40 YEARS.

of Milestones and Momentum

NGL FINE-CHEM LIMITED
ANNUAL REPORT **2021-22**

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STANDALONE

CONSOLIDATED

40 YEARS OF MILESTONES AND MOMENTUM

Where a company stands today, is decided by its decisions in the past. Where a company will be tomorrow, is decided by the pace with which it treads ahead.

At NGL Fine-Chem, for the last four decades, we have embraced and survived many situations with tenacity and a desire to resurge powerfully. Over the years, we have modelled and re-modelled ourselves to adapt to changing client needs and provide value-added, creative solutions to meet and even exceed those needs. Our robust innovation capabilities, focused R&D proficiencies, and most importantly, our devoted workforce has played a significant role in this process.

Today, as we stand at this juncture and see the distance covered, we see the exceptional momentum we have traversed while setting newer benchmarks each time. These 40 years have all been underpinned by milestones, lending us the momentum to take a leap into the next orbit of growth, which shall form the base for the next 40.

We know, that another four decades down the line, when we look back at our footprints and legacy created, we will see 'Years of Milestones and Momentum'. As we move along our course of the next four decades, we aim to consistently expand our manufacturing facilities to meet higher domestic and global demand. This, while we strive to create a powerful presence in the industry as we continue leading the market and adding products to our portfolio.

40 YEARS OF ADDING MILESTONES

4 DECADES OF GROWING MOMENTUM

NGL Fine-Chem at a Glance

NGL Fine-Chem Limited ('NGL' or 'We' or 'the Company') is a prominent Animal Health company in India with a global footprint. We are one of the leading manufacturers and exporters of human and veterinary Active Pharmaceutical Ingredients (APIs), advanced intermediates and finished dosage forms.

For us, at NGL, quality and customer-centricity form the fundamental base of all our functions. We have built a robust and resilient organisation on the strong footing of an exceptional quality manufacturing base and an impressive track record of service and reliability.

We have three state-of-the-art production facilities in Maharashtra – two in Tarapur and the third in Navi Mumbai. With modern equipment, these facilities rigorously conform to all regulatory requirements. Our distinctive product portfolio is pillared upon our potential to innovate, strong R&D capabilities and technologically advanced manufacturing facilities. These enable us to cater to the diverse needs of our customers globally and help strengthen the NGL brand.

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

₹ 318.66 Crores
+ 23%
Total Turnover

₹ 68.97 Crores
EBITDA

₹ 52.24 Crores
PAT for the Year Ended 31st March, 2022

15.7 %
PAT Margins

₹ 84.57
EPS

The above numbers are for the year ended 31st March, 2022.
EBITDA: Earnings Before Interest Tax Depreciation and Amortisation.
PAT: Profit After Tax. EPS: Earnings Per Share.

Our Product Segments

Active Pharmaceutical Ingredients (APIs):
Human and Veterinary: Active components utilised in the creation and formulation of drugs

Advanced Intermediaries:
Sophisticated chemical compounds utilised to produce APIs

Finished Dosage Forms:
End result of combining numerous complex APIs and intermediates

MANUFACTURING FACILITIES THAT AID IN ACHIEVING MILESTONES

At NGL, we have been thriving in the Animal Health space, since our inception in 1981. Our technologically superior manufacturing facilities and talented workforce form the framework that helps us achieve our corporate aims. Together, our talented workforce and state-of-the-art facilities instrument an actionable plan that helps streamline our processes and business.

3
State-of-the-art Manufacturing Facilities

10,000 m^2
Area of Manufacturing Facilities

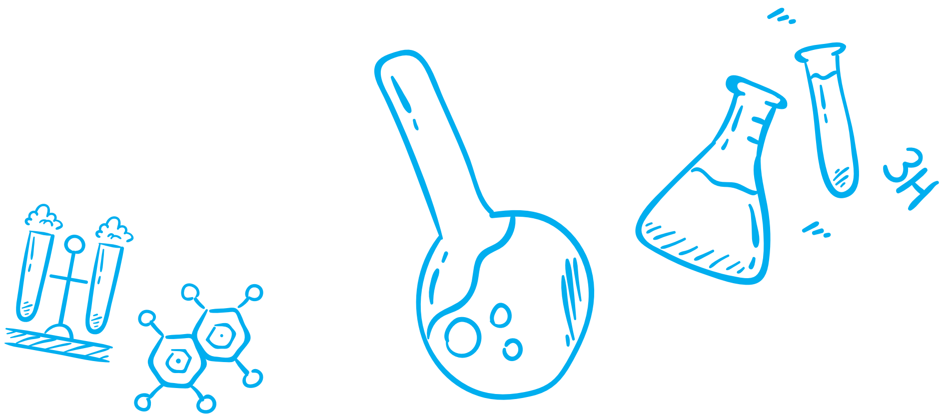
102 m^3
Glass-Lined Reactors

12 m^3
Gas Induction Reactors

-20°C to +250°C
Reaction Range

194 m^3
Stainless Steel Reactors

329
Total Number of Employees as on 31st March, 2022



Accreditations

WHO GMP

ISO 9001:2015

ISO 14001:2015

ISO 45001:2018

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

DRIVEN BY IMPECCABLE INNOVATION AND ROBUST R&D

For any company in the Pharmaceutical and related space, research, innovation, and product development form the bedrock of business. At NGL, we consistently strive to set higher quality standards and address unmet medical needs through our exceptional innovation and research capabilities.

23
APIs

21
Veterinary

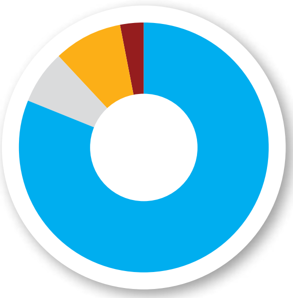
2
Human

4
Intermediates

10
Finished Dosage Forms

2+
Filings

Product-wise Revenue



Veterinary APIs	82%
Human APIs	7%
Intermediates	9%
Finished Dosages	3%

Geography-wise Revenue

India	24%
Europe	28%
USA	3%
Asia Pacific	30%
ROW	15%

50%+ Market Share Leadership in Top 3 Products

50+ Presence across Countries

400+ Clientele Base

MILESTONES THAT AUGMENTED OUR JOURNEY

1981

The Company was incorporated and business commenced

1984

First manufacturing plant set-up at Navi Mumbai

1995

The Company was listed on Bombay Stock Exchange after an Initial Public Offering

2004

Acquired Alpha Organics Private Limited and Konarak Textile Industries Private Limited

2005

New plant for manufacturing APIs and intermediates set up at F-11 Tarapur

Certified for ISO 9001:2000

Awarded 'Certificate of Good Manufacturing Practice' by Food & Drug Administration, Maharashtra

2008

Modernised plant at W41/42 Tarapur

2012

Modernised plant at Navi Mumbai

2015

Expansion at F-11 Tarapur with formulations block

Conferred with 'Asia's Best Under Billion' Award by Forbes Asia

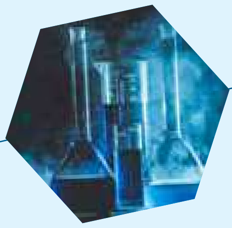
2016

Certified for Good Manufacturing Practises by CDSCO (WHO GMP)

Awarded 'Asia's Best Under Billion' by Forbes Asia

2017

ASMF registered in EU for Clorsulon and Triclabendazole



2018

Converted F-11 ETP to Zero Liquid Discharge

2019

Acquired Macrotech Polychem Private Limited as a 100% subsidiary

2020

Expansion of capacity at F-11 Tarapur

Certified for ISO 14001:2015 (EMS) & ISO 45001:2018 (OHSM)

2021

Bestowed with 'Asia's Best Under Billion' award by Forbes Asia

Expansion of Intermediates capacity at Macrotech

2022

CEP filings for Triclabendazole, Flunixin Meglumine and Marbofloxacin with EDQM

MANAGING DIRECTOR'S MESSAGE

Dear Shareholders,

The year 2021 will be remembered as when the world slowly and steadily started recovering from the challenges of the Covid-19 pandemic. Two years back, when the pandemic hit, it forced every organisation to be prepared and adapt to the changing environment. Today, as I write this letter, the global economy is witnessing a turnaround. Growth momentum is being witnessed across sectors and regions. With reducing infection rates and resumption of economic activities, the broader outlook has turned optimistic, globally. But despite the global economy steadily regaining its footing, the geopolitical crisis in Ukraine has drastically altered the situation, dampening the growth momentum. The resultant rising fuel and commodity prices have created an air of concern for enterprises across the globe.

The Indian economy is also witnessing a revival with a positive trend across macro indicators. Thereby, justifying the country's growth narrative. Public morale has been boosted with large-scale vaccine coverage and rising economic activities. The Indian Government has also supported the nation's growth story with various measures and budgetary allocations. India's GDP is expected to grow by 9.3% in FY 2021-22, making it the fastest-growing economy globally.

CREATING MOMENTUM

Today, with over 40 years of industry-rich experience, our quality, proficiency, and expertise differentiate us in the market. We are one of the few companies to have earned the trust and faith of stakeholders while also mastering our efficiency consistently. NGL enjoys being a key manufacturing partner for leading global animal health corporations. Our never-ceasing efforts toward delivering high-quality products have played a crucial role in helping us gain momentum. This is reflected in our performance despite severe cost concerns in the financial year gone by. We focused on increasing penetration of our principal products in all current markets, which resulted in strong volume demand right through the year. Through the decades, we have consciously worked on maintaining our momentum, which, in turn, have helped us achieve milestones, setting newer benchmarks each time. Here are some of the key performance highlights from the year that just went by, bearing testimony to our growth momentum:

- Witnessed growth in Veterinary API business – our core sector – by 26% YoY in FY 2021-22
- Increased turnover for the year from ₹ 258.18 Crores to ₹ 318.66 Crores, at a growth rate of 23%
- Recorded EBITDA at ₹ 68.97 Crores
- Registered PAT at ₹ 52.24 Crores
- Clocked in EBITDA and PAT margins of 21.40% and 15.7%, respectively
- Increased Exports as a share of overall revenue to 75.69%

Quality, service, and consistency are at the core of all our business functions. Together, these have allowed us to expand our collaborations and perform better by including newer items and boosting our supply volume. The demand for our products in major markets remained robust with excellent customer retention. Although, macro factors drove input prices to new highs in FY 2021-22, and fuel & freight significantly impacted product supply and margins, we built a win-win offer for our clients via continual R&D and innovation. We now have a solid product portfolio comprising over 20 APIs in Animal Health. This helps us broaden our customer base while reducing our reliance on the top 10 consumers.

NGL continues to focus on new product innovation with an aim to launch three or four new products annually. We currently have five molecules in the pipeline, each with multiple-step synthesis manufacturing processes. These products were highly accretive and will help enhance margins, going ahead. Our Poultry Molecule has shown an extremely high market acceptance, with around six tonnes sold in FY 2021-22, and we are anticipating good volumes in the year ahead.

Looking at the integration and consolidation, the Macrotech expansion was concluded in FY 2021-22, with permissions in place and validation batches starting at the plant. While we continue to de-bottleneck and enhance processes to help achieve higher capacities, we have also begun civil construction for our next phase of greenfield capacity development at our Tarapur facility.

ENCOURAGING OPERATING ENVIRONMENT

Elevated pet expenditures, companion animal adoption, increased veterinarian appointments, and an expanding livestock population are all leading to a heightened attention on animal health. As a result, the Animal Health market is predicted to expand at a solid CAGR of 4.7% through 2027, while the Animal API market is expected to swell at a faster pace of 6.9% over the same period. Our strategic aim is to be a worldwide player in Animal Health APIs, and we're working hard to achieve this goal by adding products and clients in new geographies. Animal Health APIs are the focus in both the livestock and companion animal segments. The majority of our products appeal to the Cattle market, and we are expecting the trend to continue well in the future as well.

SUSTAINABILITY

Sustainable and environmentally-conscious production is the foundation of NGL's approach. Our efforts are solely focused on using greener energy, water conservation, solvent recycling, and the creation of re-consumable by-products. Climate change is evident and sustainable consumption is the key to a better tomorrow. We are in the process of updating our facilities, to make them 100% 'zero discharge' by recovering and recycling effluents. Furthermore, over 70% of our boilers use green fuels, eliminating the need for coal or oil.

CONCLUDING NOTES

We are conscious of the challenges ahead and are prepared to take them head-on. Our capacity expansion and innovative product portfolio is expected to meet the rising needs for animal healthcare. We continue to see strong market traction across all key product categories as we gain market share in our new products portfolio. We are committed to retaining our market position by providing cost-effective, dependable, and high-quality solutions to all of our clients.

At NGL Fine Chem, we are dedicated to keeping a close eye on the evolving animal health landscape and seizing new possibilities that provide long-term sustainable growth for our investors and stakeholders. As we leap into the trajectory of our next 40 years, we are looking forward to creating more value by addressing the needs of our employees, customers, and all other stakeholders so that we converge the best interests of them all into one in the long run.

Before I conclude, I would like to express my gratitude to our fellow Board members, stakeholders, bankers, customers, partners and investors for their unwavering support and confidence in us. We are thankful for your trust in us and I promise to live up to our commitments as we cruise ahead on our journey, adding milestones and gaining momentum.

Warm Regards,

RAHUL NACHANE

Managing Director

CAPABILITIES
THAT ENHANCE OUR MOMENTUM

Our Competencies

We are among the world leaders in Veterinary API market. All of our stakeholders are treated as partners in the creation of sustainable long-term value at NGL. Our key competencies are as follows:

Market Leadership

Market share, in major product lines, ranges from 15% to 50% or more

Product Portfolio

Diverse product portfolio with a strong focus on livestock and farm animals

Quality

High-quality and dependable goods with zero rejections produced at par with industry benchmarks

Innovation

Led by a competent team of 25 R&D specialists who lead a pipeline of five compounds under development, making innovation a continual process

Backward Integration

Strong process controls and cost competitiveness backed by in-house production and backward integrated facilities

Long Term Relations

The Company has been developing long-term relationships over the years, keeping in mind reliability and sustainability. With the clientele spread over 50 countries, the Company has been true to its principles. We have successfully reduced the contribution of the top ten clients, owing to new client acquisitions.

Strong Financials

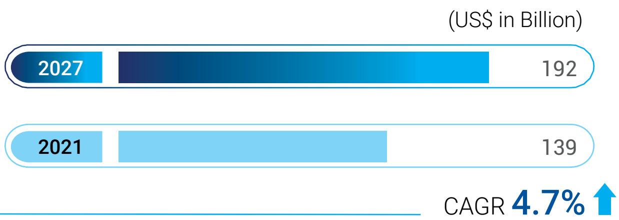
We have been experiencing steady growth over the years. The 4-year CAGR for revenue, EBITDA and PAT stands at 27.54%, 34.76% and 40.49%, respectively. With a 25% ROE and a significantly smaller debt equity of 0.15, the Company has managed to effectively attain financial stability and generate efficiency.

ACCELERATING
MOMENTUM BY RESPONDING TO MACRO TRENDS

NGL closely monitors potential opportunities to stay ahead of the curve in the market. This enables us to take advantage of tomorrow's prospects by preparing for them today. Further this approach helps us chart our orbit of growth while fueling our optimism. Here are some of the key macro trends that we feel, present a promising tomorrow.

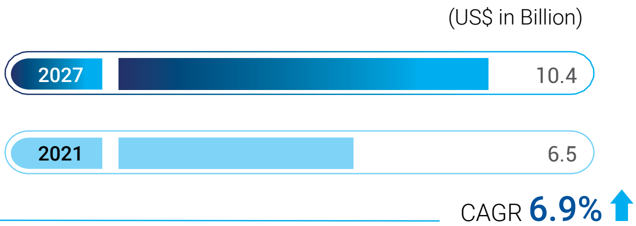
Animal Health Market

- Pharmaceutical industry expected to expand at a progressive rate of 5.4% CAGR
- Production animal segment is expected to contribute more to the pie



Animal API Market

- APAC market anticipated recording a faster rate of 7.3% CAGR
- Antiparasitics API expected to become the fastest-growing segment



Other Growth Drivers

- Developing zoonotic disease prevalence, animal population, and pet ownership
- Expanding livestock population across the world, rapidly
- Increasing demand for animal-based commodities and meat consumption

STRATEGIES

COMMITTED TO GOALS AND MILESTONES

Strategies are crucial for decision-making, optimising resources and operating efficiently. At NGL, we've mapped out a detailed strategic expansion route that reflects our dedication and preparedness to seize the underlying prospects. Our focus is on laying a foundation that enables us to identify potential and helps us leverage the best returns on our course of action.

STRONG PIPELINE TO TAP OPPORTUNITIES

- Attain better capacities by de-bottlenecking, and process enhancement across the value chain
- Outsource 15% of manufacturing to cater to increasing demand

CAPACITY EXPANSION

- Completed Macrotech expansion during the year, with approvals in place and validation batches initiated at facility
- Added capacities with brownfield expansion at Tarapur

GREENFIELD EXPANSION AT TARAPUR, TO CATER INCREASED DEMAND

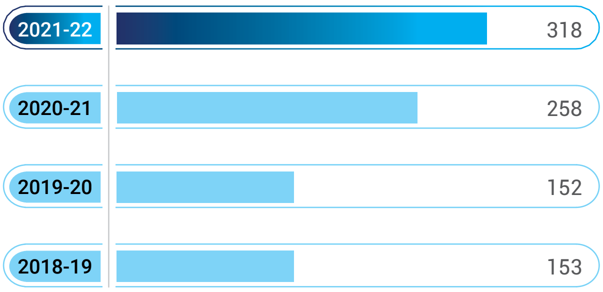
- Satisfy demand through a 50% increase in capacity for additional projects in the pipeline
- Investment of an expected ₹ 140 Crores to be financed by debt, with internal accrual accounting for ₹ 7 Crores in Capex so far
- Support ongoing civil development with the facility anticipated to open in FY 2023-24

PERFORMANCE THAT FUELS MOMENTUM

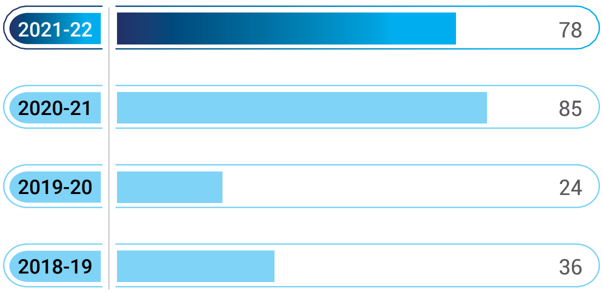
FINANCIAL HIGHLIGHTS

Our last year's performance bears testimony to how, despite a challenging year, our preparedness and prudent strategies have helped us maintain our financial soundness. We focus on identifying areas of improvement to implement them with our strategic growth plans. This approach enables us to consistently work on our fiscal health as we strive to offer better returns to our stakeholders while strengthening the outlook.

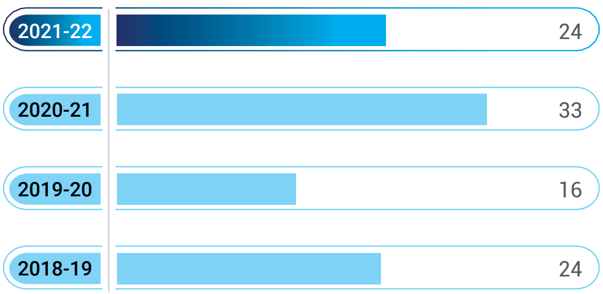
Sales Turnover (Net) (₹ in Crores)



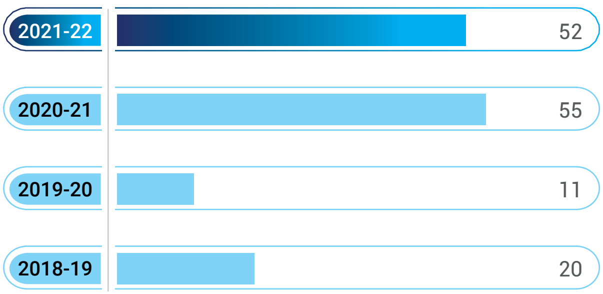
EBITDA (₹ in Crores)



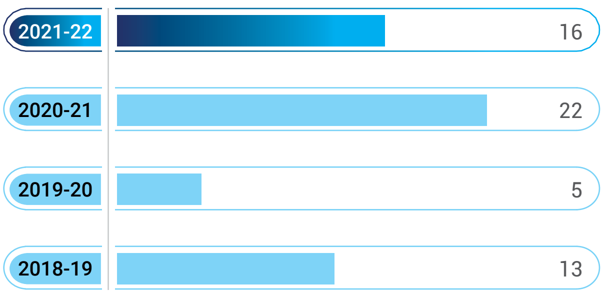
EBITDA Margin (%)



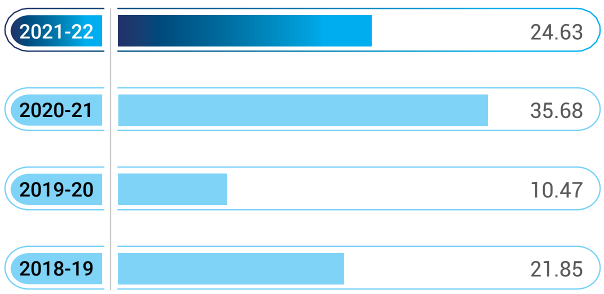
PAT (₹ in Crores)



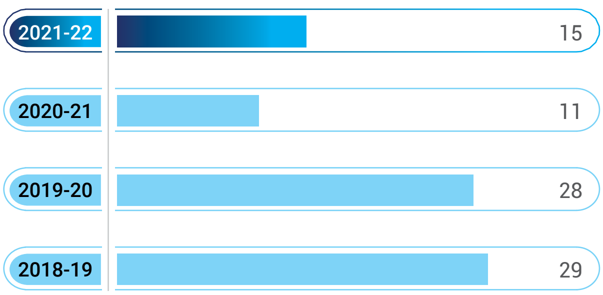
PAT Margin
(%)



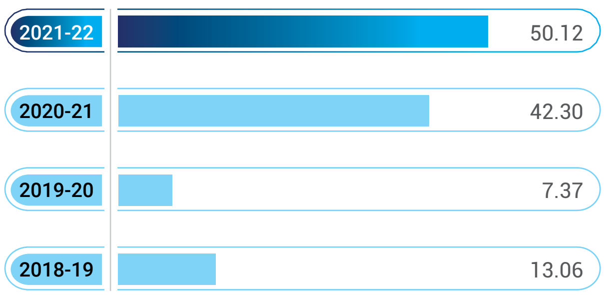
ROE
(%)



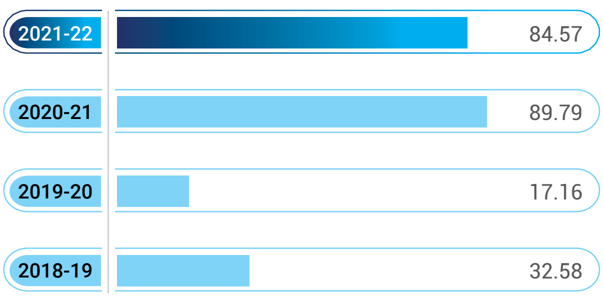
Debt Equity
(%)



Interest Coverage
(Times)



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

TEAM THAT DRIVES MOMENTUM

BOARD OF DIRECTORS

At NGL, we believe a good governance system is crucial for unlocking opportunities, adding stability and enabling faster growth. We encourage an approach that embraces honesty, accountability, and contemporary governance concepts. We believe in ensuring the long-term viability of our operations to foster the trust of our stakeholder community. And our Board of Directors plays a direct role in implementing an action plan that aligns our corporate goals with our stakeholders' best interests.

Mr Rahul Nachane
Managing Director

- Over 30 years of expertise in the Pharmaceutical sector
- A Chartered Accountant and Master of Management Studies
- Full-time Director of our Company since 1992, and has been involved in operations since 1989
- Responsible for NGL's marketing & production and general management

Mr Rajesh Lawande
Whole-Time Director & CFO

- Over 20 years of experience in the Pharmaceutical sector
- Holds an M.Sc. in Chemistry from IIT Bombay and a P.G.D.M. in Management from IIM Lucknow
- Been involved in NGL's operations since 2002, and is responsible for developing our Company's R&D activities, introducing new markets and clients, and sales & manufacturing

Mrs Ajita Nachane
Non-Executive Woman Director

- Over 24 years of experience in Sales and Marketing
- A Graduate in Commerce and holds a Master of Management Studies Degree
- Founder and C.E.O. of Tele Access E-Services Pvt Ltd – a B.P.O. that serves the BFSL, FMCG and other sectors.

Mr Jayaram Sitaram
Independent Director

- Over 30 years of experience in Consulting and Managerial activities
- Pursued B.E. (Mechanical) from VJTI in Mumbai, an M.S. (Engineering) from Villanova University in the United States, and an M.B.A. from the University of Pennsylvania's Wharton Business School
- Former Lionbridge country head in India
- Managing Director of Praxis Technologies and a Co-founder of Matrix Technologies, Inc.

Mr Milind V Shinde
Independent Director

- Over 30 years of experience in the Industrial and Engineering industries
- Pursued B.E. (Engineering) and M.B.A. from Mumbai University
- Founder of AVM Engineering – a renowned producer of industrial fans in India, serving all major OEMs in India and exports to the Middle East and Africa

Mr K V Subramanian
Non-Executive Independent Director

- 30 years of experience in Banking and Financial markets
- A Bachelor of Science in Mechanical Engineering and a Master of Business Administration
- Managing Director Head Strategy, Process, Governance & Subsidiaries of Standard Chartered Bank and CVO
- Serves on the boards of all of Standard Chartered's Indian subsidiaries and CDSL Ventures Limited

Ms Sarala Menon
Non-Executive Independent Woman Director

- 35 years+ experience in Manufacturing and Supply Chain roles, with the main area of interest being industrial operations and management
- Chemical Engineering Degree from the National Institute of Technology in Warangal, and an MBA from the NMIMS in Mumbai
- Focussed on improving all production procedures to provide outstanding customer service, product quality, and EOHS performance
- Executive Vice President of Colgate-Palmolive India, responsible for the overall management of the Colgate Plants at Baddi, Goa, Sanand and Sricity in India

CREDIBILITY THAT PROPELS MOMENTUM

AWARDS & 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

Forbes Asia **'Best under a Billion'** list of top 200 listed companies in Asia for 2016

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

'IPF Industrial Excellence' Award 2016

'WHO GMP' – CDSC

'GMP Certification' by FDA, Maharashtra

'CRISIL' – SME 1

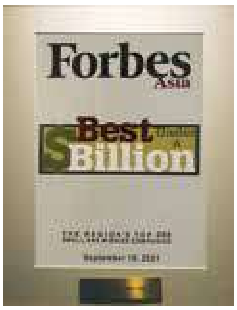
Recipient of Awards from Chemexcil - the export promotion council set up by the Government of India

'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 of the Year' Award for 2020 - Small Enterprises - Manufacturing category

Amongst the Top 1,000 companies by Market Capitalisation on the BSE Limited (formerly, Bombay Stock Exchange)



Asia's Best Under Billion 2021

SUSTAINABILITY

COMMITMENT TO REINFORCE MOMENTUM

At NGL, we are committed to building a financially stronger organisation driving a leading sustainability agenda and overall community development.

We believe in empowering people in our communities by giving them additional opportunities, skills, and confidence. To this end, we have made a deliberate investment in our people to make each employee feel appreciated and motivated. This helps us promote our people's creativity by encouraging diversity, equality, and inclusion while also supporting their overall well-being.

We endeavour to contribute to a sustainable future through our business by actively and meaningfully reducing our environmental footprint. This approach helps us promote a culture and environment where our business, people, community, society, and environment can thrive together. Thereby, aligning our strategies to our sustainability commitments and targets.

OUR PILLARS OF SUSTAINABILITY

- Switch to greener fuels for cleaner energy
- Conserve water
- Recycle solvents mandatorily
- Produce by-products that can be utilised

MONITORING AND MEASUREMENT

- Increase capital investment in pollution-control equipment, such as MEE and MVR, to industrial effluents thoroughly
- Complete transition to green fuels, such as CNG and Biomass briquettes, for boilers to reduce emissions
- Monitor energy use to achieve a limited carbon impact
- Track and actively minimise water use at each stage

411

Tonnes of fossil fuel saved during the year

SHIFT TO GREENER FUELS

We have successfully shifted to green fuels across all our manufacturing plants – from liquid fuel (furnace oil) to Compressed Natural Gas (CNG) and from solid fuel (coal) to agricultural waste fuel (biomass briquettes). As a result of these adjustments, we now exclusively utilise clean fuel – gas and agricultural waste – across all our factories.

