which is defined contribution plan. Both the employee and employer make monthly contributions to the plan, which is administrated by the Government authorities, each equal to the specific percentage of employee's basic salary. The group has no further obligation under the plan beyond its monthly contributions. Obligation for contributions to the plan is recognised as an employee benefit expense in the Statement of Profit and Loss when incurred.

ii) Defined benefit plans (Gratuity)

In accordance with applicable Indian Law, the group provides for gratuity, a defined benefit retirement plan (the Gratuity Plan) covering eligible employees. The Gratuity Plan provides a lump sum payment to vested employees, at retirement or termination of employment, and amount based on respective last drawn salary and the years of employment with the group. The group's net obligation in respect of the Gratuity Plan is calculated by estimating the amount of future benefits that the employees have earned in return of their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service cost and the fair value of plan assets are deducted. The discount rate is the yield at reporting date on risk free government bonds that have maturity dates approximating the terms of the group's obligation. The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the group, the recognised asset is limited to the total of any unrecognised past service cost and the present value of the economic benefits available in the form of any future refunds from

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
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the plan or reduction in future contribution to the plan. The group recognises all re-measurements of net defined benefit liability/asset directly in other comprehensive income.

iii) Compensated absences

The employees of the group are entitled to compensated absences. The employees can carry forward a portion of the unutilised accrued absence and utilise it in future periods or receive cash compensation at retirement or termination of employment for the unutilised accrued compensated absence. The group recognises an obligation for compensated absences in the period in which the employee renders the services. The group provides for the expected cost of compensated absence in the statement of profit and loss as the additional amount that the group expects to pay as a result of the unused entitlement that has accumulated based on actuarial valuations carried out by an independent actuary at the balance sheet date.

2.19 Segment reporting

As the group's business activities fall within a single primary business segment of pharmaceuticals, the disclosure requirements of Ind AS 108 in this regard are not applicable, except to the extent of reporting revenues based on different geographical areas.

2.20 Leases

A lease that transfers substantially all the risks and rewards incidental to ownership to the lessee is classified as a finance lease. All other leases are classified as operating leases.

Group as a lessee

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in profit or loss as finance costs, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the group's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are generally recognised as an expense in the profit or loss on a straight-line basis over the lease term. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

Ind AS 116 Leases:

In March 2019, the Ministry of Corporate Affairs, issued the Companies (Indian Accounting Standards) Amendment Rules 2018, notifying Ind AS 116 "Leases" which replaces Ind AS 17 "Leases". The new standard shall require lessees to recognise the Leases on their Balance Sheet with limited exemptions related to low value asset and assets with a lease term of less than 12 months.

Lessees will use a single accounting model for all leases. Accordingly, the lessee is required to recognise "Right of Use" asset representing its right to use the underlying asset and a "Lease Liability" representing its obligations to make lease payments.

2.21 Government Grants

Government grants are initially recognised at fair value if there is reasonable assurance that they will be received and the group will comply with the conditions associated with the grant;

- In case of capital grants, the amount of grant received is set off against the value of the fixed asset against which the grant has been given.
- In case of grants that compensate the group for expenses incurred are recognised in Statement of Profit and Loss on a systematic basis in the periods in which the expenses are recognised.

Export benefits available under prevalent schemes are accrued in the year in which the goods are exported and there is no uncertainty in receiving the same.

2.22 Global Health Pandemic on Covid-19 and subsequent lockdown

The outbreak of Covid-19 pandemic globally and in India is causing a significant downturn in economic activity. In many countries, businesses are being required to cease or limit their activities for long or indeterminate length of time. Measures taken to contain the spread of Covid-19 include restrictions on travel, quarantines, social distancing and closure of non-essential services have resulted in economic slowdown and stress on businesses.

The Government of Maharashtra has again declared a general lockdown from 15th April, 2021. The company being a manufacturer of pharmaceuticals, its manufacturing facilities have been exempted from lockdown by the state government. Challenges in terms of shortage of manpower, availability of raw materials and disruption in logistics and supply chain however continue. The company has considered the possible effects that may result due to the lockdown on the carrying amounts of property, plant and equipment, investments, inventories, receivables and other current assets. Based on internal and external sources of information and economic forecasts, the company expects the carrying amount of these assets will be recovered and will continue to have sufficient liquidity to fund its business operations as well as expansion plans. However, a definite assessment of the impact, at this stage, is not possible in view of the highly uncertain economic environment and the situation is still evolving.

2.23 Recent accounting pronouncements

On 24th March, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from 1st April, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.
- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the company will evaluate the same to give effect to them as required by law.

3. PROPERTY, PLANT AND EQUIPMENT

(1) Current reporting period

(All amounts are in ₹ unless stated otherwise)

Particulars	GROSS BLOCK					DEPRECIATION/AMORTISATION					NET BLOCK	
	As on 1st April, 2020	Additions due to Acquisition	Additions	Deductions	As at 31st March, 2021	As on 1st April, 2020	Additions due to Acquisition	For the year	Additions/ (-)Deductions	As at 31st March, 2021	As at 31st March, 2021	As at 31st March, 2020
Leasehold land	3,12,90,596	-	-	-	3,12,90,596	13,38,816	-	3,30,660	-	16,69,476	2,96,21,120	2,99,51,780
Buildings	25,99,43,867	-	-	(5,32,468)	25,94,11,399	2,77,67,544	-	1,33,73,800	-	4,11,41,344	21,82,70,055	23,21,76,323
Plant and Equipment	59,47,28,722	-	4,54,53,458	(35,57,368)	63,66,24,813	19,45,03,092	-	6,55,42,601	(26,85,314)	25,73,60,379	37,92,64,434	40,02,25,630
Furniture and Fixtures	46,07,000	-	47,000	-	46,54,000	22,40,698	-	5,17,571	-	27,58,269	18,95,731	23,66,302
Vehicles	1,44,50,577	-	5,63,734	(3,28,288)	1,46,86,023	78,15,645	-	17,05,765	(2,98,462)	92,22,948	54,63,075	66,34,932
Office Equipments	52,08,498	-	2,82,975	(10,980)	54,80,493	30,42,428	-	7,19,131	(9,360)	37,52,199	17,28,295	21,66,070
Total	**91,02,29,261**	**-**	**4,63,47,167**	**(44,29,104)**	**95,21,47,324**	**23,67,08,223**	**-**	**8,21,89,527**	**-29,93,136**	**31,59,04,614**	**63,62,42,710**	**67,35,21,038**
Capital work-in-progress	-	-	12,35,14,675	-	12,35,14,675	-	-	-	-	-	12,35,14,675	-

(2) Previous reporting period

(All amounts are in ₹ unless stated otherwise)

