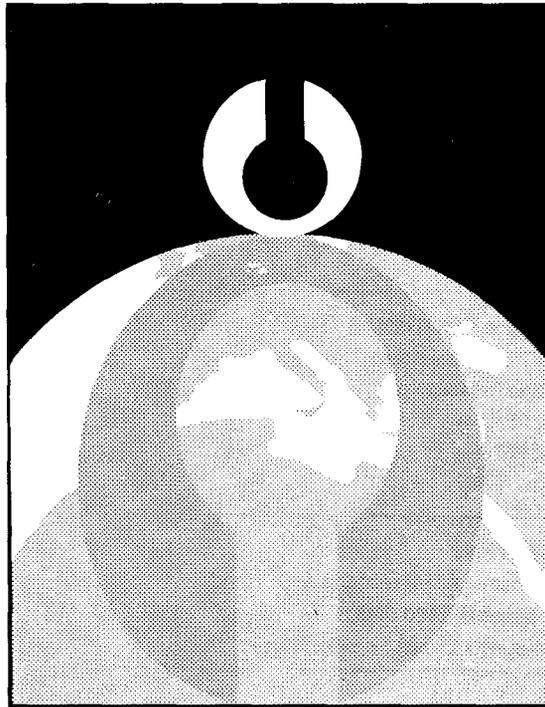
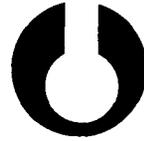


NGL FINE-CHEM LIMITED



**ANNUAL
REPORT
2008 - 2009**



BOARD OF DIRECTORS

Rahul J. Nachane	Managing Director
Rajesh N. Lawande	Executive Director
Ramchandra N. Bhalerao	Independent Director
Milind V. Shinde	Independent Director
Suman S Lad	Independent Director

SHARE TRANSFER AGENTS

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

SHARES LISTED AT

Bombay Stock Exchange Ltd., Mumbai
Ahmedabad Stock Exchange Ltd., Ahmedabad
Madras Stock Exchange Ltd., Chennai
(Listing fees paid for 2009-10)

REGISTERED OFFICE & FACTORY

W-142 (C) TTC MIDC Industrial Area,
Pawane Village, Thane Belapur Road,
Navi Mumbai - 400 705
Tel: (+91 22) 27630547
Email: ngl@vsnl.com

ADMINISTRATIVE OFFICE

2, New Metalage Industrial Premises, Subhash Road,
Jogeshwari (East), Mumbai - 400 060.
Tel.: (+91 22) 2834 6659 • E-mail : ngl@vsnl.com

AUDITORS

Bharat Gandhi & Co
Chartered Accountants

28th ANNUAL GENERAL MEETING

Date : August 28, 2009
Day : Friday
Time : 11.00 a.m
Place : W-142 (C) TTC MIDC Industrial Area,
Pawane Village, Thane Belapur Road,
Navi Mumbai – 400 705

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NOTICE

NOTICE is hereby given that the Twenty Eighth Annual General Meeting of the Members of NGL Fine-Chem Limited will be held at W-142(C) TTC, MIDC Industrial Area, Pawane Village, Thane Belapur Road, Navi Mumbai - 400 705 on Friday, August 28, 2009, at 11.00 a.m. to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2009 and the Profit & Loss Account for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Ramchandra N. Bhalerao, Director who retires by rotation & being eligible offers himself for re-appointment as Director.
3. To appoint Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an ordinary resolution.

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), (hereinafter referred to as "the said Act") the consent of the Company is hereby accorded to the re-appointment of Mr. Rajesh Lawande as an Executive Director of the Company for a period of 5 (Five) years with effect from 1st June, 2010 on the terms and conditions including remuneration as are set out in the agreement to be entered into between the Company and Mr. Rajesh Lawande, a draft whereof is placed before this meeting, with liberty to the Board of Directors (hereinafter referred to "the Board" which term shall be deemed to include the Remuneration Committee constituted by the Board) to alter and vary the terms of the said appointment and/or remuneration and/or agreement.

"RESOLVED FURTHER THAT in the absence or inadequacy of profits in any financial year, (a) subject to the approval of the Central Government, the remuneration payable to the Executive Director by way of salary and perquisites shall not be reduced and (b) if the approval of the Central Government as stated in (a) is not received, the remuneration payable to the Executive Director shall be the maximum amount permitted as per Schedule XIII, as amended from time to time.