WELFARE INITIATIVES

Educational Initiatives

We have aided in the promotion of education, including special education and employment enhancing vocational skills, especially, among children through livelihood enhancement projects. We plan to fund technological incubators within academic institutions that have been approved by the Central Government.

Environmental Initiatives

To protect and conserve the environment, we have undertaken measures that are directed at reducing pollution and recycling of waste. We have also aided in ensuring environmental sustainability, bringing in ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water.

Livelihood Initiatives

For the upliftment of the society, conscious steps have been undertaken towards empowerment of rural women to help them strengthen their financial capabilities by: encouraging skill development for sustainable livelihood; providing vocational training, training for vermi-composting, and more such activities; promoting sanitation care through construction of toilets and awareness programmes; and providing access to better quality healthcare by organising free medical camps, mobile clinics with doctors, free ambulance services, awareness programmes and blood donation camps, amongst other activites.

We have also aided in promoting gender equality, by empowering women through setting up homes and hostels for them and orphans. Other measures are aimed at reducing inequalities faced by socially and economically-backward groups.

We are also working towards eradicating hunger, poverty and malnutrition, promoting healthcare including preventive healthcare and sanitation.

Lastly, we plan to contribute towards protection of national heritage, art and culture that includes 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 benefitting armed forces veterans, war widows and their dependents, rural development projects and development of slum areas.

Our notable associations and causes, entail

UTKARSH GLOBAL FOUNDATION

Modernised and revamped animal shelters for street dogs and cats. Besides, we have also set up a pathology laboratory for haemato-analysis for animals, while further modernising the operating theatre for veterinary care.

EDUCATIONAL SCHOLARSHIPS

Offered educational scholarships to children in Tarapur and Navi Mumbai.

SHREE SANKARA HINDU MISSION

Set-up a toilet block for school children at R H Save Vidyalaya, Tarapur, District Palghar.

DR M D RANA AND MRS K M RANA CHARITABLE TRUST

Set-up a modern operation theatre at their Netrajyot Eye Hospital in Panvel.

OM GAGANGIRI HOSPITAL

Sponsored COVID-19 Vaccines for underprivileged in Navi Mumbai.

SUPPORT TO COVID-19 WIDOWS

Provided support to COVID-19 widows by sponsoring them through various programmes for their upskilling, while supporting their children by sponsoring their education.

DU FOUNDATION

The Company contributed to the Foundation to sponsor education and creating educational infrastructure like libraries in Shahapur Taluka of Thane district for tribal children.

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: support@purvashare.com

STATUTORY AUDITORS

Manek & Associates
Chartered Accountants

SECRETARIAL AUDITORS

HSPN & Associates LLP
Company Secretaries

INTERNAL AUDITORS

R. Devarajan & Co
Chartered Accountants

SHARES LISTED AT

BSE Ltd., Mumbai
(Listing fees paid for 2022-2023)
Scrip Code: 524774

COMPANY SECRETARY

Pallavi Pednekar

41st ANNUAL GENERAL MEETING

Date : 30th June 2022
Day : Thursday
Time : 11 a.m.
Place : Video Conferencing (VC) or Other Audio Visual Means (OAVM)

NOTICE

NOTICE is hereby given that the Forty First Annual General Meeting of the Members of NGL Fine-Chem Limited will be held on Thursday, 30th June, 2022 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, 2022.
3. To re-appoint Mr Rajesh Lawande, Director (holding DIN 00327301) who retires by rotation & being eligible offers himself for re-appointment as Director.
4. To appoint M/s. Manek & Associates, Chartered Accountants (FRN 0126679W) as Statutory Auditors of the Company and to fix their remuneration.

To consider, and if though fit, to pass with or without modification, if any, the following resolution as an Ordinary Resolution;

"RESOLVED THAT pursuant to the provisions of Sections 139, 141, 142 and all other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time and pursuant to the recommendation of the Audit Committee of the Company, the consent of the members of the Company be and is hereby accorded to appoint M/s. Manek & Associates (FRN:0126679W) as the Statutory Auditors of the Company for a period of 5 years from the conclusion of 41st Annual General Meeting till the conclusion of the 46th Annual General Meeting of the Company to be held in the year 2027 on such remuneration, as recommended by the Audit Committee and as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors from time to time."

Notes:

1. In continuation of Ministry's General Circular No. 20/2020 dated 5th May, 2020 General Circular No. 02/2021 dated 13th January, 2021 and General Circular No. 19/2021 dated 8th December, 2021 it has been allowed to organise AGMs in 2022 for the Financial Year ended/ending on or before 31st March, 2022 through VC or OAVM by 30th June, 2022 in accordance with the requirements laid down in Para 3 and Para 4 of the General Circular No.20/2020 dated 5th May, 2020.
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
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, 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-lodgment of transfer deeds and the shares that are re-lodged for transfer shall be issued only in

NOTICE (Contd.)

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 2nd May, 2022 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 2022 will be 23rd June, 2022. The final dividend once approved by the Members in the ensuing AGM will be paid on or after 11th July, 2022, 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. 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 Friday 24th June, 2022 to Thursday, 30th June, 2022 (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 41st 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 41st Annual General Meeting and the Annual Report for FY 2021-22 will also be available on the Company's website www.nglfinechem.com\investors\Annual Reports\Audited Financials Report - 31st March, 2022 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 may please note that SEBI has made Permanent Account Number (PAN) as the sole identification number for all participants transacting in the securities market, irrespective of the amount of such transactions.

    SEBI has also made it mandatory for submission of PAN in the following cases: (i) Deletion of name of the deceased member(s) (ii) Transmission of shares to the legal heir(s) and (iii) Transposition of shares.

    Further, the Members are requested to kindly note that as per SEBI circular bearing no SEBI/HO/MIRSSD_RTAMB/PCIR/2021/655 dated 3rd November, 2021, it is mandatory for Members holding shares in physical form to register their PAN, KYC details, Bank Particulars and Nomination against their folio no. PAN is also required to be linked to Aadhar No. by the Members to be considered as valid PAN.

    Members are requested to provide Form ISR1, ISR2, Nomination Form duly filled and signed along with the hard copy of the following self-attested documents to Purva Sharegistry for registration against their respective folio(s):

    - Identity Proof: Copy of PAN Card/ Aadhar Card
    - Address Proof: Copy of Aadhar Card/ Passport/ Client Master List/ Utility Bill not over 3 months old
    - Bank Details: Copy of the cancelled cheque stating the name of the Member as account holder

- Contact Details: Mobile no., email ID
- Nomination: Please provide Form SH13 duly filled and signed to Purva Sharegistry.

In the absence of any of the above information registered against your folio no., your folio no. will be frozen for any updation/ dividend payment as per the direction under the aforesaid Circular.

The Form ISR1, ISR2, Nomination forms are available on the website of the Company i.e., www.nglfinechem.com or and on the website of Purva Sharegistry India Private Limited.

16. 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

17. 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.

18. 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 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

19. Instructions for Shareholders to remote E-voting and Joining Virtual Meeting are as under:

CDSL e-Voting System – For e-voting and Joining Virtual meetings.

1. In view of the COVID-19 pandemic, the Ministry of Corporate Affairs, Government of India ("MCA") issued General Circular Nos. 14/2020, 17/2020, 20/2020, 02/2021, 19/2021 and 21/2021 dated 8th April, 2020, 13th April, 2020, 5th May, 2020, 13th January, 2021, 8th December 2021 and 14th December 2021, respectively, ("MCA Circulars") allowing, inter-alia, conduct of AGMs through Video Conferencing/ Other Audio-Visual Means ("VC/ OAVM") facility on or before 30th June 2022, in accordance with the requirements provided in paragraphs 3 and 4 of the MCA General Circular No. 20/2020. In compliance with these Circulars, provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the 41st AGM of the Company is being conducted through VC/ OAVM facility, which does not require physical presence of members at a common venue. The deemed venue for the 41st AGM shall be the Registered Office of the Company.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated 8th April, 2020, 13th April, 2020 and 5th May, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM/EGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorised e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the EGM/AGM will be provided by CDSL.
3. The Members can join the EGM/AGM in the VC/ OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/ AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM/EGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated 8th

NOTICE (Contd.)

April, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM/EGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM/EGM through VC/OAVM and cast their votes through e-voting.

6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated 13th April, 2020, the Notice calling the AGM/EGM has been uploaded on the website of the Company at www.nglfinechem.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.

7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated 8th April, 2020 and MCA Circular No. 17/2020 dated 13th April, 2020 and MCA Circular No. 20/2020 dated 5th May, 2020.

THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

(i) The voting period begins on Monday 27th June, 2022 at 9.00 a.m. and ends on Wednesday, 29th June, 2022 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 23rd June, 2022 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) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December, 2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

(iv) 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.

NOTICE (Contd.)

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

TYPE OF SHAREHOLDERS	LOGIN METHOD
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 evoting is in progress as per the information provided by company. On clicking the evoting 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 or click on https://evoting.cdslindia.com/Evoting/EvotingLogin 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.

NOTICE (Contd.)

TYPE OF SHAREHOLDERS	LOGIN METHOD
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: 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
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.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

NOTICE (Contd.)

LOGIN TYPE	HELPDESK DETAILS
Individual Shareholders holding securities in Demat mode with **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(v) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
4. Next enter the Image Verification 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:

LOGIN TYPE	FOR PHYSICAL SHAREHOLDERS AND OTHER THAN INDIVIDUAL SHAREHOLDERS HOLDING SHARES IN DEMAT.
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (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 (DOB)	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.

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

(vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.

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

(ix) Click on the EVSN No: 220531008 for NGL Fine-Chem Limited on which you choose to vote.

(x) 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.

(xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xii) 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.

NOTICE (Contd.)

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

(xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvi) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**

- 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.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- 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.
- 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.
- 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.
- 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; cs@nglfinechem.com, 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/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN NO 220531008 of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. 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.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. 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.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 15 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at cs@nglfinechem.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 15 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at cs@nglfinechem.com. These queries will be replied to by the Company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted 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 AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the 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.

Mr Hemant Shetye, Company Secretary in practice (Mem No. F2827 and COP No. 1483) and Designated Partner of M/s. HSPN & Associates LLP, Company Secretaries Mumbai, has been appointed as the Scrutiniser to scrutinise the remote e-voting process and casting vote through the e-voting system during the AGM in a fair and transparent manner.

The Scrutiniser shall immediately after the conclusion of e-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 two working days of conclusion of the AGM, issue 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 counter sign the same.

By Order of the Board
For NGL Fine-Chem Limited

Registered Office:
301, E Square Subhash Road,
Vile Parle (East),
Mumbai-400057.
Place: Mumbai
Date: 2nd May, 2022

Sd/-
Pallavi Pednekar
Company Secretary
Membership No. A33498

DIRECTORS' REPORT

The Board of Directors are pleased to present the Company's Forty First Annual Report and the Company's audited financial statements (consolidated and standalone) for the financial year ended 31st March, 2022.

1. OPERATING RESULTS

The operating results of the Company for the year ended 31st March, 2022 are as follows:

(₹ in Lakhs)

	Year ended 31st March, 2022 (Standalone)	Year ended 31st March, 2021 (Standalone)	Year ended 31st March, 2022 (Consolidated)	Year ended 31st March, 2021 (Consolidated)
Revenue from Operations	3,18,66.74	2,58,18.15	3,17,50.30	2,57,97.48
Profit before tax from continuing operations	68,97.40	75,99.70	66,59.65	77,58.95
Tax Expenses (Including Deferred Tax)	(16,72.75)	(20,52.75)	(16,69.91)	(20,87.06)
Profit after Tax	52,24.65	55,46.95	49,89.74	56,71.90
Total Comprehensive Income for the year	52,19.31	55,32.87	49,84.13	56,57.81

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 ₹3,18,66.74 Lakhs (previous year ₹2,58,18.15 Lakhs) resulting in increase of 23.42% over the previous year. The profit after tax (including other comprehensive income) is at ₹52,19.31 Lakhs (previous year ₹55,32.87 Lakhs resulting in decrease of 5.67%).

The current year, the year of recovery from Covid, has seen its highs and lows. Supply and logistical bottlenecks resulted in higher prices of chemicals, commodities and metals. The war in Ukraine since the beginning of this year has further exacerbated these issues. The resulting price increases have brought on a pressure on margins, however it is expected that these should be mitigated by mid FY 2022-23. Your Company has recorded a sales increase of 23.4% over the previous year.

The Covid pandemic affected operations and the physical and emotional wellbeing of our workforce was a priority for your Company. Your Company initiated vaccinations for all its workforce and their families and has successfully completed the vaccination of all the employees. Team NGL has responded well to the pandemic and ensured that the manufacturing facilities are seamlessly operated.

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 Company has commenced construction at its new greenfield project in Tarapur. The plant is estimated to be completed by mid FY 2023-24. The Company has also commissioned the expansion at its subsidiary – Macrotech Polychem Private Limited in December, 2021. This is will bring in additional capacity to be utilised during the current year. The Company has three new products under development and pilot trials during the year and hopes to scale up production in the coming year.

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 constituted Risk Management Committee and its risk management policy is available on the website of the Company: **www.nglfinechem.com**

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.

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 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. Further the Company has also obtained the Shareholders approval for the Related Party Transactions through Postal Ballot on 30th January, 2022.

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, DIRECTORS' REPORT (Contd.)

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

Pursuant to the provisions of Section 92(3) of Companies Act, 2013 following is the link for Annual Return FY 2021-22.

www.nglfinechem.com\investors\notices\MGT-7 2022

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

During the financial year, the Board met five times on 1st June, 2021, 30th July, 2021, 10th November, 2021, 29th December, 2021 and 7th February, 2022.

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 31st March, 2022, 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 D** 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 29th April, 2022 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

Mr Rajesh Lawande is liable to retire by rotation in this ensuing Annual General Meeting and being eligible he has offered himself for reappointment. Your Directors recommend his re-appointment.

Pursuant to the provisions of Section 149 of the Act, the Independent Directors have submitted declarations that each of them meet 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.

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 programme 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 programme 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 programme 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+ / Positive (Reaffirmed) and short-term rating is Crisil A2 (Reaffirmed). The Company has also been rated by ICRA Ltd for bank borrowing and long-term rating has been reaffirmed as BBB+/Stable and has reaffirmed the short-term rating as A2.

26. STATUTORY AUDITORS

The Board of Directors of your Company at its meeting held on Friday, 2nd May, 2022 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 2027, based on the recommendation of the Audit Committee.

The Company has proposed an Ordinary Resolution for appointment of Statutory Auditor.

27. INTERNAL AUDITORS

M/s R. Devarajan & Co., Chartered Accountants, Mumbai, (ICAI firm registration number 102415W) were appointed as internal auditors for FY 2021-22 and who have issued there reports on quarterly basis.

28. SECRETARIAL AUDITORS

The Company has appointed M/s. HSPN & Associates LLP, Company Secretaries, as Secretarial Auditors of the Company to carry out the Secretarial Audit for the FY 2022-23 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 FY 2021-22 is annexed herewith and forms part of this report as **Annexure E.**

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

29. COST AUDITORS

For the FY 2022-23, 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 E** which forms part of this report.

Further explanation/comments on the observation of Secretarial Auditors is as under

Observation 1: During the year there was delay in appointment of Non-Executive Women Independent Director for which Company has received a Show Cause Notice from BSE.

Board's Reply: The said default was made good by appointing Non Executive Women Independent Director w.e.f 14th December, 2021 and by payment of levied penalty.

Observation 2: During the quarter ended 30th June, 2021, the maximum time gap between two Board Meetings and Two Audit Committee Meetings exceeded beyond 120 (One Hundred and Twenty) days which is not in Compliance with the provisions of Regulation 17(2) and 18(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Board's Reply: MCA vide its circular dated 3rd May, 2021 extended the period of Interval between two Board Meetings by an additional 60 days for the first two quarter of the FY 2021-22. Further, SEBI vide its circular dated 29th April, 2021 extended the period of deadline for approval of Audited Financial Results for the quarter and year ended 31st March, 2021 from the due date of 30th May, 2021 to 30th June, 2021. Due to the ambiguity between the two circulars there was a minor delay in holding Board Meeting and Audit Committee Meeting.

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 as **Annexure G.**

33. SUBSIDIARY, JOINT VENTURES AND ASSOCIATE COMPANIES

Macrotech Polychem Private Limited is a wholly owned subsidiary of the Company. The Consolidated Financial Statements 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. 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.**

35. 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.

36. 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.

37. 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.

38. 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.

39. COMMITTEES OF THE BOARD

In accordance with the Companies Act, 2013, the Board has formed a Risk Management Committee. 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.

40. 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.

41. COST RECORDS AND COST AUDIT

Maintenance of cost records as prescribed under the provisions of Section 148(1) of the Companies Act, 2013 was not applicable for the business activities carried out by the Company for the FY 2021-22. Accordingly, such accounts and records are not made and maintained by the Company for the said period. The requirement for cost audit was not applicable for the said period as the export turnover was greater than 75% for the prior year.

42. 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**

43. 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.

44. 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 maximising long-term value for shareholders.

45. 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 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.

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

Mumbai, 2nd May, 2022.

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 earlier years, 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 411 mt during the year. At another unit, the Company has replaced furnace oil with natural gas resulting in a saving of 790 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 Lakh)

	FY 2021-22	FY 2020-21
Capital	124.31	57.04
Revenue	173.72	186.96
Total	298.03	244.00
As percentage of turnover	0.94%	0.95%

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 ₹ 23767.49 Lakhs

Total Foreign Exchange Used ₹ 3257.72 Lakhs

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, 2nd May, 2022.

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 programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.
   - 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 programmes.
   - Provide healthcare by organising free medical camps, mobile clinics with doctors, free ambulance services, awareness programmes 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:
   - Mr Milind Shinde -Chairman
   - Mr Rajesh Lawande -Member
   - Mrs Ajita Nachane -Member
   - Mr K.V. Subramanian -Member
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

ANNEXURE B
TO THE DIRECTORS' REPORT (Contd.)

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.	FY 2020-21	62766	62766
	Total	62766	62766

6. Average net profit of the Company as per section 135(5) : ₹ 38,22,07,526/-
7. (a) Two percent of average net profit of the Company as per Section 135(5) : ₹ 76,44,151/-
   (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: ₹ 62766/-
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
₹ 75,86,186/-	--	--	Not Applicable	--	--

(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
NIL										

(c) Details of CSR Amount Spent against other than ongoing project 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	FY 2021-22	₹ 27,32,900	₹ 27,32,900	NIL	Yes	NA	
Shree Shankara Hindu Mission	Education	Yes	Maharashtra	FY 2021-22	₹ 20,00,000	₹ 20,00,000	NIL	Yes	NA	
Educational Scholarships	Education	Yes	Maharashtra	FY 2021-22	₹ 8,60,246	₹ 8,60,246	NIL	Yes	NA	
Om Gagangiri Hospital	Health Care	Yes	Maharashtra	FY 2021-22	₹ 53,040	₹ 53,040	NIL	Yes	NA	
DU Foundation	Health Care	Yes	Maharashtra	FY 2021-22	₹ 4,00,000	₹ 4,00,000	NIL	Yes	NA	
Dr. M. D. Rana and Mrs K. M. Rana Charitable Trust	Health Care	Yes	Maharashtra	FY 2021-22	₹ 10,00,000	₹ 10,00,000	NIL	Yes	NA	
Helping Hand Groups	Education	Yes	Maharashtra	FY 2021-22	₹ 20,000	₹ 20,000	NIL	Yes	NA	
Woman Empowerment	Woman Empowerment	Yes	Maharashtra	FY 2021-22	₹ 5,20,000	₹ 5,20,000	NIL	Yes	NA	

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: ₹ 75,86,186/-

(g) Excess amount for set off, if any

S. No.	Particulars	Amount (in ₹)
1	Two percent of average net profit of the Company as per section 135(5)	76,44,151
2	Total amount spent for the Financial Year	75,86,186
3	Excess amount spent for the Financial Year [(2)-(1)]	4801*
4	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	NIL
5	Amount available for set off in succeeding Financial Years [(3) – (4)]	4801

* Total Amount to be spent for the year 7644141 - Excess Spent Last year adjusted 62766 = Amount to be spent for the year 7581385, Amount Spent for the year 7586186. Hence Excess spent for the year 4801

9. i. Details of Unspent CSR amount for the preceding three Financial Years:

Year	Amount
FY 2018-19	**19,41,297**
FY 2019-20	**33,60,965**
FY 2020-21	(62,766)
Total	**53,02,262**

ii. Details of CSR amount spent in the Financial Year for ongoing projects of the preceding Financial Year(s): Nil.

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 (asset-wise details): Not Applicable

a) Date of creation or acquisition of the capital asset(s): Not Applicable

b) Amount of CSR spent for creation or acquisition of capital asset: Nil

c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: Not Applicable

d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not Applicable

11. Specify the reason, if the Company has failed to spend two per cent of the average net profit as per section 135(5) : NIL

For and on behalf of the Board of Directors

Sd/-
Rahul Nachane
Managing Director
DIN No: 00223346

Sd/-
Rajesh Lawande
Whole-Time Director & CFO
DIN No: 00327301

Sd/-
Milind Shinde
Chairman CSR Committee
DIN No: 01593560

Mumbai, 2nd May, 2022

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 2021-22
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	(2,65,15,808)
6.	Total assets	32,23,38,878
7.	Total Liabilities	32,23,38,878
8.	Investments	-
9.	Turnover	7,49,45,699
10.	Profit before taxation	(90,49,405)
11.	Provision for taxation	2,84,024
12.	Profit after taxation	(87,65,381)
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. N.A.
2. Names of associates or joint ventures which have been liquidated or sold during the year. N.A.

For and on behalf of the Board of Directors

Sd/-
Rahul Nachane
Managing Director
DIN No: 00223346

Sd/-
Rajesh Lawande
Whole-Time Director & CFO
DIN No: 00327301

Mumbai, 2nd May, 2022

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 Limited 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 : NIL

   (a) Name(s) of the related party and nature of relationship

   (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) Date(s) of approval by the Board, if any: (f) Amount paid as advances, if any:

For and on behalf of the Board of Directors

Sd/-
Rahul Nachane
Managing Director
DIN No: 00223346

Sd/-
Rajesh Lawande
Whole-Time Director & CFO
DIN No: 00327301

Mumbai, 2nd May, 2022

ANNEXURE D
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	--
Mrs Sarala Menon	--
Executive directors	--
Mr Rahul Jayant Nachane	43.53
Mr Rajesh Narayan Lawande	43.30

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	NIL
Mr Rajesh Narayan Lawande	NIL
Mr Jayaram Sitaram	NIL
Mr Milind Vasant Shinde	NIL
Mrs Ajita Rahul Nachane	NIL
Mr K.V.Subramanian	NIL
Mrs Pallavi Pednekar	17.13

c. The percentage increase in the median remuneration of employees in the financial year: 10.46%

d. The number of permanent employees on the rolls of Company: **329**

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 10.46%

Increase in the managerial remuneration for the year was -1.42%

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 29th April, 2022 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

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.

ANNEXURE D
TO THE DIRECTORS' REPORT (Contd.)

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	266.93	33
Rajesh Lawande	Whole-Time Director & CFO	M.Sc (IIT BOM), PGDBA (IIML)	44	1st June, 2005	265.49	21

Notes:

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

For and on behalf of the Board of Directors

Sd/-
Rahul Nachane
Managing Director
DIN No: 00223346

Sd/-
Rajesh Lawande
Whole-Time Director & CFO
DIN No: 00327301

Mumbai, 2nd May, 2022

ANNEXURE E
TO THE DIRECTORS' REPORT

SECRETARIAL AUDIT REPORT

FORM No. MR-3

FOR FINANCIAL YEAR ENDED ON 31ST MARCH 2022.

[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, 2022, 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, 2022 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. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 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 Agreements 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);

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 observation(s):

1. *During the year there was delay in appointment of Non-Executive Women Independent Director for which Company has received a Show Cause Notice from BSE. The said default was made good by appointing Non-Executive Women Independent Director w.e.f. 14th December, 2021 and by payment of levied penalty.*

2. *During the quarter ended 30th June, 2021, the maximum time gap between two Board Meetings and Two Audit Committee Meetings exceeded beyond 120 (One Hundred and Twenty) days which is not in Compliance with the provisions of Regulation 17(2) and 18(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.*

We further report that:

The Board of Directors of the Company is constituted with proper balance of Executive Directors, Non-Executive

ANNEXURE E
TO THE DIRECTORS' REPORT (Contd.)

Directors and Independent Directors except there was delay in appointment of Non-Executive Women Independent Director. 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 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. During the year there are 400 shares held by 4 shareholders constituting 0.0065% of the total paid up Equity Share Capital of the Company lying unclaimed. The Company is taking all necessary steps to connect with the shareholders and deliver the Share certificate lying with the Company's RTA. As informed by the Management that, In case there is no response from the concerned shareholders, the Company shall initiate the process for transfer of such unclaimed shares to Demat Suspense Account/ Unclaimed Suspense Account pursuant to Regulation 39 (4) of SEBI (LODR) 2015 during the FY 2022-23;
2. 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;
3. The Company has declared and paid the Final dividend @35% i.e. ₹1.75/- per Equity Share for the financial year ended 31st March, 2021 at their Annual General Meeting held on 20th August, 2021 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;
4. The Company has obtained Shareholders approval in the 40th AGM
    a. for re-appointment of Mr Rajesh Lawande (holding DIN: 00327301) as a Whole-Time Director of the Company for a period of 5 Consecutive Years with effect from 1st June, 2021.
    b. for Appointment of Mr Ahaan Nachane, son of Mr Rahul Nachane, Managing Director and CEO and Mrs Ajita Nachane, Non-Executive Director as a Vice President w.e.f. 1st June, 2021.
    c) for 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.
5. The Company has obtained Shareholder's approval through postal Ballot dated 30th January, 2022;
    i) For appointment of Mrs Sarala Menon (DIN: 09433901) as a Non-Executive Women Independent Director to hold office for 5 consecutive years w.e.f. 14th December, 2021 for a term upto 13th December, 2026.
    ii) for borrowing from time to time any sum or sums of money by way of cash credit, loan, overdraft, discounting of bills, operating of letter of credit, for standing guarantee or counter guarantee and any other type of credit line or facility up to an amount not exceeding ₹ 750 Crore (Rupees Seven Hundred Fifty Crore Only) (including the money already borrowed by the Company.
    iii) to sell, lease, rent, mortgage, charge or create any security on the whole or substantially the whole of the undertaking of the Company including moveable or immoveable properties and assets of the Company, to secure the repayment of term loan/financial assistance obtained/to be obtained for business purpose for an amount which shall not at any time exceed ₹ 750 Crore (Rupees Seven Hundred Fifty Crore Only).
    iv) to (a) give any loan to any person(s) or other body corporate(s); (b) give any guarantee or provide security in connection with a loan to any person(s) or other body corporate(s); and (c) acquire by way of subscription, purchase or otherwise, securities of any other body corporate from time to time, for an amount not exceeding ₹250 Crores (Rupees Two Hundred Fifty Crore Only).

For **HSPN & ASSOCIATES LLP**
Company Secretaries

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

Date: 02/05/2022
Place: Mumbai
ICSIUDIN: F002827D000255805
PEER REVIEW NO: P2007MH004300

ANNEXURE E
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 efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **HSPN & ASSOCIATES LLP**
Company Secretaries

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

Date: 02/05/2022
Place: Mumbai
ICSIUDIN: F002827D000255805
PEER REVIEW NO: P2007MH004300

ANNEXURE F
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 Seven Directors out of which one is the Promoter Managing Director, one is a Promoter Whole-Time Director and one is Promoter Woman Non-Executive Director. Out of the remaining Four Directors, one is Woman Independent Non-Executive Director and the other remaining 3 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.

Term of Board Membership:

The Board, on the recommendations of the Nomination and Remuneration Committee, considers the appointment and re-appointment of Directors.

During the year, Mr Rajesh Lawande (DIN: 00327301)) was re-appointed as a Whole-Time Director w.e.f. 1st June, 2021 and Ms Sarala Menon (DIN: 09433901) was appointed as an Additional Non-Executive Independent Women Director of the Company w.e.f. 14th December, 2021.

Section 149 of the Companies Act, 2013, provides that an Independent Director shall hold office for a term of up to five consecutive years on the Board of a Company and shall be eligible for re-appointment on passing of a special resolution by the shareholders of the Company. However, the Independent Directors shall not retire by rotation.