Particulars	GROSS BLOCK					DEPRECIATION/AMORTISATION					NET BLOCK	
	As on 1st April, 2019	Additions due to Acquisition	Additions	Deductions	As at 31st March, 2020	As on 1st April, 2019	Additions due to Acquisition	For the year	Additions/ (-)Deductions	As at 31st March, 2020	As at 31st March, 2020	As at 31st March, 2019
Leasehold land	3,12,90,596	-	-	-	3,12,90,596	10,08,156	-	3,30,660	-	13,38,816	2,99,51,780	3,02,82,440
Buildings	19,17,41,275	70,56,752	6,11,45,839	-	25,99,43,867	1,16,09,045	41,09,921	1,20,48,578	-	2,77,67,544	23,21,76,323	18,01,32,230
Plant and Equipment	49,07,61,206	3,83,46,293	6,78,24,421	(22,03,197)	59,47,28,722	10,61,67,997	2,38,52,673	6,51,04,650	(6,22,227)	19,45,03,092	40,02,25,630	38,45,93,209
Furniture and Fixtures	39,26,126	3,88,832	2,92,042	-	46,07,000	14,16,006	2,94,214	5,30,478	-	22,40,698	23,66,302	25,10,120
Vehicles	1,44,50,577	-	-	-	1,44,50,577	59,41,156	-	18,74,489	-	78,15,645	66,34,932	85,09,421
Office Equipments	43,31,507	-	9,36,385	(59,394)	52,08,498	21,70,242	-	9,26,814	(54,628)	30,42,428	21,66,070	21,61,265
Total	**73,65,01,287**	**4,57,91,877**	**13,01,98,688**	**(22,62,591)**	**91,02,29,261**	**12,83,12,602**	**2,82,56,807**	**8,08,15,669**	**(6,76,855)**	**23,67,08,223**	**67,35,21,038**	**60,81,88,685**
Capital work-in-progress	-		-	-	-	-		-	-	-	-	-

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Depreciation is provided based on useful life supported by the technical evaluation considering business specific usage, the consumption pattern of the assets and the past performance of similar assets.

Asset Class	Estimated useful life (number of years)	Estimated life as per Companies Act
Plant and Machinery	9.67	9.67
Computers- Servers	6.00	6.00
Computers - Others	3.00	3.00
Electrical Installation	9.67	9.67
Laboratory Equipments	9.67	9.67
Buildings	30.00	30.00
Furniture and Fixtures	10.00	10.00
Vehicles	8.00	8.00
Office Equipments	5.00	5.00

4. INTANGIBLE ASSETS

(1) Current reporting period

(All amounts are in ₹ unless stated otherwise)

Particulars	GROSS BLOCK					DEPRECIATION/AMORTISATION					NET BLOCK	
	As on 1st April, 2020	Additions due to Acquisition	Additions	Deductions	As at 31st March, 2021	As on 1st April, 2020	Additions due to Acquisition	For the year	Additions/ (-)Deductions	As at 31st March, 2021	As at 31st March, 2021	As at 31st March, 2020
Computer Software	63,70,371	-	22,57,000	-	86,27,371	39,80,428	-	11,50,764	-	51,31,192	34,96,179	23,89,943
Goodwill	15,27,265	-	-	-	15,27,265	-	-	-	-	-	15,27,265	15,27,265
Total	**78,97,636**	**-**	**22,57,000**	**-**	**1,01,54,636**	**39,80,428**	**-**	**11,50,764**	**-**	**51,31,192**	**50,23,444**	**39,17,208**

(2) Previous reporting period

(All amounts are in ₹ unless stated otherwise)

Particulars	GROSS BLOCK					DEPRECIATION/AMORTISATION					NET BLOCK	
	As on 1st April, 2019	Additions due to Acquisition	Additions	Deductions	As at 31st March, 2020	As on 1st April, 2019	Additions due to Acquisition	For the year	Additions/ (-)Deductions	As at 31st March, 2020	As at 31st March, 2020	As at 31st March, 2019
Computer Software	42,13,470	-	21,56,901	-	63,70,371	29,99,141	-	9,81,287	-	39,80,428	23,89,943	12,14,329
Goodwill	-	-	15,27,265	-	15,27,265	-	-	-	-	-	15,27,265	-
Total	**42,13,470**	**-**	**36,84,166**	**-**	**78,97,636**	**29,99,141**	**-**	**9,81,287**	**-**	**39,80,428**	**39,17,208**	**12,14,329**

Note: Depreciation is provided based on useful life supported by technical evaluation considering business specific usage, the consumption pattern of the assets and the past performance of similar assets.

Asset Class	Estimated useful life (number of years)
Computer Software	3.00

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

5. OTHER NON CURRENT FINANCIAL ASSETS

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Others		
Earnest money deposit	4,20,00,000	4,20,00,000
Advance income tax (Net of provision)	43,45,870	37,82,046
Total	**4,63,45,870**	**4,57,82,046**

6. OTHER NON CURRENT ASSETS

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Capital advances	2,12,44,665	42,48,702
Prepaid lease rent	-	96,300
Deferred processing fees	3,548	26,607
Total	**2,12,48,213**	**43,71,609**

7. INVENTORIES

(At cost or realisable value whichever is lower)

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Raw materials	20,44,33,071	8,66,88,171
Work-in-progress	10,83,17,418	13,03,03,323
Finished goods	6,29,31,007	5,95,57,622
Fuel & Oil	7,51,871	5,01,310
Consumables	13,93,003	10,44,557
Packing Materials	6,78,952	8,73,710
Total	**37,85,05,322**	**27,89,68,693**

8. CURRENT INVESTMENTS

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	No. of units	Amount	No. of units	Amount
Investments in Equity Instruments				
Quoted				
Tata Consultancy Services Limited	1,168	37,11,437	1,168	21,29,322
Investment in mutual funds				
Quoted				
ABSL Equity Fund	7,368	74,41,754	7,368	42,39,936
ABSL Income Fund	2,10,232	2,17,23,184	2,10,232	1,99,62,705
ABSL Midcap Fund	19,962	75,54,247	19,962	41,30,352
ABSL Short Term Fund	19,57,166	7,52,61,852	-	-
ABSL Small Cap Fund	88,819	41,06,884	88,819	19,33,324

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

(All amounts are in ₹ unless stated otherwise)