RESOLVED FURTHER THAT Board is also authorized to vary, revise the said remuneration of the Executive Director from time to time within the limits of schedule XIII, of the Companies Act, 1956.

RESOLVED FURTHER THAT the Board is hereby authorized to take all such steps as may be necessary, proper or expedient, to give effect to this resolution."

5. To Consider and if thought fit to pass, with or without modification, the following resolution as a special resolution.

"RESOLVED THAT the Company hereby accords its consent and approval under section 314(1) (b) and other applicable provisions (if any) of the Companies

Act, 1956, to Mr. Arun Lawande, a relative of Mr. Rajesh Lawande, an Executive Director of the Company, who holds an office of profits under the company, for holding and continuing to hold an office or place of Profit as a Consultant of the company under a contract on a monthly payment of Rs.42,500/- (Rupees Forty two thousand five hundred Only).

"RESOLVED FURTHER that this resolution shall be deemed to confer the necessary authority to the Board of Directors to sanction at their discretion and with the approval of the Central government, where necessary, increments within the grade as they may deem fit and proper to promote him to any higher grade or grades at their discretion and in due course together with the allowances and benefits as may be applicable to the grade or grades as they may deem fit and proper."

Notes:

- 1) A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company.
- 2) Proxies in order to be effective must be deposited at the Registered Office of the Company not less than forty-eight hours before the time fixed for the commencement of the Meeting.
- 3) The Register of Members and Share Transfer Register in respect of equity shares of the Company will remain closed from Thursday, August 20, 2009 to Friday, August 28, 2009 (both days inclusive).
- 4) As a measure of economy, copies of the Annual Reports and Accounts will not be distributed at the Meeting. Members are therefore, requested to bring their copies to the Meeting.
- 5) Members/Proxies are requested to produce the attendance slip duly signed, sent along with the Annual Report and Accounts, for admission to the meeting hall.
- 6) 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.
- 7) Members whose shareholding is in the electronic mode are requested to direct change of address notifications and updation of Savings Bank Account details to their respective Depository Participants.

Explanatory Statement

(As required under section 173 (2) of the Companies Act, 1956.)

Item No. 4:

As recommended by the Remuneration Committee and approved by the Board of Directors of the Company, at its meeting held on 21st May 2009 Mr. Rajesh Lawande, is re-appointed as an Executive Director of the Company for a period of 5 (Five) years with effect from 1st June, 2010. The remuneration to Mr. Rajesh Lawande inter alia, includes the payment of salary, perquisites and benefits and is subject to the approval of the members.

1. Name of director	Rajesh Narayan Lawande
2. Age	33 years
3. Qualification	M. Sc. PGDBA
4. Experience	8 years
5. Number of directorships in other companies	2
6. Shareholding	10,64,734 equity shares



Mr. Rajesh Lawande will continue to serve as an Executive Director on the Board of the Company from 1st June 2010.

The terms & conditions proposed to be entered into by the Company with Mr. Rajesh Lawande, in respect of his re-appointment, inter alia, contains the following terms and conditions:

MAJOR TERMS OF REMUNERATION OF MR. RAJESH LAWANDE, EXECUTIVE DIRECTOR:

TERMS & CONDITIONS:

I) General Terms

1. Name of Director : Mr. Rajesh Lawande
2. Designation : Executive Director
3. Date of Appointment : Re-appointment w.e.f. 1st June 2010
4. Period : 5 (Five) years.
5. Salary (p.m) : Rs. 1,25,000/- p.m. with power to Board to vary from time to time within the limits of Schedule XIII of the Companies Act.
6. Minimum Remuneration : In the absence or inadequacy of profits in any financial year, (a) subject to the approval of the Central Government, the remuneration payable to Mr. Rajesh Lawande by way of salary and perquisites shall not be reduced and (b) if the approval of the Central Government as stated in (a) is not received, the remuneration payable to Mr. Rajesh Lawande shall be the maximum amount permitted as per Schedule XIII, as amended from time to time.

II) Perquisites:

Mr. Rajesh Lawande as an Executive Director will be entitled for following perquisites, which shall not be part of the ceiling of remuneration.