Section 152 of the Companies Act, 2013, states that one-third of the Board members other than Independent Directors who are subject to retire by rotation, shall retire every year and shall be eligible for re-appointment, if approved by the shareholders at the Annual General meeting.

In view of the above, Mr Rajesh Lawande (DIN: 00327301), Director of the Company, retires by rotation at the forthcoming Annual General Meeting, and being eligible, seeks re-appointment.

During the year there were in total five board meetings held on 1st June, 2021, 30th July, 2021, 10th November, 2021, 29th December, 2021 and 7th February, 2022. The time gap between the two meetings was not more than 120 days except during June 2021 quarter the time gap between two Board Meetings exceeded 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	PMD	5	Yes
R. N. Lawande	PWTD	5	Yes
M. V. Shinde	INED	5	Yes
J. Sitaram	INED	5	Yes
A.R. Nachane	WNED	5	Yes
K.V. Subramanian	INED	5	Yes
Sarala Menon	WINED	2	NA

1. Directorship only of public limited company is considered
2. PMD – Promoter Managing Director, PWTD – Promoter Whole Time Director, WNED – Woman Non-Executive Director, INED – Independent Non-Executive Director, WINED – Woman Independent Non-Executive Director.

ANNEXURE F
TO THE DIRECTORS' REPORT (Contd.)

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

Sr. No.	Name of Director	Category of Director-ship	No. of Board Meetings attended	Attendance at the last AGM
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
7.	Sarala Menon	Nil	NA	NA

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

Disclosure of Relationships between Directors Inter-se

- Mr Milind Vasant Shinde is a Non-Executive Independent Director & Chairman and is not related to any other Member 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 other Member 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 other Member of the Board of Directors.
- Mrs Sarala Menon is Non-Executive Woman Independent Director and is not related to any other Member of 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
5	Mrs Sarala Menon	NIL

Note: None of the Non-Executive are holding securities other than mentioned above.

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 programme 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 programme also includes visit to the plant to familiarise them with all facets of pharmaceutical manufacturing.

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

ANNEXURE F
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 4th February, 2022 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 programme 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 F
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	√	√	√	√
Sarala Menon	√	√	√	√

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

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.

During the year no independent director resigned hence, confirmation by such director is not applicable to us.

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 five Audit committee meetings held on 1st June, 2021, 30th July, 2021, 10th November, 2021, 29th December, 2021 and 7th February, 2022. The attendance of the meetings is given below.

Name of Director	Category of Directorship	No. of Committee Meetings attended
Milind Shinde	INED	5
Jayaram Sitaram	INED	5
Rajesh Lawande	ED	5
K.V. Subramanian	INED	5

The Chairperson of Audit Committee was present in previous AGM held on Friday, 20th August, 2021 to answer shareholder's queries.

Invitees / Participants: -

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

ANNEXURE F
TO THE DIRECTORS' REPORT (Contd.)

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:

   (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

ANNEXURE F
TO THE DIRECTORS' REPORT (Contd.)

(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

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 FY 2021-22 on 1st June, 2021, 30th July, 2021, 9th November, 2021 and 2nd February, 2022. 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 20th August, 2021. 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
Milind Shinde	Chairman & INED	4
Jayaram Sitaram	Member & INED	4
Ajita Nachane	Member & WNED	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.

ANNEXURE F
TO THE DIRECTORS' REPORT (Contd.)

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	181.27	181.27
Leave Encashment	--	--
Provident Fund & Gratuity Fund	0.22	0.22
Bonus	NIL	NIL
Stock Option	NIL	NIL
Pension	NIL	NIL
Service Contracts	NA	NA
Notice Period	NA	NA
Severance Fees	NA	NA

Mr Rajesh Lawande was appointed as Whole-Time Director with effect from 1st June, 2021 for a period of 5 years based on the approval of shareholders in the Annual General Meeting held on 20th August, 2021.

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

Criteria for making payments

Non-Executive Directors of the Company are paid sitting fees for attending Board and Committee Meetings and no Commission is drawn by either of them during the year under review.

During the FY 2021-2022, the Sitting fees of ₹ 60,000/- per Board meeting and ₹ 12,500/- per meeting of the Audit Committee and ₹ 7,500/- per meeting for other Committee Meetings were paid to the Non-Executive Directors attending respective meetings.

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, 2022 are given below: -

Sitting Fees (In ₹)

Name	Milind Shinde	Jayaram Sitaram	Ajita Nachane	K.V. Subramanian	Sarala Menon
Sitting fees	4,45,000	4,22,500	4,02,500	Nil	1,20,000
Remuneration	Nil	Nil	Nil	Nil	Nil
No. of equity shares	Nil	23,616	7,13,449	Nil	Nil
Commission	Nil	Nil	Nil	Nil	Nil
Non-convertible instruments	Nil	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

ANNEXURE F
TO THE DIRECTORS' REPORT (Contd.)

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 2021-22 on 1st June, 2021, 30th July, 2021, 9th November, 2021 and 2nd February, 2022. 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 20th August, 2021.

The composition of the Committee during FY 2021-22 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	INED	4
Jayaram Sitaram	INED	4
Ajita Nachane	WNED	4
Rahul Nachane	MD	4

The Company received 1 (one) complaint from shareholders during the year. Further, during the year ended on 31st March, 2022 the Company approved issue of 4,000 (Four Thousand) duplicate shares, transmission of 200 (Two Hundred) shares, transposition of 100 (One Hundred) Shares and Name deletion of 2200 (Two Thousand Two Hundred) equity shares of ₹ 5/-.

Compliance Officer Details:

Mrs Pallavi Pednekar

Company Secretary & Compliance Officer

Membership No: A33498

[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.

(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 shareholders 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 thrice in the FY 2021-22 on 1st June, 2021, 10th November, 2021 and 2nd February, 2022. 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 & INED	3
Ajita Nachane	Member & WNED	3
Rajesh Lawande	Member & ED	3
K.V. Subramanian	Member & INED	3

ANNEXURE F
TO THE DIRECTORS' REPORT (Contd.)

e. Risk Management Committee

Company has 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 the committee met twice on 30th July, 2022 and 22nd January, 2022.

Terms of Reference of the Committee inter alia include the following:

- Implementation of Risk Management Systems and Framework
- Reviewing the Company's financial and risk management policies including Cyber Security
- Risk assessment and minimisation procedures
- Framing, implementing and monitoring the risk management plan for the Company and
- Any other matters as may be prescribed.

Name of Director	Category of Directorship	No. of Committee Meetings attended
Rahul Nachane	Chairman &MD	2
Ajita Nachane	Member & WNED	2
Rajesh Lawande	Member & ED	2
K.V. Subramanian	Member & INED	2

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 & WNED
Rajesh Lawande	Member & WTD

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

4. Subsidiary Company:

The Company has one non-material subsidiary Company - M/s Macrotech Polychem Private Limited. (CIN: U24100MH2004PTC145189).

The Company has framed the policy for determining material subsidiary as required by under Regulation 16 of the Listing Regulation and the same is disclosed on the Company's website at www.nglfinechem.com

5. General Body Meetings:

Financial Year	Date	Time	Venue	Special Resolution(s)
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.
FY 2019-20 AGM	14th August, 2020	11 a.m.	301, E-Square, Subhash Road, Vile Parle East, Mumbai 57	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
FY 2020-21 AGM	20th August, 2021	11 a.m.	301, E-Square, Subhash Road, Vile Parle East, Mumbai 57.	a) Re-appointment of Mr Rajesh Lawande as Whole-Time Director of the Company. b) Appoint Mr Ahaan Nachane as Vice President of the Company. c) Ratification for change in constitution of Statutory Auditor from Proprietorship to Partnership Firm.

Extraordinary general meeting:

No Extra Ordinary General Meeting of Members or Meetings of Creditors was held during last 3 years and there was no instance of Court convened meeting during last 3 years.

ANNEXURE F
TO THE DIRECTORS' REPORT (Contd.)

Details of special resolution passed through postal ballot, the persons who conducted the postal ballot exercise and details of the voting pattern:

The Company has conducted voting by Postal Ballot during the financial year ended 31st March, 2022 other than this, no voting by postal ballot during last 3 years:

1) Appointment of Mrs Sarala Menon as Woman Independent Director of the Company – Special Resolution.
2) Borrow money in excess of aggregate of its paid-up share capital and free reserves and securities premium – Special Resolution.
3) Pledge, mortgage, hypothecate and/or charge movable or immovable property of the Company – Special Resolution.
4) Give Loan or guarantee or provide security in connection to any loan or make investment – Special Resolution.
5) Approval of Related Party Transactions – Ordinary Resolution.

Scrutiniser's details

Mr Hemant Shetye FCS No. 2827 and COP No. 1483, Designated Partner of HSPN & ASSOCIATES LLP appointed as Scrutiniser for conducting Scrutiny of the Entire Postal Ballot e-voting process.

Procedure of postal ballot

Remote E-voting process was adopted for Postal Ballot.

6. Means of Communication

i) 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 of material nature are communicated to the stock exchanges.

ii) Website & News Release

In compliance with Regulation 46 of the SEBI Listing Regulations, a separate dedicated section under 'Investors' is available on the Company's website - www.nglfinechem.com wherein information on various announcements made by the Company, Annual Report, Quarterly/Half yearly/ Nine months and Annual financial results along with the applicable policies of the Company are displayed shortly after its submission to the Stock Exchange.

iii) Stock Exchange

Our Company makes timely disclosures and filing to BSE Limited in terms of the SEBI Listing Regulations and other rules and regulations issued by SEBI and the same are hosted on website of said Stock Exchange.

NSE Listing

The Board approved the proposal for listing of the Company's shares on National Stock Exchange (NSE) at its meeting held on 14th September, 2021. The Company is in the process of getting the shares listed at NSE.

iv) Corporate Compliance & the Listing Centre

The Company files its financial results and other submission on the electronic filing system, i.e., Listing Centre of BSE. The same is also available on the website of BSE- www.bseindia.com.

v) Whether it also displays official news releases

The Company has not made any official news release during the year under review. Hence, there is no question of displaying the same.

vi) The presentations made to Institutional Investors or to the Analysts

Company had arrange Concalls with the investors on 10th June, 2021, 4th August, 2021, 12th November, 2021 and 9th February, 2022 and the transcript of the same was sent to BSE and also available on the Company's website www.nglfinechem.com.

The meeting was held on 17th September, 2021 with Investors/analysts.

7. General Shareholder Information

a. The 41st Annual General Meeting is proposed to be held on Thursday, the 30th June, 2022 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 before 14th August
• Second Quarter & Half year results	On or before 14th Nov
• Third Quarter results	On or before 14th February

ANNEXURE F
TO THE DIRECTORS' REPORT (Contd.)

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 11th July, 2022 or onwards, if declared at the Annual General Meeting on 30th June, 2022.

d. Compliance Officer Details:

Mrs Pallavi Pednekar

Company Secretary & Compliance Officer.

Membership No. A33498

Email: cs@nglfinechem.com

e. Description of Voting Rights

All shares issued by the Company carry equal voting rights.

f. Listing of equity shares on Stock Exchanges

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

Listing Fees:

The Company has paid listing fees up to 31st March, 2023 to BSE Limited where Company's shares are listed.

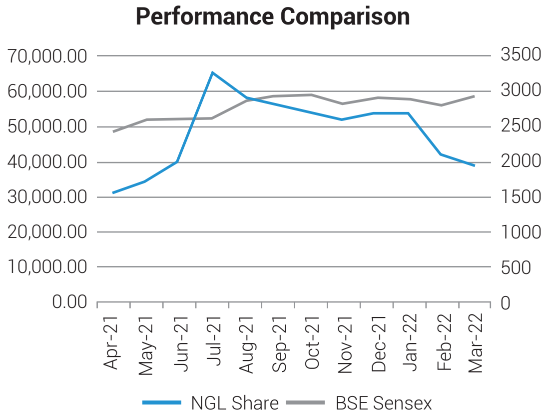
g. The Scrip code of the Company is **524774.**

h. Stock market price data for the FY 2020-21 (BSE)

Month	BSE		
	High	Low	Volume of shares traded (Nos)
Apr-21	1757.95	1525.05	55,572
May-21	1929.60	1501.00	65,008
Jun-21	2330.90	1680.05	1,93,243
Jul-21	3588.25	1982.10	1,37,935
Aug-21	3789.45	2744.70	95,666
Sep-21	3060.00	2700.00	65,243
Oct-21	2956.80	2379.15	76,002
Nov-21	3435.00	2482.15	1,29,016
Dec-21	2790.00	2470.60	85,087
Jan-22	2935.00	2525.00	67,334
Feb-22	2844.00	2011.00	1,11,364
Mar-22	2139.00	1799.85	1,21,441

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

Month	NGL's Share price (₹)	BSE Sensex
Apr-21	1570.50	48,782.36
May-21	1753.05	51,937.44
Jun-21	2029.80	52,482.71
Jul-21	3273.50	52,586.84
Aug-21	2939.85	57,552.39
Sep-21	2795.90	59,126.36
Oct-21	2694.95	59,306.93
Nov-21	2592.70	57,064.87
Dec-21	2702.40	58,253.82
Jan-22	2709.95	58,014.17
Feb-22	2110.65	56,247.28
Mar-22	1957.80	58,568.51



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

k. 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) Private Limited

Website: www.purvashare.com

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

ANNEXURE F
TO THE DIRECTORS' REPORT (Contd.)

Share Transfer System

The shares in de-materialised form are processed and transferred within 15 days from receipt of de-materialisation requests.

l. Distribution of Shareholding as at 31st March, 2022.

Type	No. of Share-holders	% of Share-holders	Share-holding (₹)	% of Share-holding
Up to 5000	16884	98.92	40,34,805	13.06
5001 – 10000	88	0.51	6,37,595	2.06
10001 – 20000	44	0.26	5,97,785	1.94
20001 – 30000	20	0.12	5,16,280	1.67
30001 – 40000	5	0.03	1,67,645	0.54
40001 – 50000	5	0.03	2,39,485	0.78
50001– 100000	10	0.06	7,08,245	2.29
100001 & above	12	0.07	2,39,88,280	77.66
	17068	100.00	3,08,90,120	100.00

m. De-materialisation of shares

As on 31st March, 2022, 96.35 % of the Company's total shares representing 59,52,077 shares were held in de-materialised form & the balance 3.65% representing 2,25,947 shares in paper form. The details are given below:

Type	No. of Shares	% of Share-holding
De-materialised shares		
With N.S.D. L	53,83,315	87.14
With C.D.S. L	5,68,762	9.21
Total Demat shares	59,52,077	96.35
Physical shares	2,25,947	3.65
	61,78,024	100.00

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

o. Commodity Price Risk or Foreign Exchange Risk and Hedging Activities. -The Company has not entered into any commodity contracts as on 31st March, 2022. 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.

p. 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.

Plant Location Subsidiary Company:

L60/61 MIDC, Tarapur, Boisar, Dist. Palghar 401506.

q. Address for correspondence

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

r. 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+ / positive & Short-Term rating is A2. The Company has also been rated by ICRA Ltd for bank borrowing and reaffirmed Long Term Rating as BBB+ /stable and Short-term rating is A2.

8. 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 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:

During the year there was delay in appointment of Non-Executive Women Independent Director for the period of 76 days for which Company has received Show Cause Notice from BSE and levied penalty of ₹ 4,36,600/- and the same was paid by the Company other than this 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

D. Compliance of Mandatory and Non-Mandatory Requirements:

Mandatory

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.

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

i) 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.

ii) Shareholder Rights

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.

iii) Modified Opinion in Audit Report

Modified Opinion in Audit Report

The Company's Financial Statements are with unmodified opinion.

iv) Separate Post of Chairman and Chief Executive Officer

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

v) Reporting of Internal Auditor

The Internal Auditor reports directly to the Audit Committee.

E. Web link where policy for determining 'material' subsidiaries is disclosed;

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

F. web link where policy on dealing with related party transactions;

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 at www.nglfinechem.com

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

H. Proceeds from Public Issues, Rights Issue, Preferential Issue, Bonus Issue etc.

During the year, the Company has not raised any money through Public Issues, Rights Issue, Preferential Issue, Bonus Issue etc.

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 Company Secretary in practice

A Certificate from HSPN & ASSOCIATES LLP, Company Secretary in practice is annexed that none of the Directors on the board of the

ANNEXURE F
TO THE DIRECTORS' REPORT (Contd.)

Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authorities.

J. The board had accepted recommendations of all committees of the board which is mandatorily required, in the relevant FY 2021-22.

K. Total fees for all services paid by the Listed entity and on a consolidated basis, to the Statutory Auditor.

Particulars	Standalone	Subsidiary
Audit Fees paid	₹ 9.25 Lakh	₹ 2.25 Lakh
Other fees paid	₹ 2.25 Lakh	₹ 0.75 Lakh

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 of during the financial year - NIL

c. Number of complaints pending as on end of the financial year – NIL

9. OTHER INFORMATION

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.

CODE OF CONDUCT

The Board has adopted the Code of Conduct for members of the Board and Senior Management personnel of the Company. The Code lays down, in detail, the standards of business conduct, ethics and governance.

It is the responsibility of all Directors and employees to familiarise themselves with this Code and comply with its standards. The Board and the senior management of the Company annually affirm compliance with the Code.

A certificate of the Chairman, Managing Director and CEO to this effect is annexed to this report. The Code of Conduct has also been posted on the Company's Website at www.nglfinechem.com

CEO/CFO CERTIFICATION:

The Chief Executive Officer (CEO) and Chief Financial Officer (CFO) have issued certificate pursuant to the provisions of Regulation 17(8) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed to this Report.

COMPANY SECRETARY IN PRACTICE'S CERTIFICATE ON CORPORATE GOVERNANCE

As stipulated in Para E of Schedule V of the Listing Regulations, the Certificate from Practicing Company Secretary regarding compliance of conditions of corporate governance is attached herewith.

DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ 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: There are 400 shares held by 4 Shareholders comprising 0.0065% of the Paid up Equity Share Capital of the Company lying unclaimed. The Company is taking necessary steps to connect with shareholders and deliver the share certificate lying with the RTA. If there is no response from the concerned shareholders, the Company shall start the process for transfer of 400 unclaimed shares to Unclaimed Suspense Account pursuant to Regulation 39 (4) of SEBI (LODR) 2015 during the FY 2022-23.

(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.

CERTIFICATE PURSUANT TO CLAUSE 40(9) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

ANNEXURE F
TO THE DIRECTORS' REPORT (Contd.)

The Company has obtained yearly Certificates pursuant to Clause 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, from Mr Hemant Shetye, Designated Partner of M/s HSPN & ASSOCIATES LLP, Practising Company Secretaries, Mumbai and the same were placed before the Board for review. The certificates obtained during the FY 2021-22 did not contain any reservation or qualification.

ANNUAL SECRETARIAL COMPLIANCE REPORT

The Company has undertaken an audit for the FY 2021-22 for all applicable compliances as per Securities and Exchange Board of India Regulations and Circulars/ Guidelines issued thereunder. The Annual Secretarial Compliance Report has been submitted to the stock exchanges within 60 days of the end of the financial year.

MANAGEMENT DISCUSSION AND ANALYSIS

A statement of Management Discussion and Analysis is appearing elsewhere in this Annual Report in terms of the requirement of the Code of Corporate Governance.

PREVENTION OF INSIDER TRADING

In order to regulate trading in securities of the Company by the Directors and designated employees, your Company has adopted a Code of Conduct for trading in listed or proposed to be listed securities of your Company which has also been published on the website of the Company – www.nglfinechem.com. Insider Trading Code prevents misuse of unpublished price sensitive information and it also provides for periodical disclosures and obtaining pre-clearance for trading in securities of your Company by the Directors, Designated Employees and Connected Persons of your Company.

POLICY ON DIVIDEND DISTRIBUTION

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021, the Company, the Board of Directors at its meeting held on 1st June, 2021 inter-alia, have adopted Dividend Distribution Policy in terms of the aforesaid Regulation. The Policy is available on the website of the Company at www.nglfinechem.com The Dividend Distribution Policy forms a part of this Report.

INTERNAL CONTROL SYSTEMS

The Company has both external and internal audit systems in place. Auditors have access to all records and information of the Company. The Board recognises the work of the auditors as an independent check on the information received from the management on the operations and performance of the Company. The Board and the management periodically review the findings and recommendations of the statutory and internal auditors and takes corrective actions, whenever necessary.

INTERNAL CONTROLS

The Company maintains a system of internal controls designed to provide reasonable assurance regarding:

- Effectiveness and efficiency of operations.
- Adequacy of safeguards for assets.
- Reliability of financial controls.
- Compliance with applicable laws and regulations.

STATUTORY AUDIT

For FY 2021-22, M/s. Manek & Associates., Chartered Accountants, audited the financial statements prepared under the Indian Accounting Standards.

The independent statutory auditor's render an opinion regarding the fair presentation in the financial statements of the Company's financial condition and operating results. Their audits are made in accordance with generally accepted auditing standards and include a review of the internal controls, to the extent necessary, to determine the audit procedures required to support their opinion.

For and on behalf of the Board of Directors

Sd/-	Sd/-
Rahul Nachane	**Rajesh Lawande**
Managing Director	Whole-Time Director & CFO
DIN No: 00223346	DIN No: 00327301

Mumbai, 2nd May, 2022

ANNEXURE F
TO THE DIRECTORS' REPORT (Contd.)

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, 2022.

For NGL Fine-Chem Limited

Sd/-

Rahul Nachane

Managing Director

Date : 2nd May, 2022
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, 2022

(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 NGL Fine-Chem Limited

Sd/-

Rahul Nachane

Managing Director
Date : 2nd May, 2022
Place : Mumbai

For NGL Fine-Chem Limited

Sd/-

Rajesh Lawande

Whole-Time Director & CFO

ANNEXURE G
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 31st March, 2022, 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 except that;

a) *there was a delay in appointment of Non-Executive Women Independent Director pursuant to Regulation 17 of SEBI (LODR)2015; and*

b) *the gap between two Board Meeting and Audit Committee Meeting during the quarter ended 30th June, 2021 was beyond 120 (One Hundred and Twenty) days, which is not in compliance with Regulation 17(2) and 18(2) of SEBI (LODR) 2015.*

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 **HSPN & ASSOCIATES LLP**
COMPANY SECRETARIES

Sd/-

DATE: 2nd May, 2022 **HEMANT S. SHETYE**
PLACE: MUMBAI DESIGNATED PARTNER
ICSI UDIN: F002827D000255893 FCS NO: 2827
PEER REVIEW NO: P2007MH004300 COP NO: 1483

ANNEXURE G
TO THE DIRECTORS' REPORT (Contd.)

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, 2022 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.	RAJESH NARAYAN LAWANDE	00327301	01/06/2015
2.	RAHUL JAYANT NACHANE	00223346	04/01/1993
3.	MILIND VASANT SHINDE	01593560	31/03/2003
4.	AJITA RAHUL NACHANE	00279241	15/09/2014
5.	JAYARAM SITARAM	00103676	05/08/2015
6.	KUMARAPURAM VENKATESHWARAN SUBRAMANIAN	07842700	25/02/2020
7.	SARALA MENON	09433901	14/12/2021

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 **HSPN & ASSOCIATES LLP**
COMPANY SECRETARIES

Sd/-
HEMANT S. SHETYE
DESIGNATED PARTNER
FCS NO: 2827
COP NO: 1483

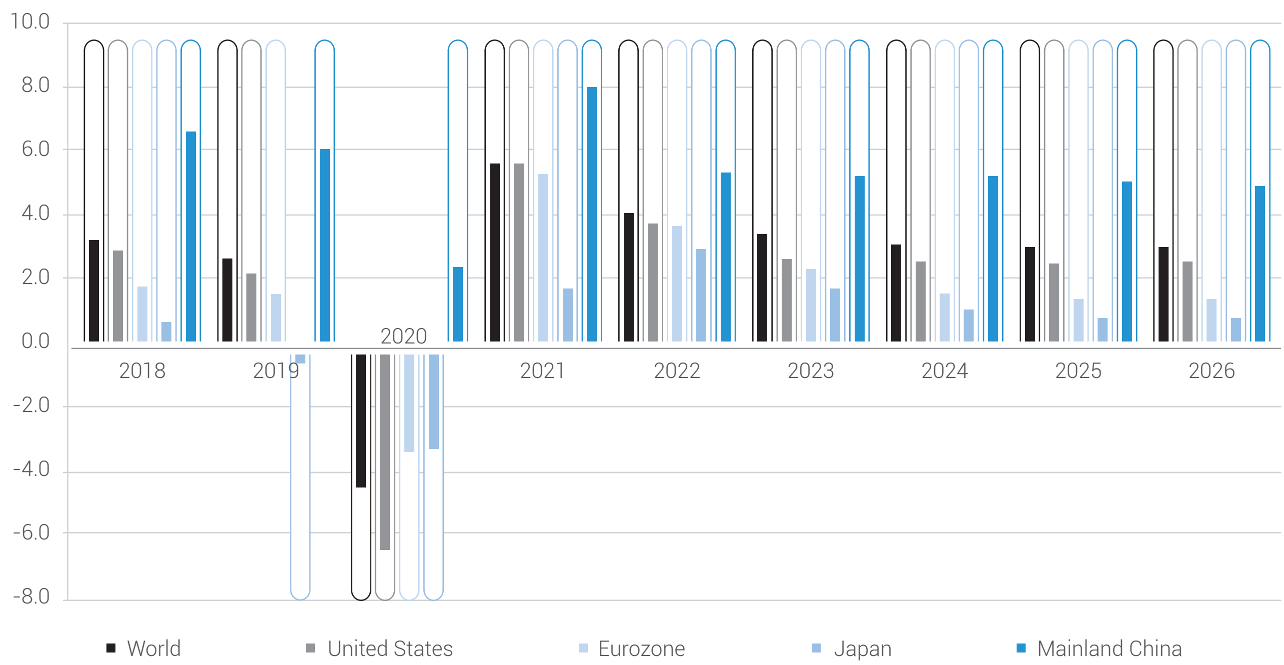
DATE: 2nd May, 2022
PLACE: MUMBAI
ICSI UDIN: F002827D000255860
PEER REVIEW NO: P2007MH004300

MANAGEMENT DISCUSSION & ANALYSIS

GLOBAL ECONOMIC OVERVIEW

Following a rebound to an anticipated 6.1% in CY 2021, global growth is likely to slow to 3.6% in CY 2022, owing to ongoing COVID-19 flare-ups, reduced fiscal assistance, and persisting supply constraints. As pent-up demand fades and supporting macroeconomic policies are loosened, global GDP is expected to maintain its growth levels of 3.2% in CY 2023. While output and investment in advanced economies are expected to rebound to pre-pandemic levels next year, they are expected to stay much lower in emerging market and developing economies (EMDEs) due to lower vaccination rates, stricter fiscal and monetary policies, and the pandemic's long-term scarring.

Real GDP Growth (% change)



(Source: IHS Markit)

COVID-19 infection rates rose dramatically over the world, owing to the fast spread of the Omicron form. Another crisis of the Russia-Ukraine war resulted in an expensive humanitarian disaster. At the same time, the conflict's economic consequences caused a considerable slowdown in global economy in CY 2022, and an increase in inflation. Fuel and food prices have risen significantly, disproportionately affecting disadvantaged populations in low-income nations. Inflation forecasts for CY 2022, are 5.7% in advanced countries and 8.7% in EMDEs, owing to war-induced commodity price hikes and expanding pricing pressures. Thus, over the medium-run, global growth is expected to slow to around 3.3% after CY 2023. Multilateral actions are critical in responding to the humanitarian crisis, preventing further economic fragmentation, maintaining global liquidity, managing financial distress, combating climate change, and ending the pandemic. (Source: Global Economic Prospects January 2022 – A World Bank Group Flagship Report, https://www.imf.org/en/Publications/WEO/Issues/2022/04/19/world-economic-outlook-april-2022)

Outlook

With the contraction in global growth expected in FY 2021-22 owing to COVID-19 resurgence, decreased fiscal support and restricted monetary policies, the outlook for global growth looks weaker. However, in CY 2022, and CY 2023, the global economic boom will slow slightly as the COVID-19 pandemic transitions to endemic status. With supply disruptions expected to continue, inflation will stay high in the coming months, prompting monetary policy tightening. Inflation will eventually decrease as demand slows and supply chain issues are rectified. Thus, in the face of additional COVID-19 outbreaks, continuing labour market issues, persisting supply-chain bottlenecks, and mounting inflationary pressures, global economic recovery is predicated on a delicate balancing act.