Particulars	**As at 31st March, 2021**		**As at 31st March, 2020**	
	No. of units	**Amount**	**No. of units**	**Amount**
Aditya Birla Sun Life Equity fund	-	-	4,971	26,75,823
Aditya Birla Sun Life Frontline Equity Fund	-	-	6,489	10,71,033
ABSL Arbitrage Fund	13,84,467	3,01,55,499	-	-
AXIS Banking & PSU Debt Fund	1,630	33,56,495	1,630	31,15,219
AXIS Bluechip Fund	3,99,451	1,54,62,761	1,95,054	50,71,394
Axis Midcap Fund	1,04,235	56,93,334	1,04,235	33,93,902
AXIS Small Cap Fund	1,32,275	57,93,651	1,32,275	32,02,381
BNP Paribas Large CAP Fund	42,882	50,48,027	42,882	32,47,856
DSP Equity Fund	-	-	98,888	32,06,527
Franklin India Banking & PSU Debt Fund	2,16,900	37,94,694	-	-
Franklin India Focused Equity Fund	-	-	1,07,799	31,50,953
HDFC Banking And PSU Debt Fund	1,79,631	32,04,174	-	-
HDFC Equity Fund	-	-	2,300	10,52,992
HDFC Index Fund - NIFTY	1,02,951	1,38,57,059	57,977	45,49,255
HDFC MID-CAP Opportunities Fund	1,26,651	92,97,210	37,391	14,58,969
HDFC Top 100 Fund	-	-	49,597	14,43,681
ICICI Prudential Floating Interest Fund	49,660	1,61,05,756	49,660	1,49,06,852
ICICI Prudential Medium Term Bond Fund	92,368	31,34,763	-	-
ICICI Prudential Multi Asset Fund	-	-	5,381	11,35,494
ICICI Prudential Smallcap Fund	1,64,406	59,95,890	1,64,406	29,36,293
IDFC Bond Fund	2,09,950	76,73,258	-	-
IDFC Infrastructure Fund	-	-	1,45,459	13,35,312
IDFC Multi Cap Fund	-	-	15,634	11,23,588
Kotak Equity Opportunities Fund	50,369	82,28,096	12,684	12,08,556
Kotak Standard Multicap Fund	1,93,274	86,89,787	1,93,274	52,20,328
L&T Emerging Business Fund	89,272	26,99,154	89,272	13,48,907
L&T India Value Fund	-	-	40,652	10,06,454
Mirae Asset Hybrid-Equity Fund	4,43,006	83,29,849	1,38,331	17,09,776
Nippon India Nivesh Lakshya Fund	5,61,279	77,32,575	-	-
Motilal Oswal Most Focused Multicap Fund	-	-	55,614	10,83,725
SBI Banking & PSU Fund	874	21,42,623	-	-
SBI Bluechip Fund	36,973	19,14,875	36,973	10,99,997
SBI Magnum Multicap Fund	-	-	45,521	16,86,007
Sundaram Rural India Fund	52,422	25,91,652	52,422	16,69,157
Total		**29,07,00,542**		**10,65,06,070**

Details of quoted investments

(All amounts are in ₹ unless stated otherwise)

Particulars	**As at 31st March, 2021**	**As at 31st March, 2020**
Book Value	25,03,61,184	11,80,50,994
Market Value	29,07,00,542	10,65,06,070

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

9. TRADE RECEIVABLES

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Unsecured considered good	37,56,25,176	26,27,21,042
Unsecured considered doubtful	-	4,42,500
	37,56,25,176	**26,31,63,542**
Less: Allowance for doubtful debts	(51,268)	(12,36,899)
Total Receivables	**37,55,73,908**	**26,19,26,643**
Current	37,55,73,908	26,19,26,643
Non-current	-	-

10. CASH AND CASH EQUIVALENTS

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Cash and cash equivalents		
- Cash on hand	16,93,273	5,37,710
- Balances with banks	1,93,39,591	34,50,872
Total	**2,10,32,864**	**39,88,582**

11. BANK BALANCES OTHER THAN ABOVE

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Fixed deposits with bank	2,67,65,063	2,75,92,690
Total	**2,67,65,063**	**2,75,92,690**

(i) Deposits of ₹ 2,56,89,137 (previous year ₹ 1,00,00,000) with maturity of more than 12 months.

12. OTHER CURRENT FINANCIAL ASSETS

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Unsecured, considered good		
Advance to vendors	47,14,497	32,10,279
Security deposits	2,29,55,297	1,56,41,009
Interest accrued on FDR	19,10,916	17,14,002
Advances to employees	7,73,330	14,70,630
Others	8,308	73,97,710
Total	**3,03,62,348**	**2,94,33,630**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

13. OTHER CURRENT ASSETS

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Prepaid expenses	1,06,71,136	99,95,253
Balance with government authorities	11,12,34,549	4,47,05,455
Unrealised Gains on Forex Derivatives	4,34,790	-
Others	-	4,55,00,000
Total	**12,23,40,475**	**10,02,00,708**

14. SHARE CAPITAL

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Number	Amount	Number	Amount
Authorised share capital				
At the beginning of the year	1,00,00,000	5,00,00,000	1,00,00,000	5,00,00,000
Increase/ (decrease) during the year	-	-	-	-
At the end of the year	1,00,00,000	5,00,00,000	1,00,00,000	5,00,00,000
Issued share capital				
At the beginning of the year	61,78,024	3,08,90,120	61,78,024	3,08,90,120
Increase/ (decrease) during the year	-	-	-	-
At the end of the year	61,78,024	3,08,90,120	61,78,024	3,08,90,120

a) The company has one class of equity shares having a par value of ₹ 5 each. Each shareholder is eligible for one vote per share held. Dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

b) Details of Share holder holding more than 5% shares in the company :

Name of the shareholder	As at 31st March, 2021		As at 31st March, 2020	
	Number	% Holding	Number	% Holding
Equity shares				
Rahul J Nachane	10,83,450	17.54%	10,83,450	17.54%
Rajesh N Lawande	13,52,366	21.89%	11,43,811	18.51%
Sunita Sandip Potdar	8,92,957	14.45%	8,92,957	14.45%
Ajita Rahul Nachane	7,13,449	11.55%	7,13,449	11.55%
PCI Fermone Chemicals (I) Private Limited	5,17,871	8.38%	5,17,871	8.38%

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

c) Reconciliation of the number of equity shares and share capital:

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Number	Amount	Number	Amount
Outstanding at the beginning of the year	61,78,024	3,08,90,120	61,78,024	3,08,90,120
Issued during the year	-	-	-	-
Outstanding at the end of the year	**61,78,024**	**3,08,90,120**	**61,78,024**	**3,08,90,120**

15. RESERVES AND SURPLUS

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Capital reserve		
Balance at the beginning of the year	1,50,00,000	1,50,00,000
Add: Additions during the year	-	-
Balance at the end of the year	**1,50,00,000**	**1,50,00,000**
Securities premium		
Balance at the beginning of the year	11,73,981	11,73,981
Add: Additions during the year	-	-
Balance at the end of the year	**11,73,981**	**11,73,981**
General reserve		
Balance at the beginning of the year	59,28,682	19,23,714
Add: Additions during the year	-	40,04,968
Balance at the end of the year	**59,28,682**	**59,28,682**
Amalgamation Reserve Account		
Balance at the beginning of the year	-	40,04,968
Less: Transferred to General Reserve	-	(40,04,968)
Balance at the end of the year	**-**	**-**
Retained earnings		
Opening Balance	93,66,15,142	86,82,37,625
Add: Profit for the year	56,57,81,401	8,11,69,296
Less:Accumulated losses of Subsidiary	-	2,42,108
Less: Appropriations	-	-
Dividend on Equity Shares (₹ 1.75/- Per Share)	(1,08,11,542)	(1,08,11,542)
Tax on Dividend	-	(22,22,345)
Closing Balance	**1,49,15,85,000**	**93,66,15,142**
Total	**1,51,36,87,663**	**95,87,17,805**

Notes:

i) Capital Reserve: It represents the gains of capital nature which mainly includes the excess of value of net assets acquired over consideration paid by the group for business amalgamation transaction in earlier years.

ii) Share Premium: This is the difference between the face value of the equity shares and the consideration received in respect of shares issued.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

iii) General Reserve: The group created a general reserve in earlier years pursuant to the provisions of the Companies Act wherein certain percentage of profits were required to be transferred to general reserve before declaring dividends. As per Companies Act, 2013, the requirement to transfer profits to general reserve is not mandatory. General Reserve is a free reserve available to the group.

iv) Amalgamation Reserve: Reserve was created when certain statutory reserves needed to be maintained by the transferee group during the scheme of amalgamation, which were previously maintained in the books of transferor group. During the previous year this reserve has been transfered to General Reserve.