- a) **Provident Fund:** Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent such contribution either singly or put together are not taxable under the Income Tax Act, 1961.
- b) **Gratuity:** as per the rules of the Company, payable in accordance with the Approved Gratuity Fund and which shall not exceed half a month's salary for each completed year of service.
- c) **Children's education allowance:** In case of children studying in or outside India, an allowance limited to a maximum of Rs. 5,000/- per month per child or actual expenses incurred, whichever is less such allowance is admissible upto a maximum of two children.
- d) **Holiday passage for children studying outside India/family staying abroad:** Return holiday passage once in a year by economy class or once in two years by first class to children and to the members of the family from the place of their study or stay abroad to India if they are not residing in India with the managerial person.
- e) **Leave travel concession:** Return passage for self and family in accordance with the rules specified by the Company to any destination in India.
- f) **Leave encashment:** Encashment of leave at the end of the tenure.
- g) Provision of car with driver and also provision of telephone at residence will not be considered as perquisites.

h) Bonus: Entitlement to performance bonus as approved by the Board within the limits specified in Schedule XIII of the Companies Act 1956.

- III) Salary and perquisites specified herein shall be payable to the Executive Director notwithstanding the inadequacy or no profits in any financial year during the currency of tenure of his office as such.
- IV) The Executive Director shall not be paid any sitting fee for attending the meetings of the Board of Directors or committee thereof.
- V) The Executive Director shall not become interested or otherwise concerned directly or through his wife or minor children in any selling agency of the Company as per the provisions of the Law in force as applicable to the Company.
- VI) The terms and conditions of the said appointment and/or may be altered and varied from time to time by the board as it may, in its discretion, deem fit so as not to exceed the limits specified in Schedule XIII the Companies Act, 1956, or any amendment hereafter in that regard.

None of the Directors of the company, except Rajesh Lawande himself are considered to be interested or concerned in this resolution.

These Terms & Conditions of appointment may be treated as abstracts between the company & Mr. Rajesh Lawande, Executive Director pursuant to section 302 of the Companies Act, 1956.

The Copy of the Draft agreement is open for inspection during office hours 10.00 a.m. to 12 noon till the date of Annual General Meeting.

Item No 5:

As recommended by the Remuneration Committee and approved by the Board of Directors of the Company, at its meeting held on 21st May 2009 Mr. Arun Lawande, is appointed as a Consultant to the Company for a period of 5 (Five) years with effect from 1st April, 2009. The professional fees payable to Mr. Arun Lawande inter alia, is subject to the approval of the members.

Under section 314 (1) (b) of the Companies Act, 1956, a special resolution is required for enabling any relative of Directors of the Company to hold any office or place of profit under the company. Mr. Arun Lawande was Executive Director of the company till 1st December 2008 and is related to Mr. Rajesh Lawande.

Mr. Arun Lawande is an alumni of the University Department of Chemical Technology, Mumbai and has over 35 years experience in pharmaceutical industry. His expertise will be a big aid to the company. Accordingly, in terms of section 314 (1) (b) of the Act, the members are requested to grant their consent to Mr. Arun Lawande holding an office or place of profit under a contract of service with the Company on the terms and conditions set out in the aforesaid resolution. The members are also requested to authorize the Board to sanction in due course revision in terms of contract of Mr. Arun Lawande, within the contractual period.

Mr. Rajesh Lawande is interested in this resolution.

Registered Office
W142 C TTC MIDC Industrial Area,
Pawane Village,
Off Thane Belapur Road,
Navi Mumbai 400 705
Place: Mumbai
Date: May 21, 2009.

By Order of the Board

Rahul Nachane
Managing Director



DIRECTORS' REPORT TO THE MEMBERS

Your Directors have pleasure in presenting the Twenty Eighth Annual Report with the Audited Balance Sheet, Profit & Loss Account and the notes and schedules thereon for the year ended 31st March 2009

A. OPERATING RESULTS

The operating results of the Company for the year ended 31st March 2009 are as follows:

	Year ended on 31.03.2009 Rupees	Year ended on 31.03.2008 Rupees
Profit before Depreciation	3,90,92,133	79,73,587
Less: Depreciation	(76,15,632)	(59,20,067)
Net Profit before Tax	3,14,76,501	20,53,520
Less: Provision for Income Tax	(1,11,50,000)	(2,25,000)
Provision for Deferred Tax	(5,64,229)	(66,385)
Fringe Benefit Tax	(1,67,150)	(1,47,554)
Net Profit after Tax	1,95,95,122	16,14,581
Add/(Less): Prior years adjustments	(27,65,340)	(38,929)
Add: Previous years profit brought forward	3,89,49,470	3,73,73,818
Balance Profit carried forward	5,57,79,252	3,89,49,470

B. REVIEW OF OPERATIONS

During the year under review your company achieved a sale of Rs. 2462.99 lakhs (previous year Rs. 1264.16 lakhs) resulting in an increase of 95% over the previous year. The profit before tax is at Rs. 314.76 lakhs (previous year Rs. 20.54 lakhs) resulting in an increase of 1432%.