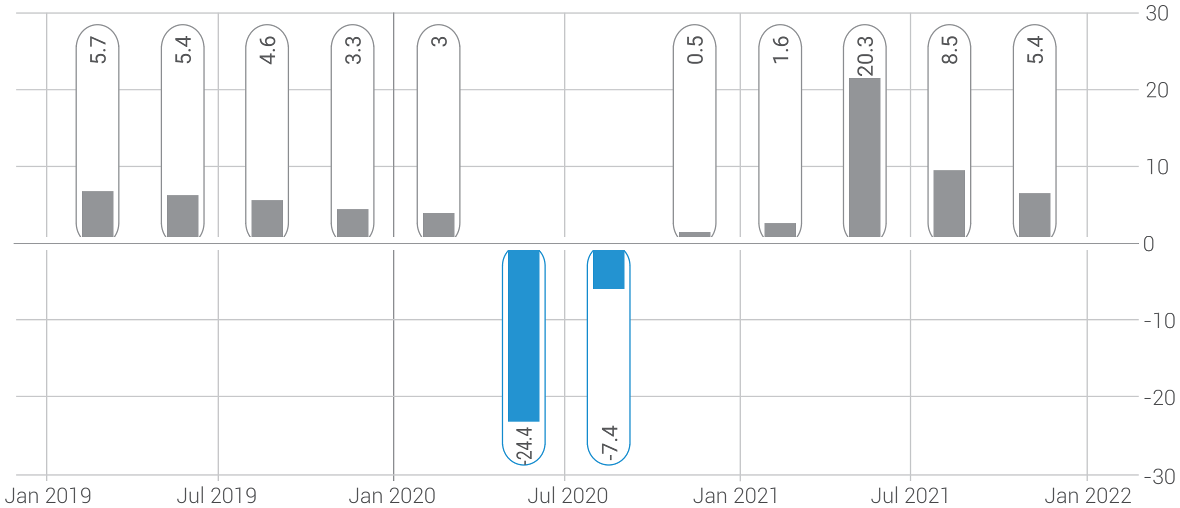
Indian Economy Overview

The forecast for the Indian economy looks to be brighter than it was in FY 2020-21, with the second lockdown and following controlled opening up taking place in FY 2021-22. India is expected to be the world's fastest expanding major economy, according to the predictions by World Bank, ADB, and IMF for the period FY 2021-2024. GDP growth during the Q1 of FY 2021-22 rose from 20.1% to 20.3%. Similar pattern was observed in Q2 where the estimates were revised from 8.4% to 8.5%. The rebound can be attributed to extensive immunisation coverage, benefits from supply-side reforms and regulatory liberalisation, strong export growth, and increase in capital investment by providing fiscal support. However, in Q3, GDP grew by 5.3%. The slowdown in growth occurred as India saw its third wave of COVID-19 infections in December, causing Government to implement restrictions such as night and weekend curfews. (Source:https://timesofindia.indiatimes.com/business/india-business/indias-gdp-grows-5-4-in-q3-as-against-8-4-in-september-quarter/articleshow/89897899.cms) Thus, India's GDP rose to 8.9% this year after shrinking by 7.3% in the previous year, thereby, indicating that general economic activities have rebounded back to pre-pandemic levels.

India has the potential to become a global manufacturing powerhouse, contributing more than US$ 500 Billion to the world economy annually by CY 2030. In FY 2021-22, manufacturing sector is expected to grow by 12.5%. This growth is a result of rise in activity levels leading to rise in demand aided by favourable market conditions. According to a monthly survey released on 2nd March, 2022, the seasonally adjusted IHS Markit India Manufacturing Purchasing Managers' Index (PMI) rose to 54.9 in February 2022, from 54.0 in January 2022, showing that the sector's health has improved significantly (Source: https://newsonair.com/2022/03/03/indias-manufacturing-activities-expand-in-february-as-output-new-orders-rise-pmi/).The amount of private final consumption expenditure (PFCE) as a percentage of GDP in India was anticipated to reach over ₹ 140 Trillion in FY 2021-22, a rise from the previous year. In February 2022, India's total unemployment rate was 8.10%, but it reduced to 7.6% in March 2022, the same year. The drop in the ratio indicates that the economy is regaining its footing after two years of being hampered by COVID-19. (Source: Centre for Monitoring Indian Economy). In March 2022, the gross GST (Goods and Services Tax) income collection stood at a record ₹ 1.42 Lakh Crores. This was a 15% increase from a year before and 46% increase over March 2020. (Source: https://economictimes.indiatimes.com/news/economy/finance/gst-collection-in-march-at-record-high-at-rs-1-42-lakh-crore/articleshow/90593383.cms)

Thus, the vaccination rollout, increased mobility, privatisation, and the Government's strong financial drive all contributed to the favourable economic symptoms. Witnessing a V-shaped recovery, India's growth momentum is likely to be maintained with strong consumption and investment prospects. However, waves of the virus might also have an impact on the economy, making the long-term picture unpredictable.

India GDP Growth Rate (%)



Outlook

India's GDP is expected to rise by 7.2% in FY 2022-23, according to the Asian Development Bank's forecast. This recovery is expected due to a greater vaccination rate, and low impact to the country's economic operations. Government efforts such as higher capex budget, increased foreign investments and initiatives such as Aatmanirbhar Bharat, Production-Linked Incentive (PLI) programmes have given the economy a much-needed boost, helping it to recover. However, this recovery is heavily dependent on restricted severity variations of the COVID -19 virus.

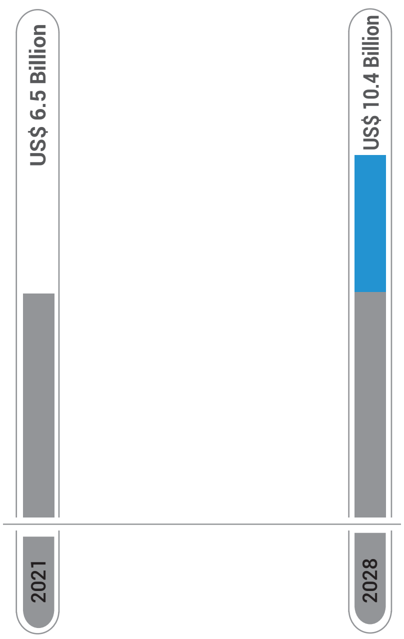
Global Pharmaceutical Industry

Following the pandemic, the global Pharmaceutical sector has seen dynamic developments and is responding to new challenges and possibilities. The global Pharmaceutical industry is predicted to increase at a 9.1% Compounded Annual Growth Rate (CAGR) from US$ 1,454.66 Billion in CY 2021 to US$ 1,587.05 Billion in CY 2022. The increase is primarily due to corporates reorganising their operations and recovering from the impact of COVID-19, which had previously resulted in restrictive containment measures such as social distancing, remote working, and the closure of commercial activities, all of which created operational challenges. At a CAGR of 7.7%, the market is estimated to reach US$ 2,135.18 Billion in CY 2026.

In terms of market share, by CY 2023, North America is predicted to maintain its dominance in the worldwide Pharmaceuticals industry, with a market share of 45.33%. Europe, on the other hand, is predicted to suffer a drop in market share of about 20.24%. Furthermore, with a market share of 24.07%, the Asia-Pacific Pharmaceuticals market is predicted to maintain its second place. Latin America and the Middle East and Africa (MEA) are projected to have a positive impact. (Source: Reportlinker.com)

The global Animal Health market is predicted to witness a CAGR of 10.0% to US$ 92.8 Billion by 2030. The Animal Health Care market consists mostly of services offered to domestic and companion animals. The global companion Animal Medication market is expected to reach US$ 16.26 Billion in CY 2022, to reach US$ 22.02 Billion by CY 2027, thereby, registering a CAGR of 6.26%. The expanding pet population, the incidence of illnesses, and the availability of pet insurance are all driving factors in the companion Animal Medicine industry. The Global Animal Produce market is expected to witness 2.3% CAGR from US$ 1,415.6 Million in CY 2019 to US$ 1,664 Million in CY 2026. The global market for veterinary active pharmaceutical ingredients manufactured is estimated to reach US$ 10.4 Billion by CY 2028, registering a CAGR of 6.9% during this period. The rising frequency of chronic illnesses in animals, as well as rising concerns among pet owners, are driving market expansion. These and other variables, including increasing R&D investments, high pet adoption rates, obligatory vaccines, rising meat consumption, and the introduction of antimicrobial feed additives, are anticipated to function as growth enhancers for the sector.

Veterinary API Manufacturing Market

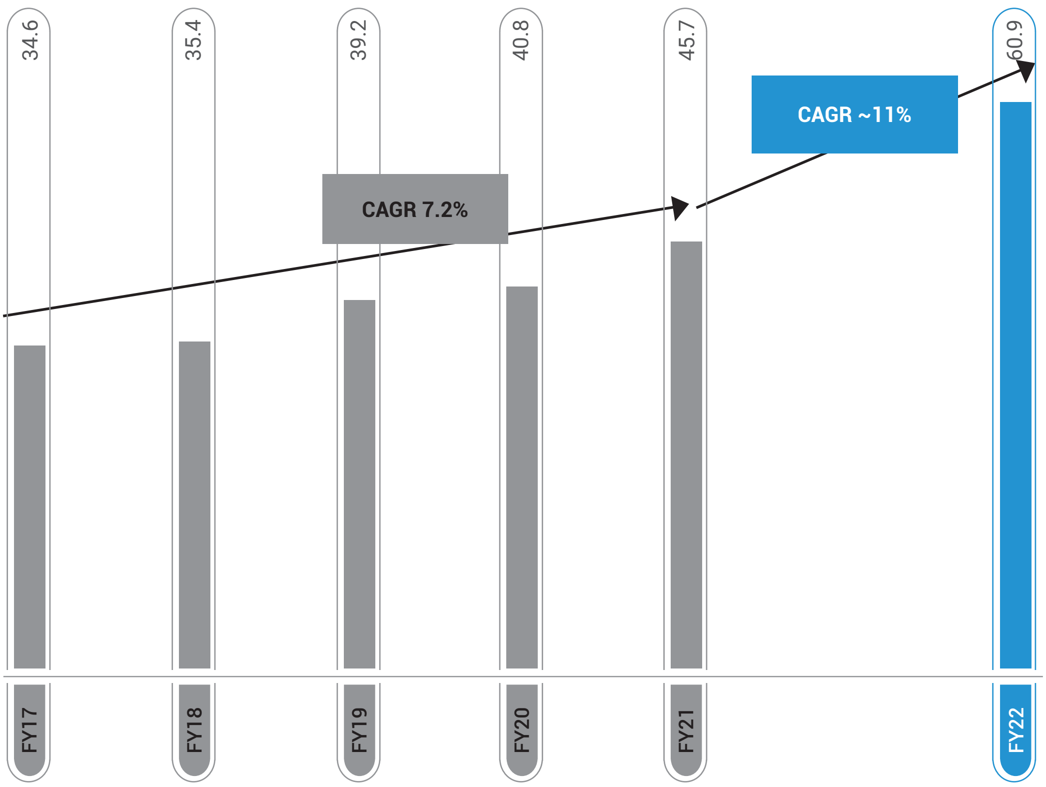


(Source: https://www.researchandmarkets.com/reports/5415607/global-veterinary-active-pharmaceutical, https://southeast.newschannelnebraska.com/story/46289070/animal-produce-market-share-2022-global-trend-segmentation-business-growth-top-key-players-analysis-industry-opportunities-growth-rate-future, https://www.marketdataforecast.com/market-reports/companion-animal-health-care-market, https://www.globenewswire.com/en/news-release/2022/04/19/2424402/28124/en/Global-Animal-Health-Markets-2022-2030-Emergence-of-Veterinary-Health-Information-Systems-Specifically-in-Developed-Economies-is-Expected-to-Provide-High-Growth-Potential.html)

Indian Pharmaceutical Industry

India plays a significant role in the Global Pharmaceutical Industry. The Indian Pharmaceutical industry (IPI) is ranked 3rd in the world in terms of volume and 14th in terms of value. APIs, formulations, and speciality chemicals make up the Indian Pharmaceutical sector. Under distinct therapeutic divisions, these sectors are further subdivided into Branded and Generics. In FY 2020-21, India's domestic Pharmaceutical industry was valued at US$ 42 Billion, and it is expected to grow to US$ 65 Billion by FY 2023-24, and then to US$ 120 Billion by FY 2029-30. It is also likely to increase three-fold in the next decade according to the Indian Economic Survey 2021. The Pharmaceutical industry expanded by 9-11% in FY 2021-22, owing mostly to a boost from emerging and domestic markets. In January 2022, the Indian Pharmaceutical market grew by 13.9% in terms of overall turnover. By demonstrating strength and commitment in the face of the pandemic's disruption, the Pharmaceutical sector not only demonstrated its capacity to deliver appropriate medications, but also greatly contributed to other areas such as sanitation, preventative healthcare, and quarantine facilities. (Source: https://www.financialexpress.com/healthcare/pharma-healthcare/how-the-indian-pharmaceutical-industry-is-planning-to-grow-in-2022/2442449/).

Market size of the Indian Pharmaceutical Industry (US$ Billion)



(Source: CARE Ratings)

India's pharmaceutical exports are booming due to its significant presence in the Generic space. The Indian pharmaceutical exports totalled US$ 22.21 Billion in FY 2021-22 as compared to US$ 24.44 Billion in the previous year. Increase in freight charges and a drop in shipments to the United States which was caused by price erosion in the United States for some of the items were some of the reasons for the decline. On the other hand, the Indian Pharmaceutical industry supplies more than 50% worldwide demand for vaccines, 40% of Generic demand in the United States, and 25% of all pharmaceuticals in the United Kingdom. India's pharmaceutical and medicine exports totalled US$ 24.44 Billion in FY 2020-21 and US$ 22.2 Billion from April 2021 to February 2022. North America was India's largest pharma export market in FY 2020-21, with a 34% share, while shipments to the US, Canada, and Mexico grew by 12.6%, 30%, and 21.4%, respectively. India is the world's 12th largest exporter of medical goods. The Pharmaceutical industry accounts for 6.6% of the country's overall goods exports. In FY 2019-20, Indian pharmaceutical exports were US$ 16.28 Billion, comprising bulk medications, intermediates, drug formulations, biologicals, AYUSH & herbal goods, and surgical items. According to a research, India's formulation increased by 18% and bulk medication exports increased by 9% YoY in the first half of FY 2020-21. (Source: IBEF, Indian Pharmaceutical Sector – Care Ratings.)

The Government has taken a number of initiatives to cut expenditures and lower healthcare prices. With the total financial outlay of ₹ 500 Crores for a period of five years starting FY 2022-26, the Department issued several guidelines on 11th March, 2022 for the scheme 'Strengthening of Pharmaceutical Industry' (SPI). The Union Cabinet has approved a change to the existing Foreign Direct Investment (FDI) policy in the Pharmaceutical industry, allowing FDI up to 100% through the automatic route for medical device manufacture under specific conditions. (Source: Pharmaceutical Industry – Press Information Bureau, IBEF.)

OPPORTUNITIES:

Increase in Opportunities due to patent cliff

Due to patent expiration in the next 4-5 years, it is projected that Indian pharmaceutical businesses would have an opportunity to grow by roughly US$ 5-6 Billion. When a patent expires, generic medications might enter the market and broaden product offers. Many Indian pharmaceutical businesses are already working on generic versions of copyrighted medications in order to take advantage of the future opportunity. Patented items worth around US$ 240 Billion are scheduled to fall off-patent over the next 4-5 years, till CY 2026.

Increasing FDI Investments

The worldwide spotlight has returned to India's Pharmaceutical sector as a result of the COVID-19 crisis. In comparison to the previous year, FDI in the Pharmaceutical industry increased by 200% in FY 2020-21. FDI inflows were strong in FY 2021-22 (April-September), at ₹ 4,413 Crores, an increase of 53% over the same period in FY 2020-21. The unprecedented increase in foreign investments in the Pharmaceutical industry is mostly due to rising demands of COVID-19-related medicinal and vaccination requirements. (Source: https://www.businesstoday.in/industry/pharma/story/economic-survey-fdi-in-pharma-gets-pandemic-boost-up-200-in-fy21-320954-2022-01-31)

Increase in Government Spendings

There has been increase in Government spending over the years. A total outlay of ₹ 219.40 Billion was made in two tranches of ₹ 69.40 Billion in 2020, & ₹ 150 Billion in 2022, for the pharmaceutical PLI plan in 13 important sectors, including active pharmaceutical ingredients, drug intermediaries, and critical starting materials, over the course of five years.

Increasing Focus on Animal Health

The market for animal APIs and intermediates is benefiting greatly in recent times. Increased spending on pets, increased companion animal adoption, more veterinary visits, growing livestock population, increased R&D investments, mandatory pet vaccinations, increased meat consumption, and the introduction of feed additives with antimicrobial properties are all contributing to a greater focus on animal health. A number of new advances and increased knowledge about animal health and welfare are boosting the sector's interest.

THREATS:

Regulatory Dependence

In the past, the US Food and Drug Administration (USFDA) has posed regulatory obstacles to India. Given India's reliance on the US market, increased scrutiny by the USFDA for compliance with GMP regulations remains a major danger for the Indian Pharmaceutical industry. As a result, it is susceptible to rejection or delays in product approval. Furthermore, regulatory clearance in India takes 20-40% longer on average than in the United States, European Union nations, or Israel. This has an even greater impact on the formalities surrounding the launch of new items.

Rapid Technological Obsolescence

Business models can be disrupted by technological obsolescence in the form of drug development processes, manufacturing automation, precision medicines, and drug testing techniques. This might have an impact on operations, reduce staff requirements, and increase cybersecurity threats.

Dependency on Imports from China

The number of vital inputs imported from China by the Indian Pharmaceutical industry is staggering. According to industry data, India imports 70% of its API requirements from China, mainly vitamins and antibiotics. Because APIs are created using a fermentation process in which China dominates, Indian players are unable to compete with China's API costs. (Source: https://www.financialexpress.com/industry/sme/msme-eodb-despite-being-worlds-pharmacy-why-indian-pharma-is-dependent-on-china-for-bulk-drugs/2386143/)

COMPANY OVERVIEW

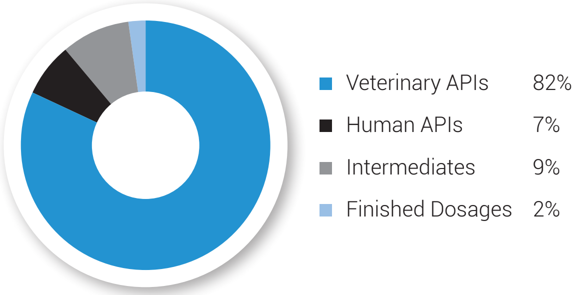
NGL Fine-Chem Limited is a pharmaceutical and intermediates manufacturer specialising in veterinary and human health. The Company produces veterinary pharmaceutical raw materials, which are mostly utilised in the animal health business. APIs and intermediates are produced by the Company for use in veterinary and human health. Incorporated in 1981, by Mr Narayan Lawande, NGL Fine-Chem Limited sells a variety of items that cater to farm animal, and has successfully made inroads in addressing markets in over 45 countries. With its excellent quality and value-added goods, the Company has a strong and increasing worldwide presence in Latin America, Asia, and Europe. The majority of the Company's products are aimed at the Livestock industry, which accounts for around 65% of the global market for animal APIs and intermediates. The Company focuses on cost-effectiveness while maintaining the highest level of product quality. NGL is now a well-known Company with solid client ties with more than 400 customers in more than 45 countries. With the long-term strategic aim to become a worldwide player in the Animal Health APIs market, NGL continues to expand goods and customers in many different markets of the world.

COMPANY PERFORMANCE

Product-Wise Performance

The veterinary API sector accounts for a significant amount of the Company's revenue. This section produces more than 20 APIs. These compounds are found in ecto parasiticides, anthelmintics, growth nutrients, and endo parasiticides, among other treatment categories. NGL also produces three APIs for human health that are utilised in the treatment of diarrhoea, angina, and malaria.

Product-wise Revenue



FINANCIAL PERFORMANCE

In FY 2021-22, the Company's total revenue increased by 23.4%. As compared to previous year's EBITDA of ₹ 85.23 Crores, it stood at ₹ 78.21 Crores in FY 2021-22. PAT stood at ₹ 52.25 Crores for FY 2021-22 as compared to ₹ 55.47 Crores for FY 2020-21. The R&D cost of the Company in the current year was ₹ 1.87 Crores as compared to ₹ 2.44 Crores of the previous year. EPS decreased to ₹ 84.57 in FY 2021-22 in comparison to ₹ 89.79 of FY 2020-21.

(Amount in ₹ Crores)

Particulars	FY 2022	FY 2021
Revenue	313.99	255.21
R&D Expense	2.98	2.44
Earnings Before Interest, Tax and Depreciation & Amortisation	78.21	85.23
Profit Before Tax	68.97	76.00
Profit After Tax	52.25	55.47
Total Assets	277.72	205.80
EPS (in ₹)	84.57	89.79

Name of Metric	FY 2022	FY 2021	% Change Increase (decrease)	Explanation in case change is 25% or more, as compared to the previous year
Inventory Turnover	4.59	4.80	4.38%	
Current Ratio	2.68	3.12	(14.10%)	
Debt Equity Ratio	0.15	0.11	36.4%	Increase is on account of increase in working capital borrowings
Debtors' Turnover	4.84	6.80	(28.8%)	Higher credit provided to debtors has resulted in lower turn of receivables
Operating Profit Margin	24.91%	33.40%	(25.4%)	Due to higher operating costs, the margins for the year have decreased
Net Profit Margin	16.64%	21.74%	(23.5%)	
Return on Net Worth	22.56%	32.88%	(31.4%)	Due to higher operating costs, the margins for the year have decreased
Debt Service Coverage ratio	13.21	8.83	49.6%	Improvement on account of lower debt repayments due in next one year

MANUFACTURING CAPACITY

The Company's facilities are outfitted with cutting-edge technology, allowing us to supply a diverse range of goods. With the production facilities of the Company located in cities of Navi Mumbai and Tarapur of Maharashtra, the Company has the ability to produce 600 tonnes of APIs. There are 194 m^3 of stainless-steel reactors, 12 m^3 of gas-induction reactors, and 102 m^3 of glass-lined reactors on the factory's 10,800 m^2 of land. Capacity-utilisation levels were maintained at 90% on average for the full year as of 31st March, 2022, with limited room for expansion. The Company has completed the expansion at the subsidiary – Macrotech Polychem Private Limited and has commission the plant in December 2022. Over the period of three years, the Company expects to complete a capital expenditure of around ₹ 100 Crores.

RISK AND MITIGATION STRATEGIES

Risk	Impact	Mitigation
Competition Risk	A rise in competition might hurt the Company's market share, profit profile, and return on capital employed.	The Company is able to mitigate this risk because of a strong brand image and long-standing client connections. Furthermore, the Company gained market share throughout the fiscal year as a result of speedier product delivery than competitors to consumers who prioritised expediency.
Environmental Regulations and Compliance Risk	Changes in regulations for treatment of effluent - both liquid and gaseous, continue with more stringent requirements being enforced by the regulatory authority.	The Company strives to ensure complete compliance with all regulatory requirements. In this, it has gone further and converted its plant at F-11 Tarapur into a zero liquid discharge plant, wherein all the liquid effluent is treated and recycled and reused. Macrotech's plant at Tarapur is also being converted into a zero liquid discharge by Q1 FY23. Two of its boilers have been converted to use of PNG and the other two into use of agro waste as fuel. Furthermore, during the fiscal year, the Company became 14001 and 42001-certified.

Risk	Impact	Mitigation
Foreign Currency Exchange Rate Risk	Exports account for over 75% of NGL's revenue.	The Company's foreign exchange-hedge system helps to minimise this risk.
Customer Concentration Risk	The top ten clients of NGL account for 33% of the Company's total revenue.	The Company has approximately 400 customers, with no single customer accounting for more than 6% of revenue.
Product Quality Risk	Customer relationships might be compromised by a reduction in product quality, which would have a negative impact on revenue. Currently, contract manufacturers are responsible for 10% of the Company's overall output.	The Company has never had a product fault in the last decade due to strict quality-control system in place.
Raw Material Supply Risk	China's suppliers provide around 10% of the Company's total raw material.	The Company wants to diversify its supply base over time and is looking for additional suppliers.
Product Concentration Risk	Veterinary APIs account for almost 80% of the Company's total income.	In the animal health area, NGL has over 20 APIs and plans to introduce two to four new product lines per year, depending on demand.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

NGL follows local regulatory standards for the orderly and efficient conduct of business, asset protection, detecting and preventing frauds and mistakes, accounting record sufficiency and completeness, and timely preparation of trustworthy financial information. The Company's internal control systems are meant to track and report on its day-to-day activities in order to monitor and regulate them. NGL may also use the tools to efficiently monitor conformity to numerous laws and regulations, and policy requirements. The Company's internal auditors confirm the effectiveness of the internal checks and control systems.

HUMAN RESOURCE

NGL has been cultivating a work culture based on performance, role clarity, cooperation, and mutual respect for several years. To promote this culture, the Company has invested in people and procedures, making each employee feel valued. The Company has established an extraordinarily well-motivated staff over the years by imparting training, recognising excellent performance, and creating a nurturing environment. NGL's employees' commitment and motivation can be illustrated by the fact that even during the peak pandemic months of March-April, the Company's workers were working in its plants. This illustrates NGL's workforce's commitment and motivation. NGL will continue to value its human resources as a valuable asset in the future, while also ensuring the greatest level of safety, security, and health for its personnel.

CAUTIONARY STATEMENT

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.

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 March 31, 2022, 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 March 31, 2022, 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 recognized 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	**Our audit procedures included, among others, the following :**
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; and • 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]	• 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 recognize 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.

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

INDEPENDENT AUDITOR'S REPORT(Contd.)

so far as it appears from our examination of those books.

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 March 31st, 2022 taken on record by the Board of Directors, none of the directors are disqualified as on March 31st, 2022 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.

   (iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

   (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

   (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

(v) (a) The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend

(b) As stated in note 55 to the financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend

2. As required by the Companies (Auditor's Report) Order, 2020 ("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

(SHAILESH MANEK)

Partner

Mumbai — Membership number: 034925

Dated: 02nd May, 2022 — UDIN: 22034925AIGGZW2668

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, 2022 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial

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

reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2022, 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

(SHAILESH MANEK)
Partner

Mumbai
Dated: 02nd May, 2022

Membership number: 034925
UDIN: 22034925AIGGZW2668

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 31 March 2022, we report that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a regular programme of physical verification of its property, plant and equipment by which property, plant and equipment are verified in a phased manner over three years. In accordance with this programme, certain property, plant and equipment 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, 2022	Net Block as on 31st March, 2022	Remarks
Land-FS/5 MIDC Additional Mahad Industrial Area	1	Leasehold	36,94,875	31,53,981	Transfer order of property has been received from MIDC and Registration formalities with the stamp duty authorities is pending for adjudication.

(d) The company has not revalued its property, plant and equipment (including right of use assets) and intangible assets during the year.

(e) In our opinion and according to the information and explanations given to us, no proceedings has been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder and therefore provision of clause 3(i)(e) of the order are not applicable to the company.

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

In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets

(b) The company has availed working capital limits in excess of five crore rupees during the financial year, in aggregate, from banks or financial institutions on the basis of security of current assets. The management has been regular in furnishing returns/ statements of book debts and inventories which are primary securities for the purpose of the working capital loans. In our opinion , based on the representation made by the management in note no 51 to the standalone financial statements and based upon our verification of the quarterly returns/ statements of inventories with the books of accounts, we have observed that, due to the complexities involved in the valuation procedure and due to typographical errors data submitted to the banks are not in agreement with books of accounts and in case of book debts due to technical glitch in the ERP, the same are not in agreement with the quarterly returns/ statements been submitted to the banks, the details are herein under

Amounts in Lakhs

MONTH	Stocks and Receivables submitted to Bank	Stocks and Receivables as per books	Difference
Jun-21	9,222.09	9,328.58	-106.49
Sep-21	10,654.39	10,857.24	-202.85
Dec-21	5,621.28	10,790.25	-5,168.96

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

(iii) (a) The Company has granted unsecured loans to the wholly owned subsidiary Company as per details given below:-

Particulars	Loans
(A) Aggregate amount granted/ provided during the year :-	
Wholly owned subsidiary	Rs.16,16,97,712/-
(B) Balance outstanding as at balance sheet date in respect of above	
Wholly owned subsidiary	Rs.31,04,11,105 (Principal : Rs. 28,48,01,972/- and Interest Rs.2,56,09,133/-)

(b) In our opinion, the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company's interest

(c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has not been stipulated.

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

(e) .