16. NON CURRENT BORROWINGS

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Secured		
Term loans from banks:		
Term Loans from HDFC Bank	6,13,13,165	8,32,47,725
Total	**6,13,13,165**	**8,32,47,725**

Terms and conditions of loans:

Interest on term loan from HDFC Bank is @9.05% p.a. (Previous Year: @ 9.60% p.a.) and repayment to be made in 60 monthly instalments, secured by exclusive mortgage & charge on all of the companys assets including moveable & immovable property, hypothecation of inventories and book debts and personally guaranteed by Mr Rahul Nachane, Managing Director and Mr Rajesh Lawande, Executive Director.

17. PROVISIONS

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Non-current		
Leave Encashment	1,67,61,939	1,52,04,581
Gratuity	78,43,030	58,71,287
	2,46,04,969	**2,10,75,868**
Current		
Leave Encashment	21,77,071	17,11,499
Gratuity	26,96,472	22,99,123
Others	14,17,441	86,27,507
	62,90,984	**1,26,38,129**
Total	**3,08,95,953**	**3,37,13,997**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

18. DEFERRED TAX LIABILITIES (NET)

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Opening balance as at April 1	98,78,177	2,26,83,840
Tax (Income) / Expense during the period recognised in:	-	-
(i) Statement of Profit and Loss in Profit or Loss section	1,43,72,475	(1,20,71,284)
(ii) Statement of Profit and Loss under OCI Section	(4,73,613)	(7,34,379)
(iii) Retained earnings	-	-
Closing balance as at 31st March	**2,37,77,039**	**98,78,177**

19. OTHER NON CURRENT LIABILITIES

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Lease equalisation reserve	19,51,491	20,09,730
Total	**19,51,491**	**20,09,730**

20. CURRENT BORROWINGS

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Secured		
From banks for working capital	4,83,16,567	14,60,07,799
Total	**4,83,16,567**	**14,60,07,799**

(a) Working capital loans are personally guaranteed by Mr Rahul Nachane, Managing Director and Mr Rajesh Lawande, Executive Director.

(b) Working capital loans comprise of loans repayable on demand in the form of cash credit, pre shipment finance and post shipment finance. These are secured by hypothecation of inventories, trade receivables and book debts. Interest payable on these loans is MCLR + 0.75% p.a. (Previous Year: MCLR + 0.9% p.a.).

21. TRADE PAYABLES

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Current		
Trade payables:		
Acceptances	4,82,93,501	1,42,51,183
Other than Acceptances	24,70,46,970	19,40,52,546
Total	**29,53,40,471**	**20,83,03,729**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

Notes:

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Of the above,		
payables to Micro and Small Enterprises	5,30,76,344	4,64,93,776

This information as required to be disclosed under the Micro, Small & Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the group.This information has been relied upon by the auditors.

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Principal amount due and remaining unpaid	5,30,76,344	4,64,93,776
Interest due on the above and unpaid interest	-	-
Interest paid	-	-
Payment made beyond the appointed date during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding year	-	-

22. OTHER FINANCIAL LIABILITIES

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Current		
Current Maturities of Long Term Debt	5,48,54,026	5,30,57,461
Payables for Capital Purchases	63,45,447	1,03,63,404
Total	**6,11,99,473**	**6,34,20,865**

Note: Current Maturities of Long Term debt comprise of secured borrowing listed in Note 16.

23. CURRENT TAX LIABILITIES

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Provision for taxation (net of taxes paid)	1,02,62,113	-
Total	**1,02,62,113**	**-**

24. OTHER CURRENT LIABILITIES

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Interest payable	21,379	18,969
Total	**21,379**	**18,969**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

25. REVENUE FROM OPERATIONS

(All amounts are in ₹ unless stated otherwise)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Sale of products	2,55,00,08,752	1,48,95,45,406
Other operating revenue	2,97,39,055	2,73,18,532
Total revenue from operations	**2,57,97,47,807**	**1,51,68,63,938**

Note: Other operating revenues comprise of duty drawback and other export incentives.

26. OTHER INCOME

(All amounts are in ₹ unless stated otherwise)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Interest income	19,75,640	22,37,635
Dividend income	-	-
- from current investments	47,888	3,04,433
Other non-operating income (net of expenses directly attributable to such income)	1,25,29,101	8,46,158
Net gain on sale or fair valuation of investments	5,10,45,623	-
Gain on exchange fluctuations	1,45,76,642	2,71,19,709
Total	**8,01,74,894**	**3,05,07,935**

27. COST OF MATERIALS CONSUMED

(All amounts are in ₹ unless stated otherwise)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Raw materials at the beginning of the year	8,66,88,171	4,74,43,143
Add: Purchases	1,12,25,69,822	73,67,64,744
Less: Raw material at the end of the year	(20,44,33,071)	(8,66,88,171)
Total cost of raw materials consumed	**1,00,48,24,922**	**69,75,19,716**

28. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

(All amounts are in ₹ unless stated otherwise)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Inventories at the end of the year:		
Finished goods	6,29,31,007	5,95,57,622
Work-in-progress	10,83,17,418	13,03,03,323
	17,12,48,425	**18,98,60,945**
Inventories at the beginning of the year:		
Finished goods	5,95,57,622	3,03,88,328
Work-in-progress	13,03,03,323	10,56,21,045
	18,98,60,945	**13,60,09,373**
Total changes in inventories of finished goods and work-in-progress	**1,86,12,520**	**(5,38,51,572)**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

29. EMPLOYEE BENEFITS EXPENSE

(All amounts are in ₹ unless stated otherwise)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Salaries and wages	26,59,89,122	22,61,96,999
Contribution to provident fund and other funds	97,92,145	90,51,740
Staff welfare expenses	51,46,911	51,45,477
Total	**28,09,28,178**	**24,03,94,216**

Disclosure pursuant to Ind AS 19 - "Employee Benefits"

(i) Defined contribution plans: Note 2.18

(All amounts are in ₹ unless stated otherwise)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Contribution to provident fund	64,51,781	62,35,909

(ii) Defined benefit plans: Note 2.18

Gratuity Plan

(a) Funded status of the plan

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021	As at 31st March, 2020
A) Present value of defined benefit obligation		
- Wholly funded	2,45,42,197	2,01,70,363
- Wholly unfunded	66,631	21,568
	2,46,08,828	**2,01,91,931**
Less: Fair value of plan assets	(1,40,69,326)	(1,20,21,521)
Amount to be recognised as liability or (asset)	**1,05,39,502**	**81,70,410**
B) Amounts reflected in Balance Sheet	-	-
Liabilities	1,05,39,502	81,70,410
Assets	-	-
Net liability/(asset)	**1,05,39,502**	**81,70,410**
Net liability/(asset) - current	26,96,472	22,99,123
Net liability/(asset) - non current	78,43,030	58,71,287