Your company was able to post higher sales due to better penetration of its veterinary products across various market segments. The profits were helped by the depreciation of the Indian rupee vis-à-vis the US dollar.

C. DIVIDEND

Your directors do not recommend dividend for the year ended 31st March 2009 with a view to conserve resources.

D. FUTURE PROSPECTS

The company has been able to stabilize the production of two new Active Pharmaceutical Ingredients (APIs) during the current year. The outlook for the oncoming year is very promising. The future thrust is on adding new APIs and also to launch new finished dosages.

E. PARTICULARS OF EMPLOYEES

No details as required under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, are given, as there are no employees drawing remuneration in excess of the prescribed limits.

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

Information pursuant to section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in Report of Board of Directors) Rules, 1988 is given in Annexure A attached.

G. 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.

Pursuant to clause 49 of the Listing Agreement, a report on Corporate Governance is given in Annexure B.

H. DIRECTORS RESPONSIBILITY STATEMENT

The Board of Directors of the Company hereby confirm:

- (i) That in the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure.
- (ii) 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 at March 31, 2009, and that of the profit of the Company for the year ended on that date.
- (iii) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) That the annual accounts have been prepared on a going concern basis.

I. DIRECTORS

Mr. Ramchandra N. Bhalerao is a Director retiring by rotation in terms of provisions of Articles of Association of the Company. He offers himself for re-appointment. The resolution for the appointment of the Director is placed before you in the Annual General Meeting. The Directors recommend his appointment.

Mr. Arun G. Lawande has resigned as Executive Director with effect from 1st December 2008 due to personal reasons. The Directors record their appreciation of the services rendered by him.



ANNEXURE B TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2009.

CORPORATE GOVERNANCE REPORT

1. Company's philosophy

The Company firmly believes in and has consistently practised 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

The Board of the Company comprises of five Directors out of which one is the Managing Director & one is an Executive Director. The other three directors are independent non Executive Directors. There are no Nominee/Institutional Directors.

None of the Directors have any pecuniary or business relationship with the Company except to the extent as disclosed in Schedule 16 – 8 (b) of the notes to accounts. 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 is Director.

During the year there were in total four board meetings held on 23rd May 2008, 30th July 2008, 24th October 2008, and 23rd January 2009. The time gap between the two meetings was not more than four months. 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 Directorship	No. of Board Meetings attended	Attendance at the last AGM	No. of other Directorships	Committee Memberships in other Companies
R. J. Nachane	MD	4	Yes	1	—
A. G. Lawande	ED	3	Yes	—	—
*R. N. Lawande	ED	3	Yes	2	—
R. N. Bhalerao	NED	3	Yes	—	—
M. V. Shinde	NED	3	Yes	—	—
S. S. Lad	NED	4	Yes	2	—

- MD – Managing Director
- ED – Executive Director NED – Non Executive Director
- * Resigned from the Board with effect from 1st December 2008

Director seeking appointment/re-appointment at the forthcoming Annual General Meeting (pursuant to Clause 49 VI (IA) of the Listing Agreement).

- a. Name of Director: Ramchandra N. Bhalerao
 b. Age: 65 years
 c. Qualifications: B. Tech (Chemical Engg)
 d. Expertise in functional areas: Over 38 years experience in the chemical industry. He has headed the project division in his erstwhile company and is a renowned consultant in the industry today.
 e. Directorships in other Indian public limited companies & other firms as on 31.03.2009 Nil
 f. Shareholding 1000 equity shares

Director seeking revision of remuneration at the forthcoming Annual General Meeting (pursuant to Clause 49 VI (IA) of the Listing Agreement).