(f) In our opinion and according to the information and explanation given to us and based on the audit procedures conducted by us, the company has granted following loans either repayable on demand or without specifying any terms or period of repayment:-

Particulars	All Parties	Promotors	Related Parties.
Aggregate amount of loans Repayable on demand (A) – Agreement does not specify any terms or period of repayment (B)	Nil	Nil	Rs.30,78,97,135/-
Total (A+B)	Nil	Nil	Rs.30,78,97,135/-
Percentage of loans to the total loans	Nil	Nil	99.88%

(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 Company Law Board, 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 Central Government has not prescribed the maintenance of cost records under clause (d) of subsection (1) of Section 148 of the Companies Act, 2013 in respect of the manufacturing activities carried on by the Company and therefore, the provision of clause 3(vi) of the Order is not applicable.

(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 undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income tax, Sales tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues to the appropriate authorities applicable to it.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of Goods and Services Tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues were in arrears as at 31 March, 2022 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 Goods and Services Tax, provident fund, employees' state insurance, income tax, Sales tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues which have not been deposited on account of any dispute except the following stated below.

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

Name of the Statute	Nature of Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending.
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, there are no transactions that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) and hence the provision of clause 3 (viii) of the order is not applicable.

(ix) (a) The Company has not defaulted in repayment of loan or other borrowings or in the payment of interest to any lender.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared willful defaulter by any bank or financial institution or any other lender.

(c) According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not taken any term loan during the year and hence the provision of clause 3 (ix)(c) of the order is not applicable.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the company, we report that the company has not taken any funds to meet the obligations of its subsidiaries, associates or joint ventures and hence the provision of clause 3 (ix)(e) of the order is not applicable.

(f) According to the information and explanations given to us and procedures performed by us, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies and hence the provision of clause 3 (ix)(f) of the order is not applicable.

(x) (a) During the financial year, the company has not raised any money by way of initial public offer or further public offer (including debt instruments) and therefore, the provisions of clause 3(x)(a) of the Order is not applicable.

(b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year under review, therefore, the provisions of clauses 3(x)(b) of the Order are not applicable to the company.

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

(b) According to information and explanations given to us, no report under sub- section (12) of section 143 of the Companies Act is required to be filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government x hence the provision of clause 3 (xi)(b) of the order is not applicable.

(c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.

(xii) In our opinion, the company is not a chit fund or a nidhi Company and therefore, the provisions of clause 3(xii)(a),3(xii)(b) and 3(xii)(c) 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) (a) In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date

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

(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) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

(b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

xvii) In our opinion, the company has not incurred cash losses in the financial year and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly provisions of clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx). (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

(b) There are no amounts that remains unspent under section (5) of section 135 of the Companies Act, pursuant to any ongoing project.

(xxi) In our opinion, there have been no qualifications or adverse remarks by the auditor in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statement.

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

(SHAILESH MANEK)
Partner

Mumbai
Dated: 02nd May, 2022

Membership number: 034925
UDIN: 22034925AIGGZW2668

STANDALONE BALANCE SHEET
AS AT 31ST MARCH, 2022

(Amount in ₹ Lakhs)

Particulars	Notes	As at Year ended 31st March, 2022	As at Year ended 31st March, 2021
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	3	5,837.28	5,717.91
(b) Capital work-in-progress	3	630.97	90.97
(c) Other Intangible assets	4	30.44	34.97
(d) Financial assets			
(i) Investments	5	372.51	372.51
(ii) Loans	6	3,104.11	1,537.23
(iii) Others	7	676.89	420.00
(e) Other non-current assets	8	115.75	59.42
Total non-current assets		**10,767.95**	**8,233.01**
(2) Current assets			
(a) Inventories	9	5,512.31	3,785.06
(b) Financial assets			
(i) Investments	10	2,872.06	2,907.01
(ii) Trade receivables	11	6,489.89	3,755.74
(iii) Cash and cash equivalents	12	63.69	203.20
(iv) Bank balances other than (iii) above	13	10.05	266.50
(v) Others	14	799.43	309.17
(c) Other current assets	15	1,256.70	1,120.08
Total current assets		**17,004.13**	**12,346.76**
Total Assets		**27,772.08**	**20,579.77**
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	16	308.90	308.90
(b) Other equity			
(i) Reserves and surplus	17	20,347.57	15,236.36
Total Equity		**20,656.47**	**15,545.35**
(2) Liabilities			
(I) Non-current liabilities			
(a) Financial liabilites			
(i) Borrowings	18	343.60	613.13
(b) Provisions	19	249.54	243.24
(c) Deferred tax liabilities	20	193.66	237.70
(d) Other non-current liabilities	21	16.55	19.50
Total non-current liabilities		**803.35**	**1,113.57**
(II) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	22	2,342.77	483.16
(ii) Trade payables	23	3,463.50	2,698.00
(iii) Other financial liabilities	24	443.78	611.99
(b) Provisions	19	58.71	62.69
(c) Current Tax Liabilities (Net)	25	3.27	64.80
(d) Other Current Liabilities	26	0.23	0.21
Total current liabilities		**6,312.26**	**3,920.85**
Total Liabilities		**7,115.61**	**5,034.42**
Total Equity and Liabilities		**27,772.08**	**20,579.77**

(The accompanying notes 1 to 57 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

Shailesh Manek
Partner
Membership Number: 034925

Place: Mumbai
Date: 2nd May, 2022

For and on behalf of the Board of Directors

Rahul Nachane
Managing Director
DIN: 00223346

Rajesh Lawande
Whole-Time Director & CFO
DIN: 00327301

Pallavi Pednekar
Company Secretary
ACS : A33498

Place: Mumbai
Date: 2nd May, 2022

STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2022

(Amount in ₹ Lakhs)

Particulars	Notes	For the year ended 31st March, 2022	For the year ended 31st March, 2021
INCOME			
Income from Operations	**27**	31,866.74	25,818.15
Other income	**28**	1,263.99	854.70
Total income		**33,130.73**	**26,672.85**
EXPENSES			
Cost of materials consumed	**29**	17,034.64	10,063.96
Changes in inventories of finished goods and work in progress	**30**	(2,203.14)	186.13
Employee benefits expense	**31**	3,305.04	2,723.50
Other expenses	**32**	7,173.32	5,176.15
Finance Cost	**33**	156.16	184.01
Depreciation expense	**3**	767.31	739.40
Total expenses		**26,233.33**	**19,073.15**
Profit before tax from continuing operations		**6,897.40**	**7,599.70**
Current tax	**45**	(1,715.00)	(1,912.00)
Less: MAT Credit		-	-
Current tax expense relating to prior years		-	5.05
Deferred tax		42.25	(145.80)
Income tax expense		**(1,672.75)**	**(2,052.75)**
Profit for the year from continuing operations		**5,224.65**	**5,546.95**
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		(7.13)	(18.81)
Add/(Less): Income tax expense		1.79	4.73
Other comprehensive income for the year, net of tax		**(5.34)**	**(14.08)**
Total comprehensive income for the year		**5,219.31**	**5,532.87**
Earnings per equity share (for continuing operations)			
Basic		84.57	89.79
Diluted		84.57	89.79

(The accompanying notes 1 to 57 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

Shailesh Manek
Partner
Membership Number: 034925

Place: Mumbai
Date: 2nd May, 2022

For and on behalf of the Board of Directors

Rahul Nachane
Managing Director
DIN: 00223346

Rajesh Lawande
Whole-Time Director & CFO
DIN: 00327301

Pallavi Pednekar
Company Secretary
ACS : A33498

Place: Mumbai
Date: 2nd May, 2022

STANDALONE STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST MARCH, 2022

A. Equity share capital

(Amount in ₹ Lakhs)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	No. of Shares	Value	No. of Shares	Value
Balance at beginning of year	61,78,024	308.90	61,78,024	308.90
Changes in Equity Share Capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-
Changes in equity share capital during the current year	-	-	-	-
Balance at the end of the current reporting period	**61,78,024**	**308.90**	**61,78,024**	**308.90**

B. Other equity

(1) Current reporting period

(Amount in ₹ Lakhs)

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus										Money received against share warrants	Total
			Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of Other Comprehensive Income (specify nature)		
Balance at the beginning of the current reporting period	-	-	150.00	11.74	59.29	15,015.34	-	-	-	-	-	-	-	15,236.36
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the current year	-	-	-	-	-	5,219.33	-	-	-	-	-	-	-	5,219.33
Dividends	-	-	-	-	-	(108.12)	-	-	-	-	-	-	-	(108.12)
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Any other change (to be specified)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the current reporting period	-	-	150.00	11.74	59.29	20,126.55	-	-	-	-	-	-	-	20,347.57

STANDALONE STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST MARCH, 2022 (Contd.)

(2) Previous reporting period

(Amount in ₹ Lakhs)

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus										Money received against share warrants	Total
			Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of Other Comprehensive Income (specify nature)		
Balance at the beginning of the current reporting period	-	-	150.00	11.74	59.29	9,590.57	-	-	-	-	-	-	-	9,811.59
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the current year	-	-	-	-	-	5,532.89	-	-	-	-	-	-	-	5,532.89
Dividends	-	-	-	-	-	(108.12)	-	-	-	-	-	-	-	(108.12)
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Any other change (to be specified)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the current reporting period	-	-	150.00	11.74	59.29	15,015.34	-	-	-	-	-	-	-	15,236.36

(The accompanying notes 1 to 57 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

Shailesh Manek
Partner
Membership Number: 034925

Place: Mumbai
Date: 2nd May, 2022

For and on behalf of the Board of Directors

Rahul Nachane
Managing Director
DIN: 00223346

Rajesh Lawande
Whole-Time Director & CFO
DIN: 00327301

Pallavi Pednekar
Company Secretary
ACS : A33498

Place: Mumbai
Date: 2nd May, 2022

STANDALONE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2021

(Amount in ₹ Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before extraordinary items and tax	**6,897.41**	**7,599.71**
Adjustments for:		
Depreciation and amortisation expense	767.31	739.40
Finance costs	156.16	184.01
Dividend income	(36.50)	(0.48)
Interest income	(218.58)	(73.13)
Loss/(Gain) on MTM of investments	-	(510.46)
Other Comprehensive Income	(5.34)	(14.08)
Operating profit before working capital changes	**7,560.46**	**7,924.97**
Changes in working capital:		
Adjustments for (increase)/ decrease in operating assets:		
Inventories	(1,727.26)	(995.37)
Other non current financial assets	(256.89)	-
Other non-current assets	(56.33)	(34.54)
Trade receivables	(2,734.15)	(1,136.47)
Other current financial assets	(198.87)	(1,745.43)
Other current assets	(136.62)	(133.93)
	(5,110.12)	**(4,045.74)**
Adjustments for increase/ (decrease) in operating liabilities:		
Trade payables	765.50	640.07
Other current financial liabilities	(168.22)	(22.21)
Other current provisions	(3.98)	(63.60)
Other current liabilities	(61.52)	102.65
Other non current liabilities	(47.00)	140.48
Other non-current provisions	6.30	33.53
	491.08	**830.92**
Cash generated from operations	**2,941.42**	**4,710.15**
Net income tax paid	(1,672.75)	(2,052.75)
Net cash flow from operating activities (A)	**1,268.67**	**2,657.40**
B. CASH FLOW FROM INVESTING ACTIVITIES		
(Loss)/Gain on sale of investments	-	510.46
Dividend income	36.50	0.48
Fixed Deposit Matured	-	99.56
Interest Income	218.58	73.13
Finance Cost	(156.16)	(184.01)
Non current Investments	-	-
Non current Loans	(1,566.89)	(1,184.11)
Long term borrowings	(269.53)	(219.35)
Short term borrowings	1,859.60	(976.91)
Purchases of property, plant and equipment	(1,485.55)	(512.32)
Disposal of property, plant and equipment	14,35,968	11,62,591
Loss of capital goods by fire	-	-
Disposal of property, plant and equipment	63.39	14.36
Net cash flow used in investing activities (B)	**(1,300.06)**	**(2,378.71)**

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

(Amount in ₹ Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Share Capital	-	-
Dividend Paid	(108.12)	(108.12)
Share application money	-	-
Share Premium	-	-
Net cash flow from/ (used in) financing activities (C)	**(108.12)**	**(108.12)**
Net increase/ (decrease) in Cash and cash equivalents (A+B+C)	**(139.51)**	**170.57**
Add: Cash and cash equivalents at the beginning of the year	203.20	32.64
Cash and cash equivalents at the end of the year *	**63.69**	**203.21**

(Amount in ₹ Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Cash and cash equivalents at the end of the year*		
'*Comprises of:		
(a) Cash on hand	22.33	16.86
(b) Balances with banks	-	-
(i) In current accounts	41.36	186.35
	63.69	**203.21**

* Includes Unpaid Dividend of ₹ 9.87 Lakhs (Previous year: ₹ 6.89 Lakhs)

(The accompanying notes 1 to 57 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

Shailesh Manek
Partner
Membership Number: 034925

Place: Mumbai
Date: 2nd May, 2022

For and on behalf of the Board of Directors

Rahul Nachane
Managing Director
DIN: 00223346

Rajesh Lawande
Whole-Time Director & CFO
DIN: 00327301

Pallavi Pednekar
Company Secretary
ACS : A33498

Place: Mumbai
Date: 2nd May, 2022

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 (Contd.)

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, 2022 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, 2021.

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.

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, maximising the use of relevant observable inputs and maximising 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 STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022 (Contd.)

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 labor 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
Computer - Others	3.00	3.00
Electrical Installation	9.67	9.67
Laboratory Equipment	9.67	9.67
Buildings	30.00	30.00
Furniture and Fixtures	10.00	10.00
Vehicles	8.00	8.00
Office Equipment	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.

2.09 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 taxable profits will allow the deferred tax asset to be recovered.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022 (Contd.)

- 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
- 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 allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022 (Contd.)

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 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 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 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.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022 (Contd.)

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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
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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 Company has taken into account all the possible impacts of COVID-19 in preparation of these standalone financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets. The Company has carried out this assessment based on available internal and external sources of information upto the date of approval of these financial statements and believes that the impact of COVID-19 is not material to these standalone financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the standalone financial statements may differ from that estimated as at the date of approval of these standalone financial statements owing to the nature and duration of COVID-19

2.22 Recent accounting pronouncements

Recent pronouncements by the Ministry of Corporate Affairs ("MCA") notified new standard or amendments

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022 (Contd.)

to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23rd March, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 1st April, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use the amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the Company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021) The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 106 – Annual Improvements to Ind AS (2021) The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022 (Contd.)

3 PROPERTY, PLANT AND EQUIPMENT

(1) Current reporting period

(Amount in ₹ Lakhs)

Particulars	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	As on 1st April, 2021	Additions	Deductions	As at 31st Mar, 2022	As on 1st April, 2021	For the year	Additions/ (-)Deductions	As at 31st Mar, 22	As at 31st Mar, 22	As on 1st April, 2021
Leasehold land	312.91	-	-	312.91	16.69	3.31	-	20.00	292.90	296.21
Buildings	1,989.93	36.93	(35.82)	1,991.05	277.12	80.26	(35.20)	322.19	1,668.86	1,712.81
Plant and Equipment	5,846.32	816.75	(172.21)	6,490.87	2,227.65	637.60	(109.44)	2,755.81	3,735.06	3,618.67
Furniture and Fixtures	42.49	7.62	-	50.11	24.19	5.08	-	29.27	20.84	18.30
Vehicles	142.28	64.19	-	206.47	87.65	18.17	-	105.82	100.65	54.63
Office Equipments	54.68	8.56	-	63.24	37.40	6.87	-	44.27	18.96	17.28
Total	8,388.61	934.05	(208.03)	9,114.65	2,670.70	751.29	(144.64)	3,277.36	5,837.27	5,717.90
Capital work-in-progress	90.97	604.48	(64.47)	630.97	-	-	-	-	630.97	90.97

(2) Previous reporting period

(Amount in ₹ Lakhs)

Particulars	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	As on 1st April, 20	Additions	Deductions	As at 31st Mar, 21	As on 1st April, 20	For the year	Additions/ (-)Deductions	As at 31st Mar, 21	As at 31st Mar, 21	As at 31st Mar, 20
Leasehold land	312.91	-	-	312.91	13.39	3.31	-	16.69	296.21	299.52
Buildings	1,995.26	-	(5.32)	1,989.93	190.91	86.21	-	277.12	1,712.81	1,804.34
Plant and Equipment	5,514.47	389.85	(58.00)	5,846.32	1,667.77	609.16	(49.28)	2,227.65	3,618.67	3,846.70
Furniture and Fixtures	42.02	0.47	-	42.49	19.22	4.97	-	24.19	18.30	22.80
Vehicles	144.51	5.64	(7.87)	142.28	78.16	17.06	(7.57)	87.65	54.63	66.35
Office Equipments	52.08	2.83	(0.23)	54.68	30.42	7.19	(0.22)	37.40	17.28	21.66
Total	8,061.25	398.79	(71.42)	8,388.61	1,999.87	727.90	(57.07)	2,670.70	5,717.90	6,061.37
Capital work-in-progress	-	90.97	-	90.97	-	-	-	-	90.97	-

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022 (Contd.)

Title deeds of Immovable Property not held in name of the Company

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
Lease Hold Land	Plot Located -FS/5 MIDC Additional Mahad Industrial Area, District Raigad, Maharashtra	36.95	M/s Amtronics (Proprietor Mr Maruti Pawar)	No	24th May, 2012	Pursuant to the MIDC change in rules allowing transfer without BCC, company obtained a transfer Order issued by MIDC on 10th March, 2022. Supplementary Lease Deed execution is in progress

Capital-work-in progress ageing schedule:

(1) Current reporting period

(Amount in ₹ Lakhs)

CWIP	Amount in CWIP for a period of				Total
	< 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	604.48	26.50	-	-	630.97
Projects temporarily suspended	-	-	-	-	-

(2) Previous reporting period

(Amount in ₹ Lakhs)

CWIP	Amount in CWIP for a period of				Total
	< 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	90.97	-	-	-	90.97
Projects temporarily suspended	-	-	-	-	-

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.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022 (Contd.)

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
Computer - 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 Equipment	5.00	5.00

4 INTANGIBLE ASSETS

(1) Current reporting period

(Amount in ₹ Lakhs)

Particulars	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	As on 01-Apr-21	Additions	Deductions	As at 31-Mar-22	As on 01-Apr-21	For the year	Additions/ (-)Deductions	As at 31-Mar-22	As at 31-Mar-22	As on 01-Apr-21
Computer Software	86.27	11.49	-	97.77	51.31	16.02	-	67.33	30.44	34.96
Goodwill	-	-	-	-	-	-	-	-	-	-
Total	86.27	11.49	-	97.77	51.31	16.02	-	67.33	30.44	90.97

(2) Previous reporting period

(Amount in ₹ Lakhs)

Particulars	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	As on 01-Apr-21	Additions	Deductions	As at 31-Mar-22	As on 01-Apr-21	For the year	Additions/ (-)Deductions	As at 31-Mar-22	As at 31-Mar-22	As on 01-Apr-21
Computer Software	63.70	22.57	-	86.27	39.80	11.51	-	51.31	34.96	23.90
Goodwill	-	-	-	-	-	-	-	-	-	-
Total	63.70	22.57	-	86.27	39.80	11.51	-	51.31	34.96	23.90

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022 (Contd.)

Intangible assets under development aging schedule:

(1) Current reporting period

(Amount in ₹ Lakhs)

Intangible assets under development	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

(2) Previous reporting period

(Amount in ₹ Lakhs)

Intangible assets under development	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

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

5. NON CURRENT FINANCIAL ASSETS - INVESTMENTS

(Amount in ₹ Lakhs)

Particulars	As at year ended 31st March, 2022	As at year ended 31st March, 2021
Investment in fully paid equity shares of Macrotech Polychem Private Limited- wholly owned subsidiary (unquoted)	372.51	372.51
Total	**372.51**	**372.51**

Note: Investment is carried at cost under Ind AS 27.

6. NON CURRENT FINANCIAL ASSETS - LOANS

(Amount in ₹ Lakhs)

Particulars	As at year ended 31st March, 2022	As at year ended 31st March, 2021
Loan to Macrotech Polychem Private Limited- wholly owned subsidiary	3,104.11	1,537.22
Total	**3,104.11**	**1,537.22**

7. OTHER NON CURRENT FINANCIAL ASSETS

(Amount in ₹ Lakhs)

Particulars	As at year ended 31st March, 2022	As at year ended 31st March, 2021
Others		
Fixed deposit with bank	256.89	-
Earnest money deposit	420.00	420.00
Total	**676.89**	**420.00**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 (Contd.)

8. OTHER NON CURRENT ASSETS

Particulars	As at year ended 31st March, 2022	As at year ended 31st March, 2021
Capital advances	115.75	59.38
Deferred processing fees	-	0.04
Total	**115.75**	**59.42**

9. INVENTORIES

(At cost or realisable value whichever is lower)

(Amount in ₹ Lakhs)

Particulars	As at year ended 31st March, 2022	As at year ended 31st March, 2021
Raw materials	1,557.33	2,044.33
Work-in-progress	2,652.55	1,083.17
Finished goods	1,263.08	629.31
Fuel & Oil	7.29	7.52
Consumables	22.10	13.93
Packing Materials	9.95	6.79
Total	**5,512.30**	**3,785.05**

10. CURRENT INVESTMENTS

(Amount in ₹ Lakhs)

Particulars	As at year ended 31st March, 2022		As at year ended 31st March, 2021	
	No. of units	Amount	No. of units	Amount
Investments in Equity Instruments				
Quoted				
Tata Consultancy Services Limited	1,168	43.67	1,168	37.11
Investment in mutual funds				
Quoted				
ABSL Equity Fund	-	-	7,368	74.42
ABSL Income Fund	2,10,232	230.17	2,10,232	217.23
ABSL Midcap Fund	19,962	99.63	19,962	75.54
ABSL Multicap Fund	2,59,987	31.72	-	-
ABSL Short Term Fund	19,57,166	793.42	19,57,166	752.62
ABSL Small Cap Fund	88,818	50.29	88,819	41.07
ABSL Arbitrage Fund	13,84,467	315.02	13,84,467	301.55
ABSL Floating Rate Fund	2,05,653	207.16	-	-
ABSL Flexi Cap Fund (G)	7,368	91.03	-	-
ABSL Flexi Cap Fund	2,00,297	351.56	-	-
ABSL Balanced Advantage Fund	1,57,957	114.27	-	-
AXIS Banking & PSU Debt Fund	-	-	1,630	33.56
AXIS Bluechip Fund	1,73,114	31.25	3,99,451	154.63
AXIS Balanced Advantage Fund	8,07,073	113.72	-	-
AXIS Midcap Fund	-	-	1,04,235	56.93
AXIS Small Cap Fund	-	-	1,32,275	57.94
BNP Paribas Large CAP Fund	-	-	42,882	50.48
Franklin India Banking & PSU Debt Fund	-	-	2,16,900	37.95
HDFC Banking And PSU Debt Fund	-	-	1,79,631	32.04
HDFC Index Fund - NIFTY	14,759	23.77	1,02,951	138.57
HDFC MID-CAP Opportunities Fund	21,788	19.78	1,26,651	92.97
HDFC Balanced Advantage Fund-IDCW Plan	1,09,104	31.36	-	-
HDFC Mid-Cap Opp Fund - IDCW Plan	87,745	29.60	-	-
ICICI Prudential Floating Interest Fund	-	-	49,660	161.06
ICICI Prudential Medium Term Bond Fund	-	-	92,368	31.35

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022 (Contd.)

(Amount in ₹ Lakhs)

Particulars	As at year ended 31st March, 2022		As at year ended 31st March, 2021	
	No. of units	Amount	No. of units	Amount
ICICI Prudential Smallcap Fund	-	-	1,64,406	59.96
IDFC Bond Fund	-	-	2,09,950	76.73
Kotak Equity Opportunities Fund	94,215	32.24	50,369	82.28
Kotak Emerging Equity Scheme	1,46,862	104.86	-	-
Kotak Standard Multicap Fund	-	-	1,93,274	86.90
L&T Emerging Business Fund	-	-	89,272	26.99
Mirae Asset Hybrid-Equity Fund	4,85,111	105.75	4,43,006	83.30
Mirae Asset Hybrid Equity Fund Regular IDCW	1,95,080	29.57	-	-
Nippon India Nivesh Lakshya Fund	-	-	5,61,279	77.33
SBI Banking & PSU Fund	-	-	874	21.43
SBI Bluechip Fund	36,972	22.24	36,973	19.15
Sundaram Rural India Fund	-	-	52,422	25.92
Total		**2,872.08**		**2,907.01**

Details of quoted investments

(Amount in ₹ Lakhs)

Particulars	As at year ended 31st March, 2022	As at year ended 31st March, 2021
Book Value	2,550.18	2,503.61
Market Value	2,872.06	2,907.01

11. TRADE RECEIVABLES

(Amount in ₹ Lakhs)

Particulars	As at year ended 31st March, 2022	As at year ended 31st March, 2021
Unsecured considered good	6,506.70	3,756.25
Unsecured considered doubtful	-	-
	6,506.70	**3,756.25**
Less: Allowance for doubtful debts	-	(0.51)
Total Receivables	**6,506.70**	**3,755.74**
Current	6,506.70	3,755.74
Non-current	-	-

Outstanding for following periods from due date of payment

(Amount in ₹ Lakhs)

Particulars	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
Year ended 31st March, 2022						
i) Undisputed Trade receivables – considered good	6,506.70	-	-	-	-	6,506.70
ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-
iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
	6,506.70	-	-	-	-	6,506.70
Less: Allowance for doubtful debts						(16.81)
Net Trade Receivables						**6,489.89**
Year ended 31st March, 2021						
i) Undisputed Trade receivables – considered good	3,756.25	-	-	-	-	3,756.25
ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022 (Contd.)

(Amount in ₹ Lakhs)

Particulars	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
	3,756.25	-	-	-	-	3,756.25
Less: Allowance for doubtful debts						(0.51)
Net Trade Receivables						**3,755.74**

12. CASH AND CASH EQUIVALENTS

(Amount in ₹ Lakhs)

Particulars	As at year ended 31st March, 2022	As at year ended 31st March, 2021
Cash and cash equivalents		
- Cash on hand	22.33	16.86
- Balances with banks	41.36	186.34
Total	**63.69**	**203.20**

13. BANK BALANCES OTHER THAN ABOVE

(Amount in ₹ Lakhs)

Particulars	As at year ended 31st March, 2022	As at year ended 31st March, 2021
Fixed deposits with bank	10.05	266.50
Total	**10.05**	**266.50**

14. OTHER CURRENT FINANCIAL ASSETS

(Amount in ₹ Lakhs)

Particulars	As at year ended 31st March, 2022	As at year ended 31st March, 2021
Unsecured, considered good		
Advance to vendors	361.53	70.37
Security deposits	272.69	211.95
Interest accrued on FDR	34.53	19.11
Advances to employees	34.52	7.73
Others	96.17	-
Total	**799.44**	**309.16**

15. OTHER CURRENT ASSETS

(Amount in ₹ Lakhs)

Particulars	As at year ended 31st March, 2022	As at year ended 31st March, 2021
Prepaid expenses	132.18	106.16
Balance with government authorities	1,115.12	1,009.57
Unrealised Gains on Forex Derivative	9.40	4.35
Others	-	-
Total	**1,256.70**	**1,120.08**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022 (Contd.)

16. SHARE CAPITAL

(Amount in ₹ Lakhs)

Particulars	As at year ended 31st March, 2022		As at year ended 31st March, 2021	
	Number	Amount	Number	Amount
Authorised share capital				
At the beginning of the year	1,00,00,000	500.00	1,00,00,000	500.00
Increase/ (decrease) during the year	-	-	-	-
At the end of the year	1,00,00,000	500.00	1,00,00,000	500.00
Issued share capital				
At the beginning of the year	61,78,024	308.90	61,78,024	308.90
Increase/ (decrease) during the year	-	-	-	-
At the end of the year	61,78,024	308.90	61,78,024	308.90

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 year ended 31st March, 2022			As at year ended 31st March, 2021		
	Number	% Holding	% Change during the year	Number	% Holding	% Change during the year
Rahul J Nachane	10,83,450	17.54%	-	10,83,450	17.54%	-
Rajesh N Lawande	13,52,366	21.89%	-	13,52,366	21.89%	18.23%
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) Details of Shareholding of Promoter :

Name of the shareholder	As at year ended 31st March, 2022			As at year ended 31st March, 2021		
	Number	% Holding	% Change during the year	Number	% Holding	% Change during the year
Rahul J Nachane	10,83,450	17.54%	-	10,83,450	17.54%	-
Rajesh N Lawande	13,52,366	21.89%	-	13,52,366	21.89%	18.23%

d) Reconciliation of the number of equity shares and share capital:

(Amount in ₹ Lakhs)

Particulars	As at year ended 31st March, 2022		As at year ended 31st March, 2021	
	Number	Amount	Number	Amount
Outstanding at the beginning of the year	61,78,024	308.90	61,78,024	308.90
Issued during the year	-	-	-	-
Outstanding at the end of the year	**61,78,024**	**308.90**	**61,78,024**	**308.90**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 (Contd.)