(b) The amount recognised in the Statement of Profit and Loss are as follows

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021	As at 31st March, 2020
1. Current service cost	23,42,066	17,66,388
2. Past service cost and loss/(gain) on curtailments and settlements	-	-
3. Interest cost	4,59,930	3,26,754
Total charge to Profit & Loss	**28,01,996**	**20,93,142**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

(c) The amount recognised in Other Comprehensive Income

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Components of actuarial gain/(losses) on obligations		-
Due to change in financial assumptions	4,25,119	16,54,835
Due to change in demographic assumptions	-	(7,739)
Due to experience adjustments	12,14,741	13,25,782
Return on plan assets excluding amount included in interest income	2,41,926	(54,971)
Amount recognised in Other Comprehensive Income	**18,81,786**	**29,17,907**

(d) Reconciliation of defined benefit obligation

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Opening defined benefit obligation	2,01,91,931	1,45,36,666
Transfer in/(out) obligation	-	-
Current service cost	23,42,066	17,66,388
Interest cost	12,71,936	10,54,714
Actuarial loss/(gain) due to change in financial assumptions	4,25,119	16,54,835
Actuarial loss/(gain) due to change in demographic assumptions	-	(7,739)
Actuarial loss/(gain) due to experience adjustments	12,14,741	13,25,782
Past service cost	-	-
Loss/(gain) on curtaiments	-	-
Liabilities extinguished on settlements	-	-
Liabilities assumed in an amalgamation in the nature of purchase	-	-
Exchange differences on foreign plans	-	-
Benefits paid	(8,36,965)	(1,38,715)
Closing defined benefit obligation	**2,46,08,828**	**2,01,91,931**

(e) Reconciliation of plan assets

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Opening value of plan assets	1,20,21,521	93,64,860
Transfer in/(out) of plan assets	-	-
Interest income	8,12,006	7,27,960
Return on plan assets excluding amount included in interest income	(2,41,926)	54,971
Assets distributed on settlements	-	-
Contributions by employer	23,14,690	20,12,445
Assets acquired in an amalgamation in the nature of purchase	-	-
Exchange differences on foreign plans	-	-
Benefits paid	(8,36,965)	(1,38,715)
Adjustment to the opening fund	-	-
Closing balance of plan assets	**1,40,69,326**	**1,20,21,521**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

(f) Reconciliation of net defined benefit liability

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Net opening provision in books of account	81,70,410	51,71,806
Transfer in/(out) obligation	-	-
Transfer in/(out) plan assets	-	-
Employee benefit expense (from (b) above)	28,01,996	20,93,142
Amounts recognised in other comprehensive income (from (c) above)	18,81,786	29,17,907
	1,28,54,192	**1,01,82,855**
Contribution to plan assets	(23,14,690)	(20,12,445)
Closing provision in books of accounts	**1,05,39,502**	**81,70,410**

(g) Composition of plan assets

Particulars	As at 31st March, 2021	As at 31st March, 2020
Policy of insurance	100%	100%

(h) Principal actuarial assumptions

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Discount rate	6.35%	6.55%
Salary growth rate	6.00%	6.00%
Withdrawal rates	10% at younger ages reducing to 2% at older ages	10% at younger ages reducing to 2% at older ages
Rate of return on plan assets	6.35% p.a.	6.55% p.a.

(i) Expected cash flows based on past service liability

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Rupees	%	Rupees	%
Year 1 Cash Flow	33,40,990	7.10%	15,48,099	4.00%
Year 2 Cash Flow	23,02,974	4.90%	27,58,188	7.10%
Year 3 Cash Flow	18,89,347	4.00%	22,32,007	5.80%
Year 4 Cash Flow	12,97,779	3.90%	15,29,808	4.00%
Year 5 Cash Flow	16,08,103	6.20%	10,08,992	3.90%
Year 6 to Year 10 Cash Flow	75,97,532	30.70%	61,64,780	28.90%

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

(j) Sensitivity analysis of key assumptions

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	DBO	Change in DBO %	DBO	Change in DBO %
Discount rate varied by 0.5%				
+ 0.5%	2,35,66,278	(10.89%)	1,93,70,279	(11.16%)
- 0.5%	2,57,33,917	11.92%	2,10,78,159	12.25%
Salary growth rate varied by 0.5%				
+ 0.5%	2,55,84,729	11.34%	2,10,07,156	11.92%
- 0.5%	2,37,31,678	(10.30%)	1,94,21,557	(10.99%)
Withdrawal rate (WR) varied by 10%				
WR x 110%	2,46,44,135	(2.08%)	2,02,18,658	(2.80%)
WR x 90%	2,45,72,127	2.06%	2,01,61,688	2.82%

(iii) Employee benefits (leave encashment)

The group has provided for accumulated compensation absences (leave encashment) as per Ind AS 19 "Employee Benefits". The provision is made on the basis of actuarial evaluation carried out. The current years provision is charged under Salaries and Wages as given below. This liability is not funded.

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Salaries - leave encashment	62,92,360	56,89,336

30. OTHER EXPENSES

(All amounts are in ₹ unless stated otherwise)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Power and Fuel	9,84,57,399	9,99,48,952
Consumable Stores	1,86,58,685	1,28,44,692
Packing Materials	2,13,28,759	1,26,87,648
Processing Charges	3,98,08,243	2,12,15,079
Factory Expenses	2,26,07,122	2,14,98,833
Water Charges	30,41,324	30,17,762
Repairs to		
Plant & Machinery	6,13,20,737	6,95,88,674
Factory Buildings	43,49,464	1,73,97,752
Other Assets	55,561	13,11,948
Insurance	1,20,65,713	1,01,27,122
Laboratory Expenses	1,41,00,865	1,56,40,030
Payment to Auditors (See note below)	19,76,859	14,21,157
Postage & Telephone Expenses	21,28,711	24,53,391
Legal and Professional Fees	1,63,86,891	2,00,16,399

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

(All amounts are in ₹ unless stated otherwise)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Bank Charges and Commission	36,36,266	37,05,065
Rent, Rates and Taxes	1,38,00,939	1,17,18,308
Printing & Stationery	30,73,744	33,11,085
Vehicle Expenses	20,49,476	17,91,487
Advertisement & Business Promotion	93,54,962	92,85,210
Commission on Sales	81,95,543	77,61,933
Travelling Expenses	16,98,440	1,20,86,665
Freight, Coolie & Cartage	5,37,10,748	2,75,36,581
Insurance Claim w/off	4,55,00,000	-
Loss on Investments - Mark to Market	-	2,24,35,215
Miscellaneous Expenses	2,06,14,167	3,01,13,595
Total	**47,79,20,618**	**43,89,14,583**