- a. Name of Director: Rajesh N. Lawande
 b. Age: 33 years
 c. Qualifications: M. Sc. PGDBA
 d. Expertise in functional areas: Business Development
 e. Directorships in other Indian public limited companies & other firms as on 31.03.2009 PCI Fermone Chemicals (I) Ltd Helion Labs Pvt. Ltd.
 f. Shareholding 10,64,734 equity shares

3. Committees of the Board:

a. Audit Committee

Pursuant to the provisions of section 292(A) of The Companies Act, 1956 & clause 49 of the Listing Agreement, an Audit Committee comprising of 2 Non Executive Independent Directors & 1 Executive Director has been constituted.

Following are the members of the Committee.

1. Mr. Suman S. Lad – Chairman
2. Mr. Milind V. Shinde – Member
3. Mr. Rajesh N. Lawande – Member
4. Mr. Bharat Gandhi – Statutory Auditor (present by invitation)

The Audit Committee has held 4 meetings during the year. The attendance of the meetings is given below.

Name of Director	Category of Directorship	No. of Committee Meetings attended
S. S. Lad	NED	4
M. V. Shinde	NED	3
R. N. Lawande	ED	3

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

- Approving and implementing the audit procedures and techniques.
- Reviewing audit reports with the auditors and management.
- Reviewing financial reporting systems, internal control systems and control procedures.
- Ensuring compliance with regulatory guidelines.
- Approval of related party transactions.
- Appointment of statutory auditor and fixing their remuneration.

b. Remuneration Committee

The Stock Exchange Listing Agreement non-mandatory requirement stipulates that the Remuneration Committee should comprise of at least two Non Executive Independent Directors. Accordingly the company constituted the Remuneration Committee comprising of 3 Non Executive Independent Directors

The following are the members of the Committee

1. Mr. Suman S. Lad – Chairman
2. Mr. Milind Shinde – Member
3. Mr. Ramchandra Bhalerao – Member



The committee held 2 meetings during the year. The attendance by members is as follows:

Name of Director	Category of Directorship	No. of Committee Meetings attended
S. S. Lad	NED	2
M. V. Shinde	NED	2
Ramchandra Bhalerao	NED	2

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

- Approving the terms of appointment and salary to be paid to managerial personnel.
- Approval of all elements of remuneration package to individual directors summarized under major groups such as salary benefits, bonuses & stock options.
- Approval of service contracts, notice period and severance pay.

Remuneration Policy

The remuneration of all the executive directors is approved by the remuneration committee, then by the board of directors and subsequently by the shareholders in general meeting within the limits prescribed in Companies Act, 1956. The non-executive directors are paid sitting fees for board meetings attended by them.

Details of remuneration paid to Executive Directors:

Name of Director	Designation	Salary	Provident Fund & Gratuity Fund
Mr. Rahul Nachane	MD	Rs. 15,98,438	Rs. 90,000
Mr. Arun Lawande	ED	Rs. 22,63,669	Rs. 68,085
Mr. Rajesh Lavande	ED	Rs. 14,90,000	Rs. 84,000

Mr. Rahul Nachane is appointed as Managing Director with effect from 1st June 2006, Mr. Rajesh Lawande has been appointed as Executive Director with effect from 28th May 2005 both for a term of five years.

During the year the Non-Executive Directors were paid sitting fees as per the details given below.

Sitting Fees

Name	Rupees	No. of equity shares	Non convertible instruments
Mr. Ramchandra Bhalerao	6,000	1,000	Nil
Mr. Milind Shinde	6,000	Nil	Nil
Mr. Suman Lad	8,000	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.

C. Shareholders/Investors Grievance Committee

The Shareholders/Investors Grievance Committee has been constituted. The committee consists of two Non Executive Independent Directors, one Executive Director & Compliance Officer. The committee looks into the shareholders and investors grievances that are not settled at the level of Compliance Officer and helps to expedite the share transfers and related matters.

Following are the members of the Committee.

1. Mr. Suman Lad – Chairman
2. Mr. Milind Shinde – Member
3. Mr. Rajesh Lawande – Member
4. Mr. Rahul Nachane – Compliance Officer

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
S. S. Lad	NED	4
M. V. Shinde	NED	3
R. N. Lawande	ED	3
R. J. Nachane	MD	4

The company received 14 complaints from the shareholders during the year, out of which none remained pending at the end of the year. Further, during the year, requests for transfer of 3,100 shares were received and processed for transfer & 1,100 were converted into de-materialized form.

4. General Body Meetings:

Financial Year	Date	Time	Venue	Special Resolution(s)
2005-06 AGM	August 11, 2006	11.00 am	Regd. Office	N.A.
2006-07 AGM	August 17, 2007	11.00 am	Regd. Office	N.A.
2007-08 AGM	August 22, 2008	11.00 am	Regd. Office	N.A.