17. RESERVES AND SURPLUS

(Amount in ₹ Lakhs)

Particulars	As at year ended 31st March, 2022	As at year ended 31st March, 2021
Capital reserve		
Balance at the beginning of the year	150.00	150.00
Add: Additions during the year	-	-
Balance at the end of the year	**150.00**	**150.00**
Securities premium		
Balance at the beginning of the year	11.74	11.74
Add: Additions during the year	-	-
Balance at the end of the year	**11.74**	**11.74**
General reserve		
Balance at the beginning of the year	59.29	59.29
Add: Additions during the year	-	-
Balance at the end of the year	**59.29**	**59.29**
Retained earnings		
Opening Balance	15,015.34	9,590.57
Add: Profit for the year	5,219.33	5,532.89
Less: Appropriations		
Dividend on Equity Shares (₹ 1.75/- Per Share)	(108.12)	(108.12)
Closing Balance	**20,126.55**	**15,015.34**
Total	**20,347.58**	**15,236.37**

18. NON CURRENT BORROWINGS

(Amount in ₹ Lakhs)

Particulars	As at year ended 31st March, 2022	As at year ended 31st March, 2021
Secured		
Term loans from banks:		
Term Loans from HDFC Bank	312.12	613.13
Vehicle Loan from HDFC Bank	31.49	-
Total	**343.61**	**613.13**

Terms and conditions of loans

Interest on term loan from HDFC Bank is @ 8.1% p.a. (Previous Year: @ 9.05% 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.

The funds received from borrowings have been utilised for purchase of property, plant and equipment which was the purpose for which the funds were borrowed.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022 (Contd.)

19. PROVISIONS

(Amount in ₹ Lakhs)

Particulars	As at year ended 31st March, 2022	As at year ended 31st March, 2021
Non-current		
Leave Encashment	165.65	165.48
Gratuity	83.89	77.77
	249.54	**243.25**
Current		
Leave Encashment	17.38	21.55
Gratuity	31.46	26.96
Others	9.87	14.17
	58.71	**62.68**
Total	**308.25**	**305.93**

20. DEFERRED TAX LIABILITIES (NET)

(Amount in ₹ Lakhs)

Particulars	As at year ended 31st March, 2022	As at year ended 31st March, 2021
Opening balance as at 1st April	237.70	96.64
Tax (Income)/Expense during the period recognised in:		
(i) Statement of Profit and Loss in Profit or Loss section	(42.25)	145.80
(ii) Statement of Profit and Loss under OCI Section	(1.79)	(4.73)
(iii) Retained earnings		
Closing balance	**-**	**237.71**

21. OTHER NON CURRENT LIABILITIES

(Amount in ₹ Lakhs)

Particulars	As at year ended 31st March, 2022	As at year ended 31st March, 2021
Lease equalisation reserve	16.55	19.51
Total	**16.55**	**19.51**

22. CURRENT BORROWINGS

(Amount in ₹ Lakhs)

Particulars	As at year ended 31st March, 2022	As at year ended 31st March, 2021
Secured		
From banks for working capital	2,342.77	483.17
Total	**2,342.77**	**483.17**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022 (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 + 0.75% p.a.)

23. TRADE PAYABLES

(Amount in ₹ Lakhs)

Particulars	As at year ended 31st March, 2022	As at year ended 31st March, 2021
Current		
Trade payables		
Acceptances	355.97	482.94
Other than Acceptances	3,107.53	2,215.07
Total	**3,463.50**	**2,698.01**

Outstanding for following periods from due date of payment

(Amount in ₹ Lakhs)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Year ended 31st March, 2022					
Trade payables					
i) MSME	939.97	-	-	-	939.97
ii) Others	2,523.52	-	-	-	2,523.52
iii) Disputed dues - MSME	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	-
	3,463.49	**-**	**-**	**-**	**3,463.49**
Year ended 31st March, 2021					
Trade payables					
i) MSME	530.76	-	-	-	530.76
ii) Others	2,167.24	-	-	-	2,167.24
iii) Disputed dues - MSME	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	-
	2,698.00	**-**	**-**	**-**	**2,698.00**

Notes

(Amount in ₹ Lakhs)

Particulars	As at year ended 31st March, 2022	As at year ended 31st March, 2021
Of the above,		
payables to Micro and Small Enterprises	939.97	530.76

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.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022 (Contd.)

(Amount in ₹ Lakhs)

Particulars	As at year ended 31st March, 2022	As at year ended 31st March, 2021
Principal amount due and remaining unpaid	-	-
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

(Amount in ₹ Lakhs)

Particulars	As at year ended 31st March, 2022	As at year ended 31st March, 2021
Current		
Current Maturities of Long Term Debt (Refer note 18)	313.77	548.54
Payables for Capital Purchases	130.01	63.45
Total	**443.78**	**611.99**

25. CURRENT TAX LIABILITIES

(Amount in ₹ Lakhs)

Particulars	As at year ended 31st March, 2022	As at year ended 31st March, 2021
Provision for taxation (net of taxes paid)	3.27	64.80
Total	**3.27**	**64.80**

26. OTHER CURRENT LIABILITIES

(Amount in ₹ Lakhs)

Particulars	As at year ended 31st March, 2022	As at year ended 31st March, 2021
Interest payable	0.23	0.21
Total	**0.23**	**0.21**

27. INCOME FROM OPERATIONS

(Amount in ₹ Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Sale of products	31,399.15	25,520.76
Other operating Income	467.59	297.39
Total Income from operations	**31,866.74**	**25,818.15**

Note: Other operating Incomes comprise of duty drawback and other export incentives

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022 (Contd.)

28. OTHER INCOME

(Amount in ₹ Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Interest income	218.58	73.13
Dividend income	-	-
- from current investments	36.50	0.48
Other non-operating income (net of expenses directly attributable to such income	566.77	124.87
Net gain on sale or fair valuation of investments	-	510.46
Gain on exchange fluctuations	442.15	145.77
Total	**442.15**	**656.23**

29. COST OF MATERIALS CONSUMED

(Amount in ₹ Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Raw materials at the beginning of the year	2,044.33	866.88
Add: Purchases	16,547.64	11,241.41
Less: Raw material at the end of the year	(1,557.33)	(2,044.33)
Total cost of raw materials consumed	**14,990.31**	**9,197.08**

30. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

(Amount in ₹ Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Inventories at the end of the year:		
Finished goods	1,263.08	629.31
Work-in-progress	2,652.55	1,083.17
	3,915.63	**1,712.48**
Inventories at the beginning of the year:		
Finished goods	629.31	595.58
Work-in-progress	1,083.17	1,303.03
	1,712.48	**1,898.61**
Total changes in inventories of finished goods and work-in-progress	**(2,203.15)**	**186.13**

31. EMPLOYEE BENEFITS EXPENSE

(Amount in ₹ Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Salaries and wages	3,128.17	2,581.89
Contribution to provident fund and other funds	108.09	94.09
Staff welfare expense	68.77	47.51
Total	**3,305.03**	**2,723.49**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022 (Contd.)

Disclosure pursuant to Ind AS 19 - "Employee Benefits"

(i) Defined contribution plans: Note 2.17

(Amount in ₹ Lakhs)

Particulars	As at year ended 31st March, 2022	As at year ended 31st March, 2021
Contribution to provident fund	70.54	61.75

(ii) Defined benefit plans: Note 2.17

Gratuity Plan

(a) Funded status of the plan

(Amount in ₹ Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
A) Present value of defined benefit obligation		
- Wholly funded	263.97	245.42
- Wholly unfunded	-	-
	263.97	**245.42**
Less: Fair value of plan assets	(148.62)	(140.69)
Amount to be recognised as liability or (asset)	**115.35**	**104.73**
B) Amounts reflected in Balance Sheet		
Liabilities	115.35	104.73
Assets	-	-
Net liability/(asset)	**115.35**	**104.73**
Net liability/(asset) - current	31.46	26.96
Net liability/(asset) - non current	83.89	77.77

(b) The amount recognised in the Statement of Profit and Loss are as follows

(Amount in ₹ Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
1. Current service cost	26.96	22.99
2. Past service cost and loss/(gain) on curtailments and settlements	-	-
3. Interest cost	5.79	4.58
Total charge to Profit & Loss	**32.75**	**27.57**

(c) The amount recognised in Other Comprehensive Income

(Amount in ₹ Lakhs)

Particulars	As at year ended 31st March, 2022	As at year ended 31st March, 2021
Components of actuarial gain/(losses) on obligations		
Due to change in financial assumptions	(14.53)	4.25
Due to change in demographic assumptions	-	-
Due to experience adjustments	21.99	12.15
Return on plan assets excluding amount included in interest income	(0.33)	2.42
Amount recognised in Other Comprehensive Income	7.13	18.82

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 (Contd.)

(d) Reconciliation of defined benefit obligation

(Amount in ₹ Lakhs)

Particulars	As at year ended 31st March, 2022	As at year ended 31st March, 2021
Opening defined benefit obligation	245.42	201.70
Transfer in/(out) obligation	-	-
Current service cost	26.96	22.99
Interest cost	14.52	12.70
Actuarial loss/(gain) due to change in financial assumptions	(14.53)	4.25
Actuarial loss/(gain) due to change in demographic assumptions	-	-
Actuarial loss/(gain) due to experience adjustments	21.99	12.15
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	(30.40)	(8.37)
Closing defined benefit obligation	**263.96**	**245.42**

(e) Reconciliation of plan assets

(Amount in ₹ Lakhs)

Particulars	As at year ended 31st March, 2022	As at year ended 31st March, 2021
Opening value of plan assets	140.69	120.22
Transfer in/(out) of plan assets	-	-
Interest income	8.73	8.12
Return on plan assets excluding amount included in interest income	0.33	(2.42)
Assets distributed on settlements	-	-
Contributions by employer	29.26	23.15
Assets acquired in an amalgamation in the nature of purchase	-	-
Exchange differences on foreign plans	-	-
Benefits paid	(30.40)	(8.37)
Adjustment to the opening fund	-	-
Closing balance of plan assets	**148.61**	**140.70**

(f) Reconciliation of net defined benefit liability

(Amount in ₹ Lakhs)

Particulars	As at year ended 31st March, 2022	As at year ended 31st March, 2021
Net opening provision in books of account	104.73	81.49
Transfer in/(out) obligation	-	-
Transfer in/(out) plan assets	-	-
Employee benefit expense (from (b) above)	32.76	27.58
Amounts recognised in other comprehensive income (from (c) above)	7.13	18.81
	144.62	**127.88**
Contribution to plan assets	(29.26)	(23.15)
Closing provision in books of accounts	**115.36**	**104.73**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022 (Contd.)

(g) Composition of plan assets

(Amount in ₹ Lakhs)

Particulars	As at year ended 31st March, 2022	As at year ended 31st March, 2021
Policy of insurance	100%	100%

(h) Principal actuarial assumptions

(Amount in ₹ Lakhs)

Particulars	As at year ended 31st March, 2022	As at year ended 31st March, 2021
Discount rate (p.a.)	6.95%	6.35%
Salary growth rate (p.a.)	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 (p.a.)	6.26%	6.35%

(i) Expected cash flows based on past service liability

(Amount in ₹ Lakhs)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	₹	%	₹	%
Year 1 Cash Flow	29.24	5.30%	33.41	7.00%
Year 2 Cash Flow	22.51	4.10%	23.03	4.80%
Year 3 Cash Flow	15.83	2.90%	18.89	3.90%
Year 4 Cash Flow	19.69	3.60%	12.95	2.70%
Year 5 Cash Flow	14.81	2.70%	16.02	3.30%
Year 6 to Year 10 Cash Flow	133.77	24.30%	75.66	15.80%

(j) Sensitivity analysis of key assumptions

(Amount in ₹ Lakhs)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	DBO	Change in DBO %	DBO	Change in DBO %
Discount rate varied by 0.5%				
+ 0.5%	252.80	(4.23%)	235.04	(4.23%)
- 0.5%	275.98	4.55%	256.62	4.56%
Salary growth rate varied by 0.5%				
+ 0.5%	273.95	3.78%	255.13	3.96%
- 0.5%	254.20	(3.70%)	236.70	(3.56%)
Withdrawal rate (WR) varied by 10%				
WR x 110%	265.04	0.41%	245.79	0.15%
WR x 90%	262.87	0.42%	245.04	(0.16%)

(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.

Particulars	As at year ended 31st March, 2022	As at year ended 31st March, 2021
Salaries - leave encashment	25.21	61.48

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022 (Contd.)

32. OTHER EXPENSES

(Amount in ₹ Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Power and Fuel	1,446.64	927.17
Consumable Stores	280.28	186.59
Packing Materials	257.84	213.29
Processing Charges	1,567.54	946.91
Factory Expenses	366.54	212.88
Water Charges	34.45	24.18
Repairs to		
Plant & Machinery	667.85	568.15
Factory Buildings	84.35	39.56
Other Assets	15.03	0.27
Insurance	130.70	119.92
Laboratory Expenses	237.35	139.16
Payment to Auditors (See note below)	15.23	16.77
Postage & Telephone Expenses	29.76	21.29
Legal and Professional Fees	196.59	159.25
Bank Charges and Commission	35.06	36.35
Rent, Rates and Taxes	143.47	136.75
Printing & Stationery	36.19	30.02
Vehicle Expenses	25.59	20.49
Advertisement & Business Promotion	26.90	93.55
Commission on Sales	193.56	81.96
Travelling Expenses	57.56	16.98
Freight, Coolie & Cartage	867.37	531.69
Insurance Claim w/off	-	455.00
Miscellaneous Expenses	457.47	197.97
Total	**7,173.32**	**5,176.15**

(a) Details about payment to auditors

(Amount in ₹ Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
(i) Payment to statutory auditors (net of GST input)		
As auditors - statutory audit & tax audit	9.25	9.25
As auditors - other services	2.25	2.25
sub total (i)	**11.50**	**11.50**
(ii) Payment to internal auditors and cost auditors (net of GST input)		
Internal Audit Fees	3.73	3.77
Cost Audit Fees	-	1.50
sub total (ii)	**3.73**	**5.27**
Total (I + ii)	**15.23**	**16.77**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022 (Contd.)

33. FINANCE COSTS

(Amount in ₹ Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Interest expense on:		
-Long term borrowings	70.87	124.41
-Short term borrowings	85.29	59.60
Total	**156.16**	**184.01**

34. CONTINGENT LIABILITY

(Amount in ₹ Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
(I) Provident Fund claim disputed		
Demand raised on the Company by the provident fund department for amount payable by contractor .	17.76	17.76

35. COMMITMENTS

(Amount in ₹ Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
(i) Estimated amount of contracts remaining to be executed on capital account and not provided		
Tangible assets	1,395.59	281.04
(ii) Other commitments (specify nature)		
Guarantees issued by banks on behalf of the Company	9.40	8.40
Letters of credit established for which goods are yet to be received	19.01	151.15

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 & Rajesh Lawande
Milind Shinde	Independent Director	--
Jayaram Sitaram	Independent Director	--
Kumarapuram V Subramanian	Independent Director	--
Sarala Menon	Women Independent Director	--
Ahaan Nachane	Vice President	Ajita Nachane & Rahul Nachane

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 (Contd.)

(iii) Subsidiaries of the Company

Name	% of Holding
Macrotech Polychem Private Limited	100%

(b) Nature of transaction

(Amount in ₹ Lakhs)

Particulars	For the year ended 31st March, 2022 Amount (₹)	For the year ended 31st March, 2021 Amount (₹)
(i) Expenses		
Rent		
Nupur Remedies Private Limited	49.11	44.65
Rahul Nachane	33.25	32.05
Rajesh Lawande	33.25	32.05
Managerial Remuneration		
Rahul Nachane	85.66	85.66
Rajesh Lawande	84.22	84.22
Ahaan Nachane	25.18	-
Commission on profits		
Rahul Nachane	181.27	185.11
Rajesh Lawande	181.27	185.11
Legal & Professional Fee		
Nupur Remedies Private Limited	66.00	66.00
Director's Sitting Fee		
Ajita Nachane	4.03	3.00
Milind Shinde	4.45	3.40
Jayaram Sitaram	4.23	3.30
Sarala Menon	1.20	-
Leave Encashment		
Rahul Nachane	-	28.84
Processing Charges		
Macrotech Polychem Private Limited	693.29	548.83
Purchase of Raw Material		
Macrotech Polychem Private Limited	52.81	23.50
(ii) Income		
Interest on Loan given		
Macrotech Polychem Private Limited	200.96	53.63
Sales		
Macrotech Polychem Private Limited	119.80	20.68
(iii) Deposits		
Nupur Remedies Private Limited	3.50	3.50
Rahul Nachane - Office Deposit	20.00	20.00
Rajesh Lawande - Office Deposit	20.00	20.00
(iv) Outstanding balances		
Nupur Remedies Private Limited (Trade Payable)	10.68	10.49
Macrotech Polychem Private Limited- Advance to Suppliers	-	44.06
Macrotech Polychem Private Limited- Loan given	3,104.11	1,537.22
Macrotech Polychem Private Limited- Debtors	96.20	-

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 analyse 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.

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:

(Amount in ₹ Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Financial assets		
Investments	2,872.06	2,907.01
Cash and cash equivalents	63.69	203.20
Bank balances other than above	10.05	266.50
Trade receivables	6,489.89	3,755.74
Other financial assets	799.43	309.17
At end of the year	**10,235.12**	**7,442.62**
Financial liabilities		
Borrowings	2,342.77	483.17
Trade payables	3,463.50	2,698.00
Other current financial liabilities	443.78	611.99
At end of the year	**6,250.05**	**3,793.16**

39. CREDIT RISK

Credit risk arises from the possibility that customers shall 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.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 (Contd.)

Trade receivables

Trade receivables are typically unsecured and derived from income 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

(Amount in ₹ Lakhs)

Particulars	Days			Allowance for Doubtful Debts	Net Receivable
	0-180	180-365	Above 365		
As on 31st March, 2022	6,506.70	-	-	(16.81)	6,489.89
As on 31st March, 2021	3,756.25	-	-	(0.51)	3,755.74

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 shall 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.

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 US$, JPY and EUR.

(Amount in ₹ Lakhs)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Currency	₹ Lakhs	Currency	₹ Lakhs
Payables				
Advances from customers	US$ 8,976	6.69	US$ 77,400	56.05
Trade Payables	US$ 5,48,739	422.03	US$ 5,06,748	374.35
Trade Payables	-	0.00	JPY 1,92,24,000	136.01
Trade Payables	EUR 9,180	7.90	EUR 80	0.21
Receivables				
Trade Receivables	US$ 63,62,080	4,741.02	USD 35,76,414	2,595.29
Advances to Suppliers	US$ 1,99,500	153.44	-	-

Following table analyses the Company's Sensitivity to a 5% increase and a 5% decrease in the exchange rates of Foreign Currencies against INR.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022 (Contd.)

(Amount in ₹ Lakhs)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Currency	₹ Lakhs	Currency	₹ Lakhs
Net foreign currency assets US$	USD 60,03,865	4,465.73	USD 29,92,266	2,164.89
Impact on profit or loss: Income/(Expense)				
US$ - Increase by 5%		223.29		108.24
US$ - Decrease by 5%		(223.29)		(108.24)
Net foreign currency liabilities JPY	-	-	JPY 1,92,24,000	136.01
Impact on profit or loss: Income/(Expense)				
JPY - Increase by 5%		-		(6.80)
JPY - Decrease by 5%		-		6.80
Net foreign currency liabilities EUR	EUR 9,180	7.90	EUR 80	0.21
Impact on profit or loss: Income/(Expense)				
EUR - Increase by 5%		(0.40)		(0.01)
EUR - Decrease by 5%		0.40		0.01
Net Impact - increase by 5%		222.89		101.43
Net Impact - decrease by 5%		(222.89)		(101.43)

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:

(Amount in ₹ Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Fixed rate instruments		
Financial Assets	10.05	266.50
Financial liabilities	657.37	1,161.67
Variable rate instruments		
Financial Assets	2,872.06	2,907.01
Financial liabilities	2,342.77	483.17

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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022 (Contd.)

with floating interest rates.

(Amount in ₹ Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Long term variable interest rate borrowings	-	-
Short term variable interest rate borrowings	2,342.77	483.17
	2,342.77	**483.17**

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:

(Amount in ₹ Lakhs)

Year ended	Increase/ (decrease) in basis points	Effect on profit before tax increase/ (decrease)
31st March, 2022	100	(23.43)
	(100)	23.43
31st March, 2021	100	(4.83)
	(100)	4.83

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.

(Amount in ₹ Lakhs)

Particulars	On demand	Upto 1 year	1 to 5 years	More than 5 years	Total
	₹	₹	₹	₹	₹
Year ended 31st March, 2022					
Trade payables	-	3,463.50	-	-	3,463.50
Other financial liabilities	-	443.78	-	-	443.78
	-	**3,907.28**	**-**	**-**	**3,907.28**
Year ended 31st March, 2021					
Trade payables	-	2,698.00	-	-	2,698.00
Other financial liabilities	-	611.99	-	-	611.99
	-	**3,309.99**	**-**	**-**	**3,309.99**

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.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022 (Contd.)

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. Net debt includes loans and borrowings, trade and other payables, less cash and cash equivalents.

(Amount in ₹ Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Loans and borrowings	2,686.37	1,096.30
Trade payables	3,463.50	2,698.00
Other payables	505.99	739.70
Less: Cash and cash equivalents	(73.74)	(469.70)
Net debt (A)	**6,582.12**	**4,064.30**
Equity	20,656.47	15,545.26
Capital (B)	**27,164.85**	**19,139.86**
Capital gearing ratio (A/B)	**0.24**	**0.21**

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.

45. INCOME TAX

The major components of income tax expense for the years are:

Income statement

(Amount in ₹ Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Current income tax:		
Current income tax charge	(1,715.00)	(1,912.00)
Adjustments in respect of current income tax of previous year	-	5.05
Deferred tax:		
Relating to origination and reversal of temporary differences	42.25	(145.80)
Relating to origination and reversal of temporary differences through OCI	1.79	4.73
Income tax expense reported in the income statement	**(1,670.96)**	**(2,048.02)**

The income tax expense for the year can be reconciled to the accounting profits as follows:

(Amount in ₹ Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Profit before tax	6,897.41	7,599.71
Income tax expense calculated at 25.17%	(1,736.08)	(1,912.85)
Effect of income that is exempt from taxation	-	-
Effect of expenses that are deductible in determining taxable profits	65.12	(135.17)
Total tax expense	**(1,670.96)**	**(2,048.02)**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 (Contd.)

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:

(Amount in ₹ Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
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	84.57	89.79
Diluted earning per share	84.57	89.79

* 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.

(Amount in ₹ Lakhs)

	Particulars	As at 31st March, 2022		As at 31st March, 2021	
(b)	**Value of imports calculated on CIF basis:**				
	Raw materials		3,020.36		2,511.95
	Capital goods		55.62		34.80
	Total		**3,075.98**		**2,546.75**
(c)	**Expenditure in foreign currency:**				
	Professional and consultation fees		-		-
	Other matters		180.90		265.37
	Total		**180.90**		**265.37**
(d)	**Details of consumption of imported and indigenous items**				
	(i) Raw materials Consumed				
	Indigenous	78.9%	13,436.90	76.4%	7,692.36
	Imported	21.1%	3,597.74	23.6%	2,371.60
	Total	**100.0%**	**17,034.64**	**100.0%**	**10,063.96**
	(ii) Stores and spares Consumed				
	Indigenous	100.0%	280.28	100.0%	186.59
	Imported	-	-	0.0%	-
	Total	**100.0%**	**280.28**	**100.0%**	**186.59**
(e)	**Earnings in foreign exchange :**				
	Export of goods calculated on FOB basis		23,250.51		19,468.40
	Other (Insurance & Freight)		516.98		306.39

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022 (Contd.)

(Amount in ₹ Lakhs)

	Particulars	As at 31st March, 2022	As at 31st March, 2021
(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	147.71	130.04
	Later than one year but not later than five years	217.10	302.62
	Later than five years	-	-
	Rental expense relating to operating lease:		
	Minimum lease payments	142.69	124.77
	Total rental expense relating to operating lease	**142.69**	**124.77**

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.

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. DISCLOSURE WITH RESPECT TO LOANS OR ADVANCES GRANTED TO PROMOTERS,DIRECTORS,KMP AND THE RELATED PARTIES

(1) Current reporting period

(Amount in ₹ Lakhs)

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoters	-	-
Directors	-	-
KMPs	-	-
Related Parties		
Macrotech Polychem Private Limited	3,104.11	99%

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022 (Contd.)

(2) Previous reporting period

(Amount in ₹ Lakhs)

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoters	-	-
Directors	-	-
KMPs	-	-
Related Parties		
Macrotech Polychem Private Limited	1,537.22	99%

51. DISCLOSURE WITH RESPECT TO BORROWINGS FROM BANKS OR FINANCIAL INSTITUTIONS ON THE BASIS OF SECURITY OF CURRENT ASSETS

Details of monthly stock statements & trade receivables filed by the Company with banks or financial institutions are given below

(Amount in ₹ Lakhs)

MONTH	Stocks and Receivables submitted to Bank	Stocks and Receivables as per books	Difference	Difference %
Apr-21	7,799.00	7,716.29	82.71	1%
May-21	8,501.10	8,420.76	80.34	1%
Jun-21	9,222.09	9,328.58	(106.49)	(1%)
Jul-21	9,287.56	9,923.67	(636.11)	(6%)
Aug-21	10,217.31	10,927.43	(710.12)	(6%)
Sep-21	10,654.39	10,857.24	(202.85)	(2%)
Oct-21	10,908.47	11,604.09	(695.62)	(6%)
Nov-21	10,682.86	10,738.02	(55.15)	(1%)
Dec-21	5,621.28	10,790.25	(5,168.96)	(48%)
Jan-22	5,619.05	11,672.73	(6,053.68)	(52%)
Feb-22	6,499.00	12,742.55	(6,243.55)	(49%)
Mar-22	11,990.27	11,990.27	-	0%

Stock statements and trade receivable details are submitted to the bank within seven days of close of the previous month. Account finalisation takes place subsequently along with valuation of stocks. This gives rise to some variation in the numbers submitted. For the months of December 2021, January and February 2022 the value of stock was reported in Lakhs while the actual numbers were given in Crores leading to under valuation of the security due to the inadvertent error. The total working capial sanction limits were ₹ 18.50 Crores and the error did not impact the borrowing power of the Company in any way.

52. RELATIONSHIP WITH STRUCK OFF COMPANIES

(Amount in ₹ Lakhs)

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding	Relationship with the Struck off company,if any, to be disclosed
NIL	NIL	NIL	NIL

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022 (Contd.)

53. RATIO ANALYSIS

Ratio	As at 31st March, 2022	As at 31st March, 2021	Numerator	Denominator	Remarks
Current Ratio	2.69	3.15	Current Assets	Current Liabilities	Ratio has decreased, however still indicates strong liquidity position.
Debt-Equity Ratio	0.15	0.11	Current Borrowings + Non Current Borrowings	Total Equity	Increase is on account of increase in working capital borrowings
Debt Service Coverage Ratio	13.21	8.83	Profit after Tax + Finance Costs + Depreciation + Loss on sale of FA	Finance Cost + Current Maturities of Long Term Debt	Improvement on account of lower debt repayments due in next one year
Return on Equity Ratio	0.25	0.36	Profit After Tax	Total Equity	Due to higher operating costs, the margins for the year have decreased
Inventory turnover ratio	4.59	4.80	Cost of Goods Sold	Inventories	Ratio is almost same as last year indicating similar inventory cycles
Trade Receivables turnover ratio	4.84	6.80	Sale of Products	Trade Receivables	Higher credit provided to debtors has resulted in lower turn of receivables
Trade payables turnover ratio	7.31	6.73	Cost of Goods Sold	Trade Payables	Higher credit available from suppliers
Net capital turnover ratio	2.94	3.03	Sale of Products	Working Capital Gap	Capital turnover has decreased slightly
Net profit ratio	0.17	0.22	Profit After Tax	Sale of Products	Due to higher operating costs, the margins for the year have decreased
Return on Capital employed	0.30	0.45	Earnings before interest and tax	Total Equity + Total Debt + Deferred Tax Liabilities	Due to higher operating costs, the margins for the year have decreased
Return on investment	0.28	5.06	Change in market value of equity share + Dividend	Market value of equity share as on Balance Sheet date	Price increase was very sharp in 2020-21 leading to very high return for investors. Return is lower in 2021-22

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 (Contd.)