(a) Details about payment to auditors

(All amounts are in ₹ unless stated otherwise)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
(i) Payment to statutory auditors (net of GST)		
As auditors - statutory audit & tax audit	11,50,000	9,55,000
As auditors - other services	3,00,000	90,000
sub total (i)	**14,50,000**	**10,45,000**
(ii) Payment to internal auditors and cost auditors (net of GST)		
Internal Audit Fees	3,76,859	3,76,157
Cost Audit Fees	1,50,000	-
sub total (ii)	**5,26,859**	**3,76,157**
Total (i + ii)	**19,76,859**	**14,21,157**

31. FINANCE COSTS

(All amounts are in ₹ unless stated otherwise)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Interest expense on:		
-Long term borrowings	1,24,40,855	1,50,08,940
-Short term borrowings	59,60,212	75,43,112
Total	**1,84,01,067**	**2,25,52,052**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

32. CONTINGENT LIABILITY

(All amounts are in ₹ unless stated otherwise)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Disputed direct tax		
Total demand from the Income Tax Department		
Macrotech Polychem Private Limited	10,06,840	11,92,740
Provident Fund claim disputed		
NGL Fine-Chem Limited		
Demand raised on the company by the provident fund department for amount payable by contractor.	17,75,767	17,75,767

33. COMMITMENTS

(All amounts are in ₹ unless stated otherwise)

Particulars		For the year ended 31st March, 2021	For the year ended 31st March, 2020
(i)	Estimated amount of contracts remaining to be executed on capital account and not provided		
	Tangible assets	5,97,80,554	1,58,41,420
(ii)	Other commitments (specify nature)		
	Guarantees issued by banks on behalf of the group	9,40,101	6,00,000
	Letters of credit established for which goods are yet to be received	1,51,14,983	54,79,972

34. RELATED PARTIES DISCLOSURES

Disclosures as required by IND AS 24 - "Related Party Disclosures" are given below

(a) Related Parties with whom transactions have taken place during the year

(i) Associates Companies/Firms in which Directors or their relatives are interested

Nupur Remedies Private Limited

(ii) Key management personnel and their relatives with whom the group has transacted

Name	Designation	Relatives
Rahul Nachane	Managing Director	Ajita Nachane
Rajesh Lawande	Executive Director	Ajita Nachane
Ajita Nachane	Non Independent Director	Rahul Nachane
Milind Shinde	Independent Director	--
Jayaram Sitaram	Independent Director	--
Kumarapuram V Subramanian	Independent Director	--

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

(b) Nature of transactions

(All amounts are in ₹ unless stated otherwise)

Particulars	For the year ended 31st March, 2021 Amount (₹)	For the year ended 31st March, 2020 Amount (₹)
(i) Expenses		
Rent		
Nupur Remedies Private Limited	44,64,900	40,59,000
Rahul Nachane	32,05,140	31,49,235
Rajesh Lawande	32,05,140	31,49,235
Managerial Remuneration		
Rahul Nachane	85,65,600	85,65,600
Rajesh Lawande	84,21,600	84,21,600
Commission on profits		
Rahul Nachane	1,85,11,000	37,76,200
Rajesh Lawande	1,85,11,000	37,76,200
Legal & Professional Fees		
Nupur Remedies Private Limited	66,00,000	66,00,000
Director's Sitting Fees		
Ajita Nachane	3,00,000	2,25,000
Milind Shinde	3,40,000	2,45,000
Jayaram Sitaram	3,30,000	2,40,000
Leave Encashment		
Rahul Nachane	28,83,600	-
(ii) Deposits		
Nupur Remedies Private Limited	3,50,000	3,50,000
Rahul Nachane - Office Deposit	20,00,000	20,00,000
Rajesh Lawande - Office Deposit	20,00,000	20,00,000
(iii) Outstanding balances		
Nupur Remedies Private Limited (Trade Payable)	10,48,976	9,86,040

Note: In the case of present key managerial personnel, remuneration does not include gratuity benefits which are determined for the group as a whole.

35. FAIR VALUES

Fair value measurement includes both the significant financial instruments stated at amortised cost and at fair value in the statement of financial position. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The carrying values of the long-term financial instruments approximates the fair values as the management has considered the fair value measurement techniques using the observable data i.e. the discounting rate which was similar as to rates, tenure and the credit rating of the other instruments of the group. The management has also considered the effect of time value of money with respect to other long term financial instruments at applicables rates.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The group's activities expose it to a variety of financial risks: market risk,credit risk and liquidity risk. The group's risk management assessment and policies and processes are established to identify and analyze the risks faced by the group, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same.

The group has constituted a Risk Management Committee consisting of its directors. The group has a robust risk management policy to identify, evaluate business risks and opportunities. This policy seeks to create transparency, minimise adverse impact on the business objectives and enhance the group's competitive advantage.

Carrying amount of financial assets and liabilities:

The following table summaries the carrying amount of financial assets and liabilities recorded at the end of the year by categories:

(All amounts are in ₹ unless stated otherwise)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Financial assets		
Investments	29,07,00,542	10,65,06,070
Cash and cash equivalents	2,10,32,864	39,88,582
Bank balances other than above	2,67,65,063	2,75,92,690
Trade receivables	37,55,73,908	26,19,26,643
Other financial assets	3,03,62,348	2,94,33,630
At end of the year	**74,44,34,725**	**42,94,47,615**
Financial liabilities		
Borrowings	4,83,16,567	14,60,07,799
Trade payables	29,53,40,471	20,83,03,729
Other current financial liabilities	6,11,99,473	6,34,20,865
At end of the year	**40,48,56,511**	**41,77,32,393**

37. CREDIT RISK

Credit risk arises from the possibility that customers may not be able to settle their obligations as agreed and arises principally from the group's receivables from customers, loans and investments.Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworhtiness of counterparty to which the group grants credit terms in the normal course of business.

Investments

The group limits its exposure to credit risk by investing in liquid securitites which primarily include mutual fund units. The group mitigates risk from non-performance of these securities by ensuring that it does not have any significant concentration of exposures to specific industry sectors or specific country risks.

Trade receivables

Trade receivables are typically unsecured and derived from revenue earned from customers. On account of adoption of Ind AS 109, the group uses expected credit loss model to assess the impairment loss or gain, however this is modified if in the past experience of the group, there is likely mitigation of the credit risk.

Ageing of trade receivable

(All amounts are in ₹ unless stated otherwise)

Particulars	Days			
	0-180	180-365	Above 365	Total
As on 31st March, 2021	37,55,73,908	-	-	37,55,73,908
As on 31st March, 2020	25,96,63,028	12,18,157	10,45,458	26,19,26,643

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

38. MARKET RISK

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk, such as equity price risk and commodity risk. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Financial instruments affected by market risk include loans and borrowings, deposits and investments.

39. FOREIGN CURRENCY RISK

Foreign exchange risk arises on future commercial transactions and on all recognised monetary assets and liabilities, which are denominated in a currency other than the functional currency of the group. The group's management has set policy wherein exposure is identified, benchmark is set and monitored closely, and accordingly suitable hedges are undertaken. The group's foreign currency exposure arises mainly from foreign exchange imports and exports, primarily with respect to USD, JPY and EUR.