No special resolutions were put through postal ballot

5. Disclosures

During the year under review, besides the transactions reported under para 8 of Schedule 16 to the Balance Sheet, there were no other related party transactions with the promoters, directors, the management or their relatives during the year with potential conflict of interest with the Company at large.

There were no instances of non-compliance on any matter related to the capital markets during the past three years and none of the Stock Exchanges or SEBI imposed any penalties or strictures on the Company.

The board affirms that no person has been denied access to the audit committee during the year. The company has complied with mandatory provisions of corporate governance and is in the process of adopting the non-mandatory provisions of corporate governance.

6. Means of Communication

The quarterly/yearly results are normally submitted to Stock Exchanges immediately after board meetings. Matters of material nature are communicated to the stock exchanges.



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

Management Discussion & Analysis Report is attached herewith forming part of the Annual Report.

7. General Shareholder Information

- The 28th Annual General Meeting is proposed to be held on Friday, August 28, 2009 at 11.00 a.m. at Registered Office of the Company.
- The financial year of the company is from April to March.

Financial calendar

* Audited annual results of previous year	End May
* Annual General Meeting	End August
* First Quarter results	End July
* Second Quarter & Half year results	End October
* Third Quarter results	End January

Dates of book closure

Thursday, August 20, 2009 to Friday, August 28, 2009 (both days inclusive)

Dividend

The Board of Directors have not proposed any dividend for the year ended 31st March 2009 with a view to conserve resources.

Listing of equity shares on Stock Exchanges

Bombay (BSE), Ahmedabad & Chennai.
Stock code at Bombay Stock Exchange: 524774

Hyderabad Securities & Enterprises Limited (formerly known as The Hyderabad Stock Exchange Ltd) has been de-recognized with effect from 29th August 2007. Consequently the company's equity shares are not listed on the exchange.

Names of depositories for dematerialization of equity shares

Name of depository	ISIN No.
National Securities Depository Ltd.	INE887E01022
Central Depository Services (India) Ltd.	INE887E01022

Stock market price data for the year 2008-2009 (BSE)

Month	BSE		
	High	Low	Volume of shares traded (Nos)
April 2008	12.68	9.75	8682
May 2008	12.20	10.00	25584
June 2008	10.65	8.73	9596
July 2008	10.45	8.31	13813
August 2008	10.84	8.72	11887
September 2008	10.42	7.78	6352
October 2008	8.56	6.37	4675
November 2008	7.35	5.83	5758
December 2008	10.25	6.26	5043
January 2009	8.43	5.73	13333
February 2009	9.97	6.35	10797
March 2009	9.45	7.00	8049

Registrar and Share Transfer Agent

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

Purva Shareregistry (India) Pvt. Ltd.
Shiv Shakti Industrial Estate, Unit No. 9,
7-B, J. R. Boricha Marg, Sitaram Mills Compound,
Mumbai 400011. Tel: (022) 23016761 Fax: (022) 23012517

Share Transfer System

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

De-materialization of shares

As on 31.03.2009, 71.24% of the Company's total shares representing 44,01,308 shares were held in de-materialized form & the balance 28.76% representing 17,76,716 shares in paper form.

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

Categories of Shareholders as on March 31, 2009

Category	No. of Shares Held	% Shareholding
Bodies Corporate	6,89,107	11.15
Directors & their relatives	41,19,335	66.68
General Public	13,67,951	22.14
NRI/OCB	1,631	0.03
	61,78,024	100.00

Distribution of shareholding as on March 31, 2009

No. of shares	No. of Share-holders	% of Share-holders	Share-holding (Rs.)	% of Share-holding
Up to 5000	3,067	91.41	33,43,885	10.83
5001 – 10000	130	3.87	9,91,940	3.21
10001 – 20000	74	2.20	10,37,865	3.36
20001 – 30000	22	0.66	5,52,930	1.79
30001 – 40000	14	0.42	5,04,140	1.63
40001 – 50000	7	0.21	3,33,170	1.08
50001– 100000	16	0.48	11,75,150	3.80
100001 & above	25	0.75	2,29,51,040	74.30
	3,355	100.00	3,08,90,120	100.00

Plant Locations

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 Thane 401506.