54. CORPORATE SOCIAL RESPONSIBILITY

(Amount in ₹ Lakhs)

Particulars		As at 31st March, 2022
(a)	amount required to be spent by the Company during the year	76.44
(b)	amount of expenditure incurred	75.86
(c)	shortfall at the end of the year	(0.58)
(d)	total of previous years shortfall	(80.59)
(e)	reason for shortfall	Shortfall in the current year is adjusted against the excess amount spent of ₹ 62,766/- in FY 2020-21. Unspent amount pertaining to earlier years was due to inability to identify suitable projects
(f)	nature of CSR activities	Setting up sanitation block at school, education in rural areas, setting up an animal care center with laboratory, vaccination
		for Covid, skilling support to widows, providing educational scholarships, etc.
(g)	details of related party transactions	NIL
(h)	provision made with respect to a liability incurred by entering into a contractual obligation.	NIL

55. 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 the FY 2021-22, which is based on relevant share capital as on 31st March, 2022.

ii) The Company evaluated all events and transactions that occurred after 31st March, 2022 through 2nd May, 2022; 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.

56. REPORTING UNDER RULE 11 (E) (I) AND RULE 11 (F) OF THE COMPANIES (AUDIT AND AUDITORS) RULES, 2014

i) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

ii) No funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

57. THE PREVIOUS YEARS FIGURES HAVE BEEN REGROUPED AND REARRANGED WHEREEVER NECESSARY.

As per our report of even date attached

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

Shailesh Manek
Partner
Membership Number: 034925

Place: Mumbai
Date: 2nd May, 2022

For and on behalf of the Board of Directors

Rahul Nachane
Managing Director
DIN: 00223346

Rajesh Lawande
Whole-Time Director & CFO
DIN: 00327301

Pallavi Pednekar
Company Secretary
ACS : A33498

Place: Mumbai
Date: 2nd May, 2022

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 **March 31, 2022,** 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 March 31, 2022, 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 recognized 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".

INDEPENDENT AUDITOR'S REPORT(Contd.)

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; and • 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 recognize 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

INDEPENDENT AUDITOR'S REPORT(Contd.)

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 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

INDEPENDENT AUDITOR'S REPORT(Contd.)

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 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 March 31st, 2022 taken on record by the Board of Directors, none of the directors are disqualified as on March 31st, 2022 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.

(iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

(v) (a) The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.

(b) As stated in note 54 to the financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO report issued by us for the Company and its subsidiary included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For **MANEK & ASSOCIATES**

Chartered Accountants

Firm's registration number: 0126679W

(SHAILESH MANEK)

Partner

Mumbai — Membership number: 034925

Dated: 02nd May, 2022 — UDIN: 22034925AIGGZW2668

Annexure - A

TO THE AUDITOR'S 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, 2022 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial

ANNEXURE - A
TO THE AUDITOR'S REPORT (Contd.)

reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2022, 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

(SHAILESH MANEK)
Partner

Mumbai
Dated: 02nd May, 2022

Membership number: 034925
UDIN: 22034925AIGGZW2668

CONSOLIDATED BALANCE SHEET

AS AT 31ST MARCH, 2022

(Amount in ₹ Lakhs)

Particulars	Notes	As at Year ended 31st March, 2022	As at Year ended 31st March, 2021
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	3	8,831.47	6,362.43
(b) Capital work-in-progress	3	643.25	1,235.15
(c) Goodwill	4	15.27	15.27
(d) Other Intangible assets	4	30.43	34.96
(e) Financial assets			
(i) Others	5	696.53	425.64
(f) Other non-current assets	6	126.59	212.49
Total non-current assets		**10,343.54**	**8,285.94**
(2) Current assets			
(a) Inventories	7	5,600.75	3,785.05
(b) Financial assets			
(i) Investments	8	2,872.08	2,907.01
(ii) Trade receivables	9	6,397.66	3,755.74
(iii) Cash and cash equivalents	10	64.38	210.33
(iv) Bank balances other than (iii) above	11	18.44	267.65
(v) Others	12	822.32	303.61
(c) Other current assets	13	1,573.57	1,223.41
Total current assets		**17,349.20**	**12,452.80**
Total Assets		**27,692.74**	**20,738.74**
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	14	308.90	308.90
(b) Other equity			
(i) Reserves and surplus	15	20,012.89	15,136.87
Total Equity		**20,321.79**	**15,445.77**
(2) Liabilities			
(I) Non-current liabilities			
(a) Financial liabilites			
(i) Borrowings	16	343.61	613.13
(b) Provisions	17	254.96	246.05
(c) Deferred tax liabilities	18	190.79	237.76
(d) Other non-current liabilities	19	16.55	19.51
Total non-current liabilities		**805.91**	**1,116.45**
(II) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	20	2,342.76	483.17
(ii) Trade payables	21	3,715.55	2,953.45
(iii) Other financial liabilities	22	443.78	611.99
(b) Provisions	17	59.45	62.90
(c) Current Tax Liabilities (Net)	23	3.27	64.80
(d) Other Current Liabilities	24	0.23	0.21
Total current liabilities		**6,565.04**	**4,176.52**
Total Liabilities		**7,370.95**	**5,292.97**
Total Equity and Liabilities		**27,692.74**	**20,738.74**

(The accompanying notes 1 to 57 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

Shailesh Manek
Partner
Membership Number: 034925

Place: Mumbai
Date: 2nd May, 2022

For and on behalf of the Board of Directors

Rahul Nachane
Managing Director
DIN: 00223346

Rajesh Lawande
Whole-Time Director & CFO
DIN: 00327301

Pallavi Pednekar
Company Secretary
ACS : A33498

Place: Mumbai
Date: 2nd May, 2022

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2022

(Amount in ₹ Lakhs)

Particulars	Notes	For the year ended 31st March, 2022	For the year ended 31st March, 2021
INCOME			
Income from Operations	**25**	31,750.30	25,797.48
Other income	**26**	1,068.25	801.75
Total income		**32,818.55**	**26,599.23**
EXPENSES			
Cost of materials consumed	**27**	16,967.13	10,048.25
Changes in inventories of finished goods and work in progress	**28**	(2,268.02)	186.13
Employee benefits expense	**29**	3,485.27	2,809.28
Other expenses	**30**	6,781.47	4,779.21
Finance Cost	**31**	156.16	184.01
Depreciation expense	**3**	1,036.90	833.40
Total expenses		**26,158.91**	**18,840.27**
Profit before tax from continuing operations		**6,659.64**	**7,758.95**
Current tax	**43**	(1,715.00)	(1,943.00)
Less: MAT Credit		-	-
Current tax expense relating to prior years		-	(0.33)
Deferred tax		45.09	(143.72)
Income tax expense		**(1,669.91)**	**(2,087.06)**
Profit for the year from continuing operations		**4,989.73**	**5,671.90**
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		(7.49)	(18.82)
Add/(Less): Income tax expense		1.89	4.74
Other comprehensive income for the year, net of tax		**(5.60)**	**(14.08)**
Total comprehensive income for the year		**4,984.13**	**5,657.82**
Earnings per equity share (for continuing operations)			
Basic		80.77	91.81
Diluted		80.77	91.81

(The accompanying notes 1 to 57 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

Shailesh Manek
Partner
Membership Number: 034925

Place: Mumbai
Date: 2nd May, 2022

For and on behalf of the Board of Directors

Rahul Nachane
Managing Director
DIN: 00223346

Rajesh Lawande
Whole-Time Director & CFO
DIN: 00327301

Pallavi Pednekar
Company Secretary
ACS : A33498

Place: Mumbai
Date: 2nd May, 2022

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST MARCH, 2022

A. Equity share capital

(Amount in ₹ Lakhs)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	No. of Shares	Value	No. of Shares	Value
Balance at beginning of year	61,78,024	308.90	61,78,024	308.90
Changes in Equity Share Capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-
Changes in equity share capital during the current year	-	-	-	-
Balance at the end of the current reporting period	**61,78,024**	**308.90**	**61,78,024**	**308.90**

B. Other equity

(1) Current reporting period

(Amount in ₹ Lakhs)

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus										Money received against share warrants	Total
			Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of Other Comprehensive Income (specify nature)		
Balance at the beginning of the current reporting period	-	-	150.00	11.74	59.29	14,915.84	-	-	-	-	-	-	-	15,136.87
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the current year	-	-	-	-	-	4,984.13	-	-	-	-	-	-	-	4,984.13
Dividends	-	-	-	-	-	(108.12)	-	-	-	-	-	-	-	(108.12)
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Any other change (to be specified)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the current reporting period	-	-	150.00	11.74	59.29	19,791.86	-	-	-	-	-	-	-	20,012.89

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST MARCH, 2022 (CONTD.)

(2) Previous reporting period

(Amount in ₹ Lakhs)

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus										Money received against share warrants	Total
			Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of Other Comprehensive Income (specify nature)		
Balance at the beginning of the current reporting period	-	-	150.00	11.74	59.29	9,366.15	-	-	-	-	-	-	-	9,587.18
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the current year	-	-	-	-	-	5,657.81	-	-	-	-	-	-	-	5,657.81
Dividends	-	-	-	-	-	-108.12	-	-	-	-	-	-	-	-108.12
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Any other change (to be specified)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the current reporting period	-	-	150.00	11.74	59.29	14,915.84	-	-	-	-	-	-	-	15,136.87

(The accompanying notes 1 to 57 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

Shailesh Manek
Partner
Membership Number: 034925

Place: Mumbai
Date: 2nd May, 2022

For and on behalf of the Board of Directors

Rahul Nachane
Managing Director
DIN: 00223346

Rajesh Lawande
Whole-Time Director & CFO
DIN: 00327301

Pallavi Pednekar
Company Secretary
ACS : A33498

Place: Mumbai
Date: 2nd May, 2022

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2021

(Amount in ₹ Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before extraordinary items and tax	**6,659.64**	**7,758.95**
Adjustments for:		
Depreciation and amortisation expense	1,036.90	833.40
Finance costs	156.16	184.01
Dividend income	(36.50)	(0.48)
Interest income	(17.80)	(19.76)
Loss/(Gain) on MTM of investments	-	(510.46)
Other Comprehensive Income	(5.60)	(14.08)
Operating profit before working capital changes	**7,792.80**	**8,231.59**
Changes in working capital:		
Adjustments for (increase)/ decrease in operating assets:		
Inventories	(1,815.70)	(995.37)
Other non current financial assets	(270.89)	(5.64)
Other non-current assets	85.90	(168.77)
Trade receivables	(2,641.92)	(1,136.47)
Other current financial assets	(234.57)	(1,942.51)
Other current assets	(350.16)	(221.40)
	(5,227.34)	**(4,470.16)**
Adjustments for increase/ (decrease) in operating liabilities:		
Trade payables	762.10	870.37
Other current financial liabilities	(168.21)	(22.21)
Other current provisions	(3.45)	(63.47)
Other current liabilities	(61.51)	102.65
Other non current liabilities	(49.93)	138.41
Other non-current provisions	7.91	35.29
	486.91	**1,061.04**
Cash generated from operations	**3,052.37**	**4,822.47**
Net income tax paid	(1,669.91)	(2,087.06)
Net cash flow from operating activities (A)	**1,382.46**	**2,735.41**
B. CASH FLOW FROM INVESTING ACTIVITIES		
(Loss)/Gain on sale of investments	-	510.46
Dividend income	36.50	0.48
Fixed Deposit Matured	-	99.56
Interest Income	17.80	19.76
Finance Cost	(156.16)	(184.01)
Non current Investments	-	-
Non current Loans	-	-
Long term borrowings	(269.52)	(219.35)
Short term borrowings	1,859.59	(976.91)
Purchases of Property,Plant and Equipment	(5,637.64)	(1,721.19)
Disposal of Property,Plant and Equipment	2,729.13	14.36
Net cash flow used in investing activities (B)	**(1420.30)**	**(2456.85)**

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

(Amount in ₹ Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Share Capital	-	-
Dividend Paid	(108.12)	(108.12)
Share application money	-	-
Share Premium	-	-
Net cash flow from/ (used in) financing activities (C)	**(108.12)**	**(108.12)**
Net increase/ (decrease) in Cash and cash equivalents (A+B+C)	**(145.95)**	**170.45**
Add: Cash and cash equivalents at the beginning of the year	210.33	39.89
Cash and cash equivalents at the end of the year *	**64.38**	**210.34**

(Amount in ₹ Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Cash and cash equivalents at the end of the year*		
'*Comprises of:		
(a) Cash on hand	22.80	16.93
(b) Balances with banks		
(i) In current accounts	41.58	193.40
	64.38	**210.33**

* Includes Unpaid Dividend of ₹ 9.87 Lakhs (Previous year: ₹ 6.89 Lakhs)

(The accompanying notes 1 to 57 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

Shailesh Manek
Partner
Membership Number: 034925

Place: Mumbai
Date: 2nd May, 2022

For and on behalf of the Board of Directors

Rahul Nachane
Managing Director
DIN: 00223346

Rajesh Lawande
Whole-Time Director & CFO
DIN: 00327301

Pallavi Pednekar
Company Secretary
ACS : A33498

Place: Mumbai
Date: 2nd May, 2022

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 (Contd.)

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, 2022 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, 2021.

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 CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 (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 CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022 (Contd.)

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 labor 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
Computer - Others	3.00	3.00
Electrical Installation	9.67	9.67
Laboratory Equipment	9.67	9.67
Buildings	30.00	30.00
Furniture and Fixtures	10.00	10.00
Vehicles	8.00	8.00
Office Equipment	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.

2.09 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 taxable profits will allow the deferred tax asset to be recovered.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022 (Contd.)

- 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
- 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 allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022 (Contd.)

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 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 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 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.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 (Contd.)

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022 (Contd.)

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 Company has taken into account all the possible impacts of COVID-19 in preparation of these standalone financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets. The Company has carried out this assessment based on available internal and external sources of information upto the date of approval of these financial statements and believes that the impact of COVID-19 is not material to these standalone financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the standalone financial statements may differ from that estimated as at the date of approval of these standalone financial statements owing to the nature and duration of COVID-19

2.22 Recent accounting pronouncements

Recent pronouncements by the Ministry of Corporate Affairs ("MCA") notified new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23rd March, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 1st April, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use the amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the Company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021) The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 106 – Annual Improvements to Ind AS (2021) The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022 (Contd.)

3 PROPERTY, PLANT AND EQUIPMENT

(1) Current reporting period

(Amount in ₹ Lakhs)

Particulars	GROSS BLOCK				DEPRECIATION/AMORTIZATION				NET BLOCK	
	As on 1st April, 2021	Additions	Deductions	As at 31st March, 2022	As on 1st April, 2021	For the year	Additions/ (-)Deductions	As at 31st March, 2022	As at 31st March, 2022	As at 31st March, 2021
Leasehold land	312.91	-	-	312.91	16.69	3.31	-	20.00	292.91	296.22
Buildings	2,594.11	628.90	(35.82)	3,187.19	411.41	141.05	(35.20)	517.26	2,669.93	2,182.70
Plant and Equipment	6,343.82	2,766.42	(172.21)	8,938.03	2,551.18	840.57	(109.44)	3,282.31	5,655.72	3,792.64
Furniture and Fixtures	46.54	83.91	-	130.45	27.58	10.85	-	38.43	92.02	18.96
Vehicles	142.28	64.19	-	206.47	87.65	18.17	-	105.82	100.65	54.63
Office Equipments	54.68	9.89	-	64.57	37.40	6.93	-	44.33	20.24	17.28
Total	**9,494.34**	**3,553.31**	**(208.03)**	**12,839.62**	**3,131.91**	**1,020.88**	**(144.64)**	**4,008.15**	**8,831.47**	**6,362.43**
Capital work-in-progress	1,235.15	2,072.84	(2,664.74)	643.25	-	-	-	-	643.25	1,235.15

(2) Previous reporting period

(Amount in ₹ Lakhs)

Particulars	GROSS BLOCK				DEPRECIATION/AMORTIZATION				NET BLOCK	
	As on 01-Apr-20	Additions	Deductions	As at 31-Mar-21	As on 01-Apr-20	For the year	Additions/ (-)Deductions	As at 31-Mar-21	As at 31-Mar-21	As at 31-Mar-20
Leasehold land	312.91	-	-	312.91	13.39	3.30	-	16.69	296.22	299.52
Buildings	2,599.44	-	(5.33)	2,594.11	277.68	133.73	-	411.41	2,182.70	2,321.76
Plant and Equipment	5,947.29	454.53	(58.00)	6,343.82	1,945.03	655.43	(49.28)	2,551.18	3,792.64	4,002.26
Furniture and Fixtures	46.07	0.47	-	46.54	22.41	5.18	-	27.59	18.95	23.66
Vehicles	144.51	5.64	(7.87)	142.28	78.16	17.06	(7.57)	87.65	54.63	66.35
Office Equipments	52.08	2.83	(0.23)	54.68	30.42	7.19	(0.22)	37.39	17.29	21.66
Total	**9,102.30**	**463.47**	**(71.43)**	**9,494.34**	**2,367.09**	**821.89**	**(57.07)**	**3,131.91**	**6,362.43**	**6,735.21**
Capital work-in-progress	-	-	-	-	-	-	-	-	-	-

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022 (Contd.)

Title deeds of Immovable Property not held in name of the Company

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
Lease Hold Land	Plot Located -FS/5 MIDC Additional Mahad Industrial Area, District Raigad, Maharashtra	36.95	M/s Amtronics (Proprietor Mr Maruti Pawar)	No	5/24/2012	Pursuant to the MIDC change in rules allowing transfer without BCC, company obtained a transfer Order issued by MIDC on 10th March 2022. Supplementary Lease Deed execution is in progress

Capital-work-in progress ageing schedule:

(Amount in ₹ Lakhs)

CWIP	Amount in CWIP for a period of				Total
	< 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	604.48	26.50	-	-	630.97
Projects temporarily suspended	-	-	-	-	-

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.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022 (Contd.)

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
Computer - 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 Equipment	5.00	5.00

4 INTANGIBLE ASSETS

(1) Current reporting period

(Amount in ₹ Lakhs)

Particulars	GROSS BLOCK				DEPRECIATION/AMORTIZATION				NET BLOCK	
	As on 01-Apr-21	Additions	Deductions	As at 31-Mar-22	As on 01-Apr-21	For the year	Additions/ (-)Deductions	As at 31-Mar-22	As at 31-Mar-22	As on 01-Apr-21
Computer Software	86.27	11.49	-	97.76	51.31	16.02	-	67.33	30.43	34.96
Goodwill	15.27	-	-	15.27	-	-	-	-	15.27	15.27
Total	101.54	11.49	-	113.03	51.31	16.02	-	67.33	45.70	50.23

(2) Previous reporting period

(Amount in ₹ Lakhs)

Particulars	GROSS BLOCK				DEPRECIATION/AMORTIZATION				NET BLOCK	
	As on 01-Apr-21	Additions	Deductions	As at 31-Mar-22	As on 01-Apr-21	For the year	Additions/ (-)Deductions	As at 31-Mar-22	As at 31-Mar-22	As on 01-Apr-21
Computer Software	63.70	22.57	-	86.27	39.80	11.51	-	51.31	34.96	23.90
Goodwill	15.27	-	-	15.27	-	-	-	-	15.27	15.27
Total	78.97	22.57	-	101.54	39.80	11.51	-	51.31	50.23	39.17

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022 (Contd.)

Intangible assets under development aging schedule:

(Amount in ₹ Lakhs)

Intangible assets under development	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

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 CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022 (Contd.)

5. OTHER NON CURRENT FINANCIAL ASSETS

(Amount in ₹ Lakhs)

Particulars	As at year ended 31st March, 2022	As at year ended 31st March, 2021
Others		
Fixed deposit with bank	256.89	-
Earnest money deposit	420.00	420.00
Advance income tax (Net of provision)	19.64	5.64
Total	**696.53**	**425.64**

Note: Investment is carried at cost under Ind AS 27.

6. OTHER NON CURRENT ASSETS

(Amount in ₹ Lakhs)

Particulars	As at year ended 31st March, 2022	As at year ended 31st March, 2021
Capital advances	126.59	212.45
Deferred processing fees	-	0.04
Total	**126.59**	**212.49**

7. INVENTORIES

(At cost or realisable value whichever is lower) (Amount in ₹ Lakhs)

Particulars	As at year ended 31st March, 2022	As at year ended 31st March, 2021
Raw materials	1,580.26	2,044.33
Work-in-progress	2,652.55	1,083.17
Finished goods	1,327.96	629.31
Fuel & Oil	7.29	7.52
Consumables	22.10	13.93
Packing Materials	10.59	6.79
Total	**5,600.75**	**3,785.05**

8. CURRENT INVESTMENTS

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	No. of Units	Amount	No. of units	Amount
Investments in Equity Instruments				
Quoted				
Tata Consultancy Services Limited	1,168	43.67	1,168	37.11
Investment in mutual funds				
Quoted				
ABSL Equity Fund	-	-	7,368	74.42
ABSL Income Fund	2,10,232	230.17	2,10,232	217.23
ABSL Midcap Fund	19,962	99.63	19,962	75.54
ABSL Multicap Fund	2,59,987	31.72	-	-
ABSL Short Term Fund	19,57,166	793.42	19,57,166	752.62
ABSL Small Cap Fund	88,818	50.29	88,819	41.07
ABSL Arbitrage Fund	13,84,467	315.02	13,84,467	301.55

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022 (Contd.)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	No. of Units	Amount	No. of units	Amount
ABSL Floating Rate Fund	2,05,653	207.16	-	-
ABSL Flexi Cap Fund (G)	7,368	91.03	-	-
ABSL Flexi Cap Fund	2,00,297	351.56	1,630	-
ABSL Balanced Advantage Fund	1,57,957	114.27	3,99,451	-
AXIS Banking & PSU Debt Fund	-	-	-	33.56
AXIS Bluechip Fund	1,73,114	31.25	1,04,235	154.63
AXIS Balanced Advantage Fund	8,07,073	113.72	1,32,275	-
AXIS Midcap Fund	-	-	42,882	56.93
AXIS Small Cap Fund	-	-	2,16,900	57.94
BNP Paribas Large CAP Fund	-	-	1,79,631	50.48
Franklin India Banking & PSU Debt Fund	-	-	1,02,951	37.95
HDFC Banking And PSU Debt Fund	-	-	1,26,651	32.04
HDFC Index Fund - NIFTY	14,759	23.77	-	138.57
HDFC MID-CAP Opportunities Fund	21,788	19.78		92.97
HDFC Balanced Advantage Fund - IDCW Plan	1,09,104	31.36	49,660	-
HDFC Mid - Cap Opp Fund - IDCW Plan	87,745	29.60	92,368	-
ICICI Prudential Floating Interest Fund	-	-	1,64,406	161.06
ICICI Prudential Medium Term Bond Fund	-	-	2,09,950	31.35
ICICI Prudential Smallcap Fund	-	-	50,369	59.96
IDFC Bond Fund	-	-	-	76.73
Kotak Equity Opportunities Fund	94,215	32.24	-	82.28
Kotak Emerging Equity Scheme	1,46,862	104.86	1,93,274	-
Kotak Standard Multicap Fund	-	-	89,272	86.90
L&T Emerging Business Fund	-	-	4,43,006	26.99
Mirae Asset Hybrid-Equity Fund	4,85,111	105.75	-	83.30
Mirae Asset Hybrid Equity Fund Regular IDCW	1,95,080	29.57	5,61,279	-
Nippon India Nivesh Lakshya Fund	-	-	874	77.33
SBI Banking & PSU Fund	-	-	36,973	21.43
SBI Bluechip Fund	36,972	22.24		19.15
Sundaram Rural India Fund	-	-	52,422	25.92
Total		**2,872.08**		**2,907.01**

Details of quoted investments

(Amount in ₹ Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Book Value	2,550.18	2,503.61
Market Value	2,872.06	2,907.01

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022 (Contd.)

9. TRADE RECEIVABLES

(At cost or realisable value whichever is lower)

(Amount in ₹ Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Unsecured considered good	6,414.47	3,756.25
Unsecured considered doubtful	-	-
	6,414.47	3,756.25
Less: Allowance for doubtful debts	(16.81)	(0.51)
Total Receivables	**6,397.66**	**3,755.74**
Current	63,97,65,581	37,55,73,908
Non-current	**-**	**-**

Outstanding for following periods from due date of payment

(Amount in ₹ Lakhs)

Particulars	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
	₹	₹	₹	₹	₹	₹
Year ended 31st March, 2022			6,414.47		3,756.25	
i) Undisputed Trade receivables – considered good	6,414.47	-	-	-	-	6,414.47
ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-
iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
iv) Disputed Trade Receivables considered doubtful	**-**	**-**	**-**	**-**	**-**	**-**
	6,414.47	-	-	-	-	6,414.47
Less: Allowance for doubtful debts						-16.81
Net Trade Receivables						**6,397.66**
Year ended 31st March, 2021						
i) Undisputed Trade receivables – considered good	3,756.25	-	-	-	-	3,756.25
ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-
iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
	3,756.25	-	-	-	-	3,756.25
Less: Allowance for doubtful debts						-0.51
Net Trade Receivables						**3,755.74**

10. CASH AND CASH EQUIVALENTS

(Amount in ₹ Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Cash and cash equivalents		
- Cash on hand	22.80	16.93
- Balances with banks	41.58	193.40
Total	**64.38**	**210.33**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022 (Contd.)

11. BANK BALANCES OTHER THAN ABOVE

(Amount in ₹ Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Fixed deposits with bank	18.44	267.65
Total	**18.44**	**267.65**

12. OTHER CURRENT FINANCIAL ASSETS

(Amount in ₹ Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Unsecured, considered good		
Advance to vendors	366.42	47.14
Security deposits	290.56	229.55
Interest accrued on FDR	34.53	19.11
Advances to employees	34.52	7.73
Others	96.29	0.08
Total	**822.32**	**303.61**

13. OTHER CURRENT ASSETS

(Amount in ₹ Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Prepaid expenses	138.46	106.71
Balance with government authorities	1,425.71	1,112.35
Unrealised Gains on Forex Derivative	9.40	4.35
Others	-	-
Total	**1,573.57**	**1,223.41**

14. SHARE CAPITAL

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Number	Amount	Number	Amount
Authorised share capital				
At the beginning of the year	1,00,00,000	500.00	1,00,00,000	500.00
Increase/ (decrease) during the year	-	-	-	-
At the end of the year	1,00,00,000	500.00	1,00,00,000	500.00
Issued share capital				
At the beginning of the year	61,78,024	308.90	61,78,024	308.90
Increase/ (decrease) during the year	-	-	-	-
At the end of the year	61,78,024	308.90	61,78,024	308.90

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 CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022 (Contd.)

b) Details of Share holder holding more than 5% shares in the Company :

Name of the shareholder	As at 31st March, 2022			As at 31st March, 2021		
	Number	% Holding	% Change during the year	Number	% Holding	% Change during the year
Rahul J Nachane	10,83,450	17.54%	-	10,83,450	17.54%	-
Rajesh N Lawande	13,52,366	21.89%	-	13,52,366	21.89%	18.23%
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) Details of Shareholding of Promoter :

Name of the shareholder	As at 31st March, 2022			As at 31st March, 2021		
	Number	% Holding	% Change during the year	Number	% Holding	% Change during the year
Rahul J Nachane	10,83,450	17.54%	-	10,83,450	17.54%	-
Rajesh N Lawande	13,52,366	21.89%	-	13,52,366	21.89%	18.23%

d) Reconciliation of the number of equity shares and share capital:

(Amount in ₹ Lakhs)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Number	Amount	Number	Amount
Outstanding at the beginning of the year	61,78,024	308.90	61,78,024	308.90
Issued during the year	-	-	-	-
Outstanding at the end of the year	**61,78,024**	**308.90**	**61,78,024**	**308.90**

15. RESERVES AND SURPLUS

(Amount in ₹ Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Capital reserve		
Balance at the beginning of the year	150.00	150.00
Add: Additions during the year	-	-
Balance at the end of the year	**150.00**	**150.00**
Securities premium		
Balance at the beginning of the year	11.74	11.74
Add: Additions during the year	-	-
Balance at the end of the year	**11.74**	**11.74**
General reserve		
Balance at the beginning of the year	59.29	59.29
Add: Additions during the year	-	-
Balance at the end of the year	**59.29**	**59.29**
Retained earnings		
Opening Balance	14,915.84	9,366.15

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022 (Contd.)