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Currency	₹	Currency	₹
Payables				
Advances from customers	USD 77,400	INR 56,05,445	USD 3,15,815	INR 2,38,72,426
Trade Payables	USD 5,06,748	INR 3,74,34,548	USD 1,32,498	INR 1,00,16,849
Trade Payables	JPY 1,92,24,000	INR 1,36,00,980	JPY 52,56,000	INR 36,61,461
Trade Payables	EUR 80	INR 21,169	EUR 0	INR 0
Receivables				
Trade Receivables	USD 35,76,414	INR 25,95,28,959	USD 21,13,425	INR 15,97,53,758

Following table analyses the group's Sensitivity to a 5% increase and a 5% decrease in the exchange rates of Foreign Currencies against ₹.

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Currency	₹	Currency	₹
Net foreign currency assets USD	USD 29,92,266	21,64,88,966	USD 16,65,112	12,58,64,483
Impact on profit or loss: Income/(Expense)				
USD - Increase by 5%		1,08,24,448		62,93,224
USD - Decrease by 5%		(1,08,24,448)		(62,93,224)
Net foreign currency liabilities JPY	JPY 1,92,24,000	1,36,00,980	JPY 52,56,000	36,61,461
Impact on profit or loss: Income/(Expense)				
JPY - Increase by 5%		(6,80,049)		(1,83,073)
JPY - Decrease by 5%		6,80,049		1,83,073

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Currency	₹	Currency	₹
Net foreign currency liabilities EUR	EUR 80	21,169	EUR 0	-
Impact on profit or loss: Income/(Expense)				
EUR - Increase by 5%		(1,058)		-
EUR - Decrease by 5%		1,058		-
Net Impact - increase by 5%		1,01,43,341		61,10,151
Net Impact - decrease by 5%		(1,01,43,341)		(61,10,151)

40. INTEREST RATE RISK

group's interest rate risk arises from borrowings. The long term borrowings are at fixed interest rate while the short term borrowing are at floating interest rate. The interest rate profile of the group's interest-bearing financial instruments is as follows:

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Fixed rate instruments		
Financial Assets	2,67,65,063	2,75,92,690
Financial liabilities	11,61,67,191	13,63,05,186
Variable rate instruments		
Financial Assets	29,07,00,542	10,65,06,070
Financial liabilities	4,83,16,567	14,60,07,799

Interest rate sensitivity

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market rates. The group's exposure to the risk of changes in market rates relates primarily to the group's debt obligations with floating interest rates.

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Long term variable interest rate borrowings	-	-
Short term variable interest rate borrowings	4,83,16,567	14,60,07,799
	4,83,16,567	**14,60,07,799**

Cash flow sensitivity analysis for variable-rate instruments:

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss before tax by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant:

(All amounts are in ₹ unless stated otherwise)

Year ended	Increase/ (decrease) in basis points	Effect on profit before tax increase/ (decrease)
31st March, 2021	100	(4,83,166)
	(100)	4,83,166
31st March, 2020	100	(14,60,078)
	(100)	14,60,078

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

41. LIQUIDITY RISK

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they become due. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The group manages the liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The group invests its surplus funds in bank fixed deposits and liquid schemes of mutual funds which carry limited mark to market risks. The group also invests in equity schemes of mutual funds which carry liquidity and rate return risks.

(All amounts are in ₹ unless stated otherwise)

Particulars	On demand	Upto 1 year	1 to 5 years	More than 5 years	Total
	₹	₹	₹	₹	₹
Year ended 31st March, 2021					
Trade payables	-	29,53,40,471	-	-	29,53,40,471
Other financial liabilities	-	6,11,99,473	-	-	6,11,99,473
	-	**35,65,39,944**	**-**	**-**	**35,65,39,944**
Year ended 31st March, 2020					
Trade payables	-	20,83,03,729	-	-	20,83,03,729
Other financial liabilities	-	6,34,20,865	-	-	6,34,20,865
	-	**27,17,24,594**	**-**	**-**	**27,17,24,594**

At present, the group expects to repay all liabilities at their contractual maturity. In order to meet such cash commitments, the operating activity is expected to generate sufficient cash inflows.

42. CAPITAL MANAGEMENT

For the purpose of the group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the group. The primary objective of the group's capital management is to maximise the value of shareholder.

The group monitors capital using Capital Gearing Ratio, which is net debt divided by total capital plus net debt. Net debt includes loans and borrowings, trade and other payables, less cash and cash equivalents.

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Loans and borrowings	10,96,29,732	22,92,55,524
Trade payables	29,53,40,471	20,83,03,729
Other payables	7,77,73,949	7,60,77,963
Less: Cash and cash equivalents	(4,77,97,927)	(3,15,81,272)
Net debt (A)	**43,49,46,225**	**48,20,55,944**
Equity	1,54,45,77,783	98,96,07,925
Capital and net debt (B)	**1,54,45,77,783**	**98,96,07,925**
Capital gearing ratio (A/B)	**0.28**	**0.49**

To achieve the overall objective, the group's capital management aims to ensure that it meets the financial covenants attached to loans and borrowings. Breaches in meeting the covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any loans and borrowings in the current year.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

43. INCOME TAX

The major components of income tax expense for the years are:

Income statement

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Current income tax:		
Current income tax charge	(19,43,00,000)	(4,84,00,000)
Adjustments in respect of current income tax of previous year	(33,057)	(10,41,237)
Deferred tax:		
Relating to origination and reversal of temporary differences	(1,43,72,475)	1,20,71,284
Relating to origination and reversal of temporary differences through OCI	4,73,613	7,34,379
Income tax expense reported in the income statement	**(20,82,31,919)**	**(3,66,35,574)**

The income tax expense for the year can be reconciled to the accounting profits as follows:

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Profit before tax	77,58,95,106	12,07,22,777
Income tax expense	(18,74,93,293)	(3,61,26,928)
Effect of income that is exempt from taxation	1,48,44,567	4,46,452
Deduction for carry forward losses	(72,21,818)	-
Effect of expenses that are not deductible in determining taxable profits	(2,83,61,375)	(9,55,098)
Total tax expense	**(20,82,31,919)**	**(3,66,35,574)**

NGL Fine Chem Limited:

The tax rate used for the reconciliations above is the corporate tax rate of 25.17% payable by corporate entities in India on taxable profits under tax law in the Indian jurisdiction.

Macrotech Polychem Private Limited:

The tax rate used for the reconciliations above is the minimum alternate tax of 16.692% payable by corporate entities in India on taxable profits under tax law in the Indian jurisdiction, in lieu of the standard corporate rate on account of carry forward losses.

44. ADDITIONAL INFORMATION

(a) Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding at the end of the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding at the end the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

The following reflects the income and share data used in the basic and diluted EPS computation:

(All amounts are in ₹ unless stated otherwise)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Profit for the year from continuing operations	56,71,89,574	8,33,52,824
Weighted average number of equity shares for basic EPS*	61,78,024	61,78,024
Weighted average number of equity shares adjusted for the effect of dilution*	61,78,024	61,78,024
Face value per share	5	5
Basic earning per share	91.81	13.49
Diluted earning per share	91.81	13.49

* There have been no other transactions involving equity shares or potential equity shares between the reporting date and the date of authorisation of the financial statements.