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

Address for correspondence

The Company's administrative office is situated at 2 New Metalage Industrial Premises, Subhash Road, Jogeshwari East, Mumbai 400 060.



**CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND
CHIEF FINANCIAL OFFICER**

To,
The Board of Directors,
W-142C TTC MIDC Industrial Area, Pawane Village,
Thane Belapur Road, Navi Mumbai 400 705.

We hereby certify that for the financial year, ending 31st March, 2009 on the basis of the review of the financial statements and the cash flow statement and to the best of our knowledge and belief that:-

1. These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
2. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. 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 violative of the Company's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
5. We further certify that:
 - a. There have been no significant changes in internal control during the year;
 - b. There have been no significant changes in accounting policies during the year.
 - c. There have been no 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.

Rahul Nachane
Managing Director

Rajesh Lawande
Executive Director

Date: May 21, 2009.
Place: Mumbai.

DECLARATION

I, Mr. Rahul Nachane, Managing Director of the Company hereby declare that all Board members and senior management personnel shall affirm compliance with the code on an annual basis.

Rahul Nachane
Managing Director

Date: May 21, 2009.
Place: Mumbai.

**COMPANY SECRETARY IN PRACTICE'S REPORT ON
CORPORATE GOVERNANCE**

The Board of Directors
NGL Fine Chem Limited
W142C TTC MIDC Industrial Area,
Pawane Village, Navi Mumbai 400 705.

We have reviewed the implementation of Corporate Governance procedures by the Company during the year ended March 31, 2009, 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, in our opinion, the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges.

We further state that our examination of such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For HS Associates
Company Secretaries
Sd/-

Hemant Shetye
Partner
FCS - 2827
COP - 1483

Mumbai, May 21, 2009.



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure & Developments

The Indian Pharmaceutical operates in a highly fragmented and competitive environment. The top ten companies make up for more than a third of the market. The revenues generated by the industry are approximately US\$ 7.6 bn and have grown at an average rate of 10% over last five years.

The Indian Pharmaceuticals market is expected to grow from US\$ 7.6 bn to US\$ 15-20 bn by 2015, with growth ranging at 10% to 15% CAGR. At this scale, the Indian market will be in the top 10 largest global pharma markets by value.

Rising incomes, healthcare insurance and better healthcare infrastructure will spur growth. 70-80% of the growth will be driven by the middle-class consumer segments in the metro and tier-I cities.

Market Trends & Outlook

Drugs having estimated sales of over US\$ 28 bn are expected to go off patent in the US between CY09 and CY10 and this will give a boost to the Indian pharmaceutical industry exports.

Under the new patent regime Indian pharmaceutical industry will be exposed to international competitiveness in terms of innovative research. Also companies would no longer be allowed to reverse engineer molecules that are under patent protection globally.

The life style segments such as cardiovascular, anti-diabetes and anti-depressants will continue to be lucrative and fast growing owing to increased urbanisation and change in lifestyles. Growth in domestic sales in the future will depend on the ability of companies to align their product portfolio towards the chronic segment.

Risks & Concerns

Risk is all about the vulnerability arising out of financial and non-financial risks. Risk measurement and minimization has hence assumed significance. The major non-financial risks faced are :-

Product portfolio risk: Narrow range of products can translate into fluctuating fortunes in terms of sales. A substantial portion of sales is derived from exports. Changes in the exchange rate can have a major impact on the fortunes of the company. Current year performance has been impacted by the strengthening of the rupee vis-à-vis the dollar. The company is in the process of establishing its core competency in the existing product range and be a preferred supplier by stressing on quality and delivery systems. Attempts are being made to increase the portfolio of products.

Geographical risk: Current consumption of the company's main products is in Africa. Economic or natural occurrences can affect the business.

Competition risk: Potential competition can displace the company from the market. Competition in its normal course can be healthy. The company is now stressing on cost reduction strategies, process improvements and quality upgradation to maintain its edge in the market.

Environment, safety and health risk: Risk associated with protection of the environment, safety and health of people at work and that of people in contact with its products is monitored regularly in compliance with the prescribed methods.

Product-wise performance

The company has increased sales for the current year. This increase is mainly due to higher export sales. The strengthening of the dollar against the rupee increased margins and of competitiveness our products. Also the product portfolio has grown leading to growing sales from newer products.

Internal Control Systems & Adequacy

The company has adequate internal control procedures commensurate with its size and nature of the business. These business control procedures ensure efficient use and protection of the resources.