(Amount in ₹ Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Add: Profit for the year	4,984.13	5,657.81
Less: Appropriations	-	-
Dividend on Equity Shares (₹ 1.75/- Per Share)	-108.12	-108.12
Closing Balance	**19,791.86**	**14,915.84**
Total	**20,012.89**	**15,136.87**

16. NON CURRENT BORROWINGS

(Amount in ₹ Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Secured		
Term loans from banks:		
Term Loans from HDFC Bank	312.12	613.13
Vehicle Loan from HDFC Bank	31.49	-
Total	**343.61**	**613.13**

17. PROVISIONS

(Amount in ₹ Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Non-current		
Leave Encashment	169.45	167.62
Gratuity	85.51	78.43
	254.96	**246.05**
Current		
Leave Encashment	18.12	21.77
Gratuity	31.46	26.96
Others	9.87	14.17
	59.45	**62.90**
Total	**314.41**	**308.95**

18. DEFERRED TAX LIABILITIES (NET)

(Amount in ₹ Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Opening balance as at 1st April	237.77	98.78
Tax (Income)/Expense during the period recognised in:	-	-
(i) Statement of Profit and Loss in Profit or Loss section	(45.09)	143.72
(ii) Statement of Profit and Loss under OCI Section	(1.89)	(4.74)
(iii) Retained earnings	-	-
Closing balance as at March 31	190.79	237.76

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 (Contd.)

19. OTHER NON CURRENT LIABILITIES

(Amount in ₹ Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Lease equalisation reserve	16.55	19.51
Total	**16.55**	**19.51**

20. CURRENT BORROWINGS

(Amount in ₹ Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Secured		
From banks for working capital	2,342.76	483.17
Total	**2,342.76**	**483.17**

(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 + 0.75% p.a.)

21. TRADE PAYABLES

(Amount in ₹ Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Current		
Trade payables		
Acceptances	355.97	482.94
Other than Acceptances	3,359.58	2,470.51
Total	**3,715.55**	**2,953.45**

Outstanding for following periods from due date of payment

(Amount in ₹ Lakhs)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Year ended 31st March, 2022					
Trade payables					
i) MSME	981.66	-	-	-	981.66
ii) Others	2,733.89	-	-	-	2,733.89
iii) Disputed dues - MSME	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	-
	3,715.55	**-**	**-**	**-**	**3,715.55**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022 (Contd.)

Year ended 31st March, 2021					
Trade payables					
i) MSME	562.00	-	-	-	562.00
ii) Others	2,391.45	-	-	-	2,391.45
iii) Disputed dues - MSME	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	-
	2,953.45	**-**	**-**	**-**	**2,953.45**

Notes

(Amount in ₹ Lakhs)

Particulars	**As at 31st March, 2022**	**As at 31st March, 2021**
Of the above,		
payables to Micro and Small Enterprises	981.66	562.00

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.

(Amount in ₹ Lakhs)

Particulars	**As at 31st March, 2022**	**As at 31st March, 2021**
Principal amount due and remaining unpaid	-	-
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

(Amount in ₹ Lakhs)

Particulars	**As at 31st March, 2022**	**As at 31st March, 2021**
Current		
Current Maturities of Long Term Debt	313.77	548.54
Payables for Capital Purchases	130.01	63.45
Total	**443.78**	**611.99**

23. CURRENT TAX LIABILITIES

(Amount in ₹ Lakhs)

Particulars	**As at 31st March, 2022**	**As at 31st March, 2021**
Provision for taxation (net of taxes paid)	3.27	64.80
Total	**3.27**	**64.80**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 (Contd.)

24. OTHER CURRENT LIABILITIES

(Amount in ₹ Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Interest payable	0.23	0.21
Total	**0.23**	**0.21**

25. INCOME FROM OPERATIONS

(Amount in ₹ Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2022
Sale of products	31,279.35	25,500.09
Sale of Services	3.36	-
Other operating Income	467.59	297.39
Total revenue from operations	**31,750.30**	**25,797.48**

26. OTHER INCOME

(Amount in ₹ Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2022
Interest income	17.80	19.76
Dividend income	-	-
- from current investments	36.50	0.48
Other non-operating income (net of expenses directly attributable to such income	571.80	125.29
Net gain on sale or fair valuation of investments	-	510.46
Gain on exchange fluctuations	442.15	145.77
Total	**1,068.25**	**801.75**

27. COST OF MATERIALS CONSUMED

(Amount in ₹ Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Raw materials at the beginning of the year	2,044.33	866.88
Add: Purchases	16,504.25	11,225.70
Less: Raw material at the end of the year	(1,581.45)	(2,044.33)
Total cost of raw materials consumed	**16,967.13**	**10,048.25**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022 (Contd.)

28. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

(Amount in ₹ Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2022
Inventories at the end of the year:		
Finished goods	1,327.96	629.31
Work-in-progress	2,652.55	1,083.17
	3,980.51	**1,712.48**
Inventories at the beginning of the year:		
Finished goods	629.31	595.58
Work-in-progress	1,083.17	1,303.03
	1,712.48	**1,898.61**
Total changes in inventories of finished goods and work-in-progress	**(2,268.02)**	**186.13**

29. EMPLOYEE BENEFITS EXPENSE

(Amount in ₹ Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2022
Salaries and wages	3,291.55	2,659.89
Contribution to provident fund and other funds	116.72	97.92
Staff welfare expense	77.01	51.47
Total	**3,485.27**	**2,809.28**

Disclosure pursuant to Ind AS 19 - "Employee Benefits"

(i) Defined contribution plans: Note 2.18

(Amount in ₹ Lakhs)

Particulars	As at year ended 31st March, 2022	As at year ended 31st March, 2021
Contribution to provident fund	77.25	64.52

(ii) Defined benefit plans: Note 2.17

Gratuity Plan

(a) Funded status of the plan

(Amount in ₹ Lakhs)

Particulars	As at year ended 31st March, 2022	As at year ended 31st March, 2021
A) Present value of defined benefit obligation		
- Wholly funded	263.97	245.42
- Wholly unfunded	1.62	0.67
	265.59	**246.09**
Less: Fair value of plan assets	(148.62)	(140.69)
Amount to be recognised as liability or (asset)	**116.97**	**105.40**
B) Amounts reflected in Balance Sheet	-	-
Liabilities	116.97	105.40
Assets	-	-
Net liability/(asset)	**116.97**	**105.40**
Net liability/(asset) - current	31.46	26.96
Net liability/(asset) - non current	85.51	78.43

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 (Contd.)

(b) The amount recognised in the Statement of Profit and Loss are as follows

(Amount in ₹ Lakhs)

Particulars	As at year ended 31st March, 2022	As at year ended 31st March, 2021
1. Current service cost	27.51	23.42
2. Past service cost and loss/(gain) on curtailments and settlements	-	-
3. Interest cost	5.84	4.60
Total charge to Profit & Loss	**33.35**	**28.02**

(c) The amount recognised in Other Comprehensive Income

(Amount in ₹ Lakhs)

Particulars	As at year ended 31st March, 2022	As at year ended 31st March, 2021
Components of actuarial gain/(losses) on obligations		-
Due to change in financial assumptions	(14.63)	4.25
Due to change in demographic assumptions	-	-
Due to experience adjustments	22.45	12.15
Return on plan assets excluding amount included in interest income	(0.33)	2.42
Amount recognised in Other Comprehensive Income	7.49	18.82

(d) Reconciliation of defined benefit obligation

(Amount in ₹ Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Opening defined benefit obligation	246.09	201.92
Transfer in/(out) obligation	-	-
Current service cost	27.51	23.42
Interest cost	14.57	12.72
Actuarial loss/(gain) due to change in financial assumptions	(14.63)	4.25
Actuarial loss/(gain) due to change in demographic assumptions	-	-
Actuarial loss/(gain) due to experience adjustments	22.45	12.15
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	(30.40)	(8.37)
Closing defined benefit obligation	**265.59**	**246.09**

(e) Reconciliation of plan assets

(Amount in ₹ Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Opening value of plan assets	140.69	120.22
Transfer in/(out) of plan assets	-	-
Interest income	8.73	8.12
Return on plan assets excluding amount included in interest income	0.33	(2.42)
Assets distributed on settlements	-	-
Contributions by employer	29.26	23.15
Assets acquired in an amalgamation in the nature of purchase	-	-
Exchange differences on foreign plans	-	-
Benefits paid	(30.40)	(8.37)
Adjustment to the opening fund	-	-
Closing balance of plan assets	**148.62**	**140.69**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022 (Contd.)

(f) Reconciliation of net defined benefit liability

(Amount in ₹ Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Net opening provision in books of account	105.40	81.70
Transfer in/(out) obligation	-	-
Transfer in/(out) plan assets	-	-
Employee benefit expense (from (b) above)	33.35	28.02
Amounts recognised in other comprehensive income (from (c) above)	7.49	18.82
	146.23	**128.54**
Contribution to plan assets	(29.26)	(23.15)
Closing provision in books of accounts	**116.97**	**105.40**

(g) Composition of plan assets

(Amount in ₹ Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Policy of insurance	1.00	1.00

(h) Principal actuarial assumptions

(Amount in ₹ Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
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

(Amount in ₹ Lakhs)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	₹	%	₹	%
Year 1 Cash Flow	29.24	5.40%	33.41	7.10%
Year 2 Cash Flow	22.51	4.20%	23.03	4.90%
Year 3 Cash Flow	15.88	3.80%	18.89	4.00%
Year 4 Cash Flow	19.81	5.70%	12.98	3.90%
Year 5 Cash Flow	14.97	5.50%	16.08	6.20%
Year 6 to Year 10 Cash Flow	134.46	36.80%	75.98	30.70%

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 (Contd.)

(j) Sensitivity analysis of key assumptions

(Amount in ₹ Lakhs)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	DBO	Change in DBO %	DBO	Change in DBO %
Discount rate varied by 0.5%				
+ 0.5%	254.32	(0.11)	235.66	(10.89%)
- 0.5%	277.72	0.12	257.34	11.92%
Salary growth rate varied by 0.5%				
+ 0.5%	275.68	0.11	255.85	11.34%
- 0.5%	255.72	(0.10)	237.32	(10.3%)
Withdrawal rate (WR) varied by 10%				
WR x 110%	266.63	(0.01)	246.44	(2.08%)
WR x 90%	264.51	0.02	245.72	2.06%

(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.

Particulars	As at year ended 31st March, 2022	As at year ended 31st March, 2021
Salaries - leave encashment	27.38	62.92

30. OTHER EXPENSES

(Amount in ₹ Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Power and Fuel	1,585.61	984.57
Consumable Stores	280.28	186.59
Packing Materials	259.57	213.29
Processing Charges	874.25	398.08
Factory Expenses	382.09	226.07
Water Charges	43.70	30.41
Repairs to		
Plant & Machinery	744.50	613.21
Factory Buildings	84.80	43.49
Other Assets	15.12	0.56
Insurance	134.59	120.66
Laboratory Expenses	252.97	141.01
Payment to Auditors (See note below)	18.23	19.77
Postage & Telephone Expenses	30.37	21.29
Legal and Professional Fees	201.07	163.87
Bank Charges and Commission	35.14	36.36
Rent, Rates and Taxes	143.47	138.01
Printing & Stationery	38.11	30.74
Vehicle Expenses	25.59	20.49
Advertisement & Business Promotion	26.90	93.55
Commission on Sales	193.56	81.96
Travelling Expenses	57.56	16.98
Freight, Coolie & Cartage	882.33	537.11
Insurance Claim w/off	-	455.00
Loss on Investments - Mark to Market	-	-
Miscellaneous Expenses	471.65	206.14
Total	**6,781.47**	**4,779.21**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022 (Contd.)

(a) Details about payment to auditors

(Amount in ₹ Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
(i) Payment to statutory auditors (net of GST input)		
As auditors - statutory audit & tax audit	11.50	11.50
As auditors - other services	3.00	3.00
sub total (i)	**14.50**	**14.50**
(ii) Payment to internal auditors and cost auditors (net of GST)		
Internal Audit Fees	3.73	3.77
Cost Audit Fees	-	1.50
sub total (ii)	**3.73**	**5.27**
Total (I + ii)	**18.23**	**19.77**

31. FINANCE COSTS

(Amount in ₹ Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Interest expense on:		
-Long term borrowings	70.87	124.41
-Short term borrowings	85.29	59.60
Total	**156.16**	**184.01**

32. CONTINGENT LIABILITY

(Amount in ₹ Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Disputed direct tax		
Total demand from the Income Tax Department		
Macrotech Polychem Private Limited	10.07	10.07
Provident Fund claim disputed		
NGL Fine-Chem Limited		
Demand raised on the Company by the provident fund department for amount payable by contractor .	17.76	17.76

33. COMMITMENTS

(Amount in ₹ Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
(i) Estimated amount of contracts remaining to be executed on capital account and not provided		
Tangible assets	1,424.12	597.81
(ii) Other commitments (specify nature)		
Guarantees issued by banks on behalf of the Company	12.40	9.40
Letters of credit established for which goods are yet to be received	19.01	151.15

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022 (Contd.)

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 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 & Rajesh Lawande
Milind Shinde	Independent Director	--
Jayaram Sitaram	Independent Director	--
Kumarapuram V Subramanian	Independent Director	--
Sarala Menon	Women Independent Director	--
Ahaan Nachane	Vice President	Ajita Nachane & Rahul Nachane

(b) Nature of transaction

(Amount in ₹ Lakhs)

Particulars	For the year ended 31st March, 2022 Amount (₹)	For the year ended 31st March, 2021 Amount (₹)
(i) Expenses		
Rent		
Nupur Remedies Private Limited	49.11	44.65
Rahul Nachane	33.25	32.05
Rajesh Lawande	33.25	32.05
Managerial Remuneration		
Rahul Nachane	85.66	85.66
Rajesh Lawande	84.22	84.22
Ahaan Nachane	25.18	-
Commission on profits		
Rahul Nachane	181.27	185.11
Rajesh Lawande	181.27	185.11
Legal & Professional Fee		
Nupur Remedies Private Limited	66.00	66.00
Director's Sitting Fee		
Ajita Nachane	4.03	3.00
Milind Shinde	4.45	3.40
Jayaram Sitaram	4.23	3.30
Sarala Menon	1.20	-
Leave Encashment	-	28.84
(iii) Deposits		
Nupur Remedies Private Limited	3.50	3.50
Rahul Nachane - Office Deposit	20.00	20.00
Rajesh Lawande - Office Deposit	20.00	20.00
(iv) Outstanding balances		
Nupur Remedies Private Limited (Trade Payable)	10.68	10.49

Note: In the case of present key managerial personnel, remuneration does not include gratuity benefits which are determined for the Company as a whole.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022 (Contd.)

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 Company. The management has also considered the effect of time value of money with respect to other long term financial instruments at applicables rates.

36. 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 analyse 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.

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:

(Amount in ₹ Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Financial assets		
Investments	2,872.08	2,907.01
Cash and cash equivalents	64.38	210.33
Bank balances other than above	18.44	267.65
Trade receivables	6,397.66	3,755.74
Other financial assets	822.32	303.61
At end of the year	**10,174.88**	**7,444.34**
Financial liabilities		
Borrowings	2,342.76	483.17
Trade payables	3,715.55	2,953.45
Other current financial liabilities	443.78	611.99
At end of the year	**6,502.09**	**4,048.61**

37. CREDIT RISK

Credit risk arises from the possibility that customers shall 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.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022 (Contd.)

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.

Ageing of trade receivable

(Amount in ₹ Lakhs)

Particulars	Days			Allowance for Doubtful Debts	Total
	0-180	180-365	Above 365		
As on 31st March, 2022	6,510.67	-	-	(16.81)	6,493.86
As on 31st March, 2021	3,756.25	-	-	(0.51)	3,755.74

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 shall 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 US$, JPY and EUR.

(Amount in ₹ Lakhs)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Currency	₹	Currency	₹
Payables				
Advances from customers	USD 8,976	6.69	USD 77,400	56.05
Trade Payables	USD 5,48,739	422.03	USD 5,06,748	374.35
Trade Payables	JPY 0	-	JPY 1,92,24,000	136.01
Trade Payables	EUR 9,180	7.90	EUR 80	0.21
Receivables				
Trade Receivables	USD 63,62,080	4,741.02	USD 35,76,414	2,595.29

Following table analyses the Group's Sensitivity to a 5% increase and a 5% decrease in the exchange rates of Foreign Currencies against ₹ .

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022 (Contd.)

(Amount in ₹ Lakhs)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Currency	₹ Lakhs	Currency	₹ Lakhs
Net foreign currency assets US$	USD 58,04,365	4,312.30	USD 29,92,266	2,164.89
Impact on profit or loss: Income/(Expense)				
US$ - Increase by 5%		215.61		108.24
US$ - Decrease by 5%		(215.61)		(108.24)
Net foreign currency liabilities JPY	JPY 0	-	JPY 1,92,24,000	136.01
Impact on profit or loss: Income/(Expense)				
JPY - Increase by 5%		-		(6.80)
JPY - Decrease by 5%		-		6.80
Net foreign currency liabilities EUR	EUR 9,180	7.90	EUR 80	0.21
Impact on profit or loss: Income/(Expense)				
EUR - Increase by 5%		(0.40)		-
EUR - Decrease by 5%		0.40		-
Net Impact - increase by 5%		215.22		101.44
Net Impact - decrease by 5%		(215.22)		(101.44)

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:

(Amount in ₹ Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Fixed rate instruments		
Financial Assets	18.44	267.65
Financial liabilities	657.38	1,161.67
Variable rate instruments		
Financial Assets	2,872.08	2,907.01
Financial liabilities	2,342.76	483.17

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.

(Amount in ₹ Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Long term variable interest rate borrowings	-	-
Short term variable interest rate borrowings	2,342.76	483.17
	2,342.76	**483.17**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 (Contd.)

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:

(Amount in ₹ Lakhs)

Year ended	Increase/ (decrease) in basis points	Effect on profit before tax increase/ (decrease)
31st March, 2022	100	(23.43)
	(100)	23.43
31st March, 2021	100	(4.83)
	(100)	4.83

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.

(Amount in ₹ Lakhs)

Particulars	On demand	Upto 1 year	1 to 5 years	More than 5 years	Total
	₹	₹	₹	₹	₹
Year ended 31st March, 2022					
Trade payables	-	3,715.55	-	-	3,715.55
Other financial liabilities	-	443.78	-	-	443.78
	-	**4159.33**	**-**	**-**	**4159.33**
Year ended 31st March, 2021					
Trade payables	-	2,953.45	-	-	2,953.45
Other financial liabilities	-	611.99	-	-	611.99
	-	**3,565.44**	**-**	**-**	**3,565.44**

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. Net debt includes loans and borrowings, trade and other payables, less cash and cash equivalents.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022 (Contd.)

(Amount in ₹ Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Loans and borrowings	2,686.37	1,096.30
Trade payables	3,715.55	2,953.45
Other payables	506.73	739.90
Less: Cash and cash equivalents	(82.82)	(477.98)
Net debt (A)	**6,825.83**	**4,311.67**
Equity	20,321.79	15,445.77
Capital (B)	**20,321.79**	**15,445.77**
Capital gearing ratio (A/B)	**0.34**	**0.28**

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.

43. INCOME TAX

The major components of income tax expense for the years are:

Income statement

(Amount in ₹ Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Current income tax:		
Current income tax charge	(1,715.00)	(1,943.00)
Adjustments in respect of current income tax of previous year	-	-0.33
Deferred tax:		
Relating to origination and reversal of temporary differences	45.09	(143.72)
Relating to origination and reversal of temporary differences through OCI	1.89	4.74
Income tax expense reported in the income statement	**(1,668.02)**	**(2,082.32)**

The income tax expense for the year can be reconciled to the accounting profits as follows:

(Amount in ₹ Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Profit before tax	6,659.64	7,758.95
Income tax expense	(1,736.08)	(1,874.93)
Effect of income that is exempt from taxation	-	-
Deduction for carry forward losses	-	(72.22)
Effect of expenses that are deductible in determining taxable profits	68.06	(135.17)
Effect of expenses that are not deductible in determining taxable profits		
Total tax expense	**(1,668.02)**	**(2,082.32)**

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.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022 (Contd.)

Macrotech Polychem Private Limited:

The tax rate used for the reconciliations above is the minimum alternate tax of NIL (Previous year 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.

The following reflects the income and share data used in the basic and diluted EPS computation:

(Amount in ₹ Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Profit for the year from continuing operations	4,989.73	5,671.90
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	5.00	5.00
Basic earning per share	80.77	91.81
Diluted earning per share	80.77	91.81

* 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.

(Amount in ₹ Lakhs)

	Particulars	As at 31st March, 2022		As at 31st March, 2021	
(b)	**Value of imports calculated on CIF basis:**				
	Raw materials		3,020.36		1,385.86
	Capital goods		55.62		76.93
	Total		**3,075.98**		**1,462.79**
(c)	**Expenditure in foreign currency:**				
	Professional and consultation fees		-		-
	Other matters		180.90		233.70
	Total		**180.90**		**233.70**
(d)	**Details of consumption of imported and indigenous items**				
	(i) Raw materials Consumed				
	Indigenous	79.0%	13,540.81	79.9%	5,570.92
	Imported	21.0%	3,597.74	20.1%	1,404.28
	Total	**100.0%**	**17,138.55**	**100.0%**	**6,975.20**
	(ii) Stores and spares Consumed				
	Indigenous	100.0%	280.28	100.0%	128.45
	Imported	0.0%	-	0.0%	-
	Total	**100.0%**	**280.28**	**100.0%**	**128.45**
(e)	**Earnings in foreign exchange :**				
	Export of goods calculated on FOB basis		23,250.51		10,940.66
	Other (Insurance & Freight)		516.98		123.34

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022 (Contd.)

(Amount in ₹ Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
(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	147.71	85.90
Later than one year but not later than five years	217.10	134.22
Later than five years	-	-
Rental expense relating to operating lease:		
Minimum lease payments	142.69	114.11
Total rental expense relating to operating lease	**142.69**	**114.11**

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.

Geographical Distribution of Revenue	FY 2021-22	FY 2020-21
India	7,485.76	5,725.30
Europe	8,715.94	8,068.14
Asia Pacific	9,376.89	8,205.74
USA	983.98	681.30
Rest of the world	4,720.14	2,819.61
Total	**31,282.71**	**25,500.09**

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.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022 (Contd.)

48. DISCLOSURE WITH RESPECT TO LOANS OR ADVANCES GRANTED TO PROMOTERS,DIRECTORS,KMP AND THE RELATED PARTIES

(1) Current reporting period

(Amount in ₹ Lakhs)

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoters	-	-
Directors	-	-
KMPs	-	-
Related Parties		
Macrotech Polychem Private Limited	-	-

(2) Previous reporting period

(Amount in ₹ Lakhs)

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoters	-	-
Directors	-	-
KMPs	-	-
Related Parties		
Macrotech Polychem Private Limited	-	-

49. DISCLOSURE WITH RESPECT TO BORROWINGS FROM BANKS OR FINANCIAL INSTITUTIONS ON THE BASIS OF SECURITY OF CURRENT ASSETS

Details of monthly stock statements & trade receivables filed by the Company with banks or financial institutions are given below

(Amount in ₹ Lakhs)

MONTH	Stocks and Receivables submitted to Bank	Stocks and Receivables as per books	Difference	Difference %
Apr-21	7,799.00	7,716.29	82.71	1.07%
May-21	8,501.10	8,420.76	80.34	0.95%
Jun-21	9,222.09	9,328.58	(106.49)	(1.14%)
Jul-21	9,287.56	9,923.67	(636.11)	(6.41%)
Aug-21	10,217.31	10,927.43	(710.12)	(6.50%)
Sep-21	10,654.39	10,857.24	(202.85)	(1.87%)
Oct-21	10,908.47	11,604.09	(695.62)	(5.99%)
Nov-21	10,682.86	10,738.02	(55.15)	(0.51%)
Dec-21	5,621.28	10,790.25	(5,168.96)	(47.90%)
Jan-22	5,619.05	11,672.73	(6,053.68)	(51.86%)
Feb-22	6,499.00	12,742.55	(6,243.55)	(49.00%)
Mar-22	11,990.27	11,990.27	-	0.00%

Stock statements and trade receivable details are submitted to the bank within seven days of close of the previous month. Account finalisation takes place subsequently along with valuation of stocks. This gives rise to some variation in the numbers submitted. For the months of December 2021, January and February 2022 the value of stock was reported in Lakhs while the actual numbers were given in Crores leading to under valuation of the security due to the inadvertent error. The total working capial sanction limits were ₹ 18.50 Crores and the error did not impact the borrowing power of the Company in any way.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022 (Contd.)

50. RELATIONSHIP WITH STRUCK OFF COMPANIES

(Amount in ₹ Lakhs)

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding	Relationship with the Struck off company,if any, to be disclosed
NIL	NIL	NIL	NIL

51. RATIO ANALYSIS

Ratio	As at 31st March, 2022	As at 31st March, 2021	Numerator	Denominator	Remarks
Current Ratio	2.64	2.98	Current Assets	Current Liabilities	Ratio has decreased, however still indicates strong liquidity position.
Debt-Equity Ratio	0.15	0.11	Current Borrowings + Non Current Borrowings	Total Equity	Increase is on account of increase in working capital borrowings
Debt Service Coverage Ratio	13374.55	1204.63	Profit after Tax + Finance Costs + Depreciation + Loss on sale of FA	Finance Cost	Improvement on account of lower debt repayments due in next one year
Return on Equity Ratio	25%	37%	Profit After Tax	Total Equity	Due to higher operating costs, the margins for the year have decreased
Inventory turnover ratio	4.46	4.71	Cost of Goods Sold	Inventories	Ratio is almost same as last year indicating similar inventory cycles
Trade Receivables turnover ratio	4.96	6.87	Sale of Products	Trade Receivables	Higher credit provided to debtors has resulted in lower turn of receivables
Trade payables turnover ratio	6.72	6.03	Cost of Goods Sold	Trade Payables	Higher credit available from suppliers
Net capital turnover ratio	2.94	3.12	Sale of Products	Working Capital Gap	Capital turnover has decreased slightly
Net profit ratio	15.72%	21.99%	Profit After Tax	Sale of Products	Due to higher operating costs, the margins for the year have decreased
Return on Capital employed	28.99%	45.84%	Earnings before interest and tax	Total Equity + Total Debt + Deferred Tax Liabilities	Due to higher operating costs, the margins for the year have decreased
Return on investment	27.76%	506.10%	Change in market value of equity share + Dividend	Market value of equity share as on Balance Sheet date	Price increase was very sharp in FY 2020-21 leading to very high return for investors. Return is lower in FY 2021-22

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022 (Contd.)

52. CORPORATE SOCIAL RESPONSIBILITY

(Amount in ₹ Lakhs)

Particulars	FY 2021-22
(a) amount required to be spent by the Company during the year	76.44
(b) amount of expenditure incurred	75.86
(c) shortfall at the end of the year	(0.58)
(d) total of previous years shortfall	(80.59)
(e) reason for shortfall	Shortfall in the current year is adjusted against the excess amount spent of ₹ 62,766/- in FY 2020-21. Unspent amount pertaining to earlier years was due to inability to identify suitable projects
(f) nature of CSR activities	Setting up sanitation block at school, education in rural areas, setting up an animal care center with laboratory, vaccination for Covid, skilling support to widows, providing educational scholarships, etc.
(g) details of related party transactions	NIL
(h) provision made with respect to a liability incurred by entering into a contractual obligation.	NIL

53. REPORTING UNDER RULE 11 (E) (I) AND RULE 11 (F) OF THE COMPANIES (AUDIT AND AUDITORS) RULES, 2014

i) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

ii) No funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

54. SUBSEQUENT EVENTS

i) Dividends declared by the Company are based on profits available for distribution. On 2nd May, 2022, the Board of Directors of the Company have proposed a dividend of ₹ 1.75 per share in respect of the year ended 31st March, 2022 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, 2022 through 2nd May, 2022; 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.

55. THE PREVIOUS YEARS FIGURES HAVE BEEN REGROUPED AND REARRANGED WHEREEVER NECESSARY.

As per our report of even date attached

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

Shailesh Manek
Partner
Membership Number: 034925

Place: Mumbai
Date: 2nd May, 2022

For and on behalf of the Board of Directors

Rahul Nachane
Managing Director
DIN: 00223346

Rajesh Lawande
Whole-Time Director & CFO
DIN: 00327301

Pallavi Pednekar
Company Secretary
ACS : A33498

Place: Mumbai
Date: 2nd May, 2022

NGL FINE-CHEM LIMITED

Corporate office:
301, E Square, Subhash Road,
Vile Parle (East), Mumbai 400057,
Maharashtra, India.
www.nglfinechem.com