(All amounts are in ₹ unless stated otherwise)

	Particulars		As at 31st March, 2021		As at 31st March, 2020
(b)	**Value of imports calculated on CIF basis:**				
	Raw materials		25,11,94,623		13,85,85,889
	Capital goods		34,80,350		76,93,394
	Total		**25,46,74,973**		**14,62,79,283**
(c)	**Expenditure in foreign currency:**				
	Professional and consultation fees				-
	Other matters		2,65,37,295		2,33,69,760
	Total		**2,65,37,295**		**2,33,69,760**
(d)	**Details of consumption of imported and indigenous items:**				
	(i) Raw materials Consumed				
	Indigenous	76.4%	76,92,35,943	79.9%	55,70,91,578
	Imported	23.6%	23,71,59,708	20.1%	14,04,28,138
	Total	100.0%	1,00,63,95,651	100.0%	69,75,19,716
	(ii) Stores and spares Consumed				
	Indigenous	100.0%	1,86,58,685	100.0%	1,28,44,692
	Imported	0.0%	-	0.0%	-
	Total	**100.0%**	**1,86,58,685**	**100.0%**	**1,28,44,692**
(e)	**Earnings in foreign exchange :**				
	Export of goods calculated on FOB basis		1,94,68,39,643		1,09,40,65,983
	Other (Insurance & Freight)		3,06,39,408		1,23,33,725
(f)	**Operating Lease:**				
	The Group's significant leasing arrangements are in respect of office and laboratory in Mumbai and warehouses at Tarapur and Navi Mumbai. The leasing arrangements are usually renewed by consent on an agreeable basis. The aggregate lease rentals payable is charged as "Rent" under Other Expenses.				
	Future minimum rentals (excluding taxes) payable under operating leases are as follows:				
	Within one year		1,30,04,298		85,89,645
	Later than one year but not later than five years		3,02,62,232		1,34,21,612
	Later than five years				-
	Rental expense relating to operating lease:				
	Minimum lease payments		1,24,76,691		1,14,10,872
	Total rental expense relating to operating lease		**1,24,76,691**		**1,14,10,872**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

45. SEGMENTAL INFORMATION

a. Basis for segmentation

The operations of the group are limited to one segment viz. Pharmaceutical and related products. The products being sold under this segment are of similar nature and comprises of pharmaceutical products only.

b. Geographic information

The geographic information analyses the group's revenues by the customer's country of domicile.In presenting geographic information, segment revenue has been based on the selling location in relation to sales to customers and segment assets are based on geographical location of assets.

(All amounts are in ₹ unless stated otherwise)

Geographical Distribution of Revenue	2020-21	2019-20
India	57,25,29,701	38,31,45,698
Europe	80,68,14,399	49,69,02,049
Asia Pacific	82,05,74,225	43,05,01,688
USA	6,81,29,828	22,56,298
Rest of the world	28,19,60,600	17,67,39,673
Total	**2,55,00,08,752**	**1,48,95,45,406**

46. REMEASUREMENT OF SECURITY DEPOSIT

Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the group has recorded these security deposits at fair value under Ind AS. Differences between the fair value and the transaction value of the security deposits have been recognised as prepaid rent.

47. CLASSIFICATION AND PRESENTATION OF ASSETS AND LIABILITIES

Under Ind AS, the group is required to present its assets and liabilities bifurcated between financial assets/ financial liabilities and non-financial assets/ non-financial liabilities. Accordingly, the group has classified and presented the assets and liabilities.

In the opinion of the management, the current assets, loans & advances have been stated at realisable value. Provision for all the known liabilities is adequate and not in excess of the amount reasonably necessary.

48. SUBSIDIARY

Macrotech Polychem Private Limited was acquired as a wholly owned subsidiary of NGL Fine-Chem Limited on 15th May, 2019. Goodwill arose on acquisition due to the consideration being higher than the value of tangible assets. The basis of valuing goodwill as on the date of acquisition is given here under :

(All amounts are in ₹ unless stated otherwise)

Purchase Consideration			3,72,50,577
Less:			
Fair Value of Tangible assets		5,12,56,065	
Less:Net worth of Acquiree company			
Equity Share Capital	30,01,900		
Accumulated Losses	(1,85,34,653)	(1,55,32,753)	
Net Fair Value			3,57,23,312
Goodwill			**15,27,265**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

49. SUBSEQUENT EVENTS

i) Dividends declared by the company are based on profits available for distribution. On 1st June, 2021, the Board of Directors of the company have proposed a dividend of ₹ 1.75 per share in respect of the year ended 31st March, 2021, subject to the approval of shareholders at the Annual General Meeting, and if approved, would result in a cash outflow of ₹ 108.12 Lakhs.

ii) The group evaluated all events and transactions that occurred after 31st March, 2021 through 1st June, 2021, the date on which the financial statements are issued. Based on the evaluation, the group is not aware of any events or transactions that would require recognition or disclosure in the financial statements other than that mentioned above.

iii) The Government of Maharashtra has again declared a general lockdown from 15th April, 2021. The group being a manufacturer of pharmaceuticals, its manufacturing facilities have been exempted from lockdown by the state government. Challenges in terms of shortage of manpower, availability of raw materials and disruption in logistics and supply chain however continue. The group has considered the possible effects that may result due to the lockdown on the carrying amounts of property, plant and equipment, investments, inventories, receivables and other current assets. Based on internal and external sources of information and economic forecasts, the group expects the carrying amount of these assets will be recovered and will continue to have sufficient liquidity to fund its business operations as well as expansion plans. However a definite assessment of the impact, at this stage, is not possible in view of the highly uncertain economic environment and the situation is still evolving.

50. INSURANCE CLAIM

Subsequent to the fire loss in June 2018, the company had lodged a fire claim with insurance company. The said claim has not been received till date and is being disputed by the insurance company.Consequently, adopting a conservative view, the amount receivable has been fully provided during FY 2020-2021 by charging a sum of ₹ 455 Lakhs to the profit and loss account.

51. The previous years figures have been regrouped and rearranged whereever necessary.

(The accompanying notes 1 to 51 are an integral part of the financial statements)

As per our report of even date attached

For **Manek & Associates**
Chartered Accountants
Firm Registration Number: 126679W

Sd/-
Shailesh Manek
Partner
Membership Number: 034925

Place: Mumbai
Date: 1st June, 2021

For and on behalf of the Board of Directors

Sd/-
Rahul Nachane
Managing Director
DIN: 00223346

Sd/-
Rajesh Lawande
Whole-Time Director & CFO
DIN: 00327301

Sd/-
Pallavi Pednekar
Company Secretary
ACS : A33498

Place: Mumbai
Date: 1st June, 2021

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NGL FINE-CHEM LIMITED

Corporate office:

301, E Square, Subhash Road,
Vile Parle (East), Mumbai 400057,
Maharashtra, India.

www.nglfinechem.com