Financial Performance

The sales have increased by 95% over the previous year to Rs 2462.98 lakhs. Profit has also increased to Rs 195.95 lakhs which is an increase of 1113% over the previous year. The increased margins are largely because of strengthening of the dollar against the rupee, increased competitiveness and a growing product portfolio to offer our global customers.

Human Resources

The Company regards its employees amongst the most valuable assets and proactively reviews its policies to attract and retain its pool of scientific and managerial resources. Performance of individual and teams is recognized through a judicious mix of incentives & performance bonuses.



COMPLIANCE CERTIFICATE

Regn. No. of the Company: L24110MH1981PLCO25884.

Nominal Capital: 5,00,00,000/-

To,
THE MEMBERS,
NGL FINE CHEM LIMITED
Regd. Office: @-142(C) TTC MIDC
Industrial Area,
Pawane Village, Thane Belapur Road,
Navi Mumbai – 400 705.

We have examined the registers, records, books and papers of NGL FINE CHEM LIMITED, ("the Company") as required to be maintained under the Companies Act, 1956, (the "Act") and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on **31ST MARCH, 2009** ("financial year"). In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in **Annexure 'A'** to this Certificate, as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in **Annexure 'B'** to this Certificate, with the Registrar of Companies within the time prescribed under the Act and the rules made there under and the rules made there under.
3. The Company being a Public Limited Company has the minimum prescribed paid up Capital.
4. The Board of Directors duly met **(4) Four** times on **23rd May, 2008, 30th July, 2008, 24th October, 2008 and 23rd January, 2009** in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The Company has closed its Register of Members from **Thursday, August 14, 2008 to Friday, August, 22, 2008** (both days inclusive) and necessary compliance of Section 154 of the Act has been made.
6. The annual general meeting for the financial year ended on **31ST MARCH, 2008** was held on **22nd AUGUST, 2008** after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No extra ordinary general meeting was held during the financial year.
8. The Company has advanced loans to firm in which Director of the Company are interested as referred to under Section 295 of the Act, 1956, however no Central Government approval is not taken.
9. The Company has made the application to Regional Director as required under the provisions of Section 297 of the Companies Act, 1956 for the contracts specified in the said section, the approval of the same is awaited.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
11. The Company has obtained necessary approval from the Board of Directors, members pursuant to section 314 of the Act.
12. The Company has not issued any duplicate certificates during the Financial Year.
13. The Company has:
 - (i) The Company approved transfer of 3100 Equity shares of Rs.5/- as on 31st March, 2009. There was no allotment of securities during the financial year.
 - (ii) Not deposited any amount in a separate bank account as no dividend was declared during the financial year.
 - (iii) Not paid dividends to any members within a period of 30 (thirty) days from the date of declaration as no dividend was declared.
 - (iv) Not transferred the amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon, which have remained unclaimed or unpaid for a Period of seven years, to Investor Education and Protection Fund as no amount in respect of the above were lying in the books of accounts of the Company is to be transferred.
 - (v) Duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. Mr. Arun Lawande is resigned w.e.f. 1st December, 2008. There were no appointment of additional Directors, alternate Directors and Directors to fill casual vacancy during the financial year.
15. The company has re-appointed a Whole-time Director during the financial year.
16. The Company has not appointed any sole-selling agents during the financial year.
17. The Company has made application to Regional Director as required under section 297 of the Companies Act, 1956, the approval of the same is awaited and the Company has not made any application as required under section 295 of the Companies Act, 1956, no other approval other than as mentioned above were required to be obtained of the Central Government, Company Law Board, Regional Director, Registrar of Companies and/ or such authorities prescribed under the various provisions of the Act.
18. The Directors have disclosed their interest in other firms/ companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. The Company has no preference share capital or debentures and as such there was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.



23. The Company has not invited or accepted any deposits including any unsecured loans falling within the purview of Section 58A of the Act during the financial year.
24. The Company has borrowed amount from Financial Institutions, Banks but not from Directors, Members and others during the financial year ending on 31st March, 2009. The said borrowings is within the limit as specified under section 293(1)(d) of the Companies Act, 1956.
25. The Company has made investments, however not given any Loan or not given guarantees or not provided securities to other bodies corporate in compliance with the provisions of section 372A of the Act and has made necessary entries in the register kept for the purpose. The said investments is within the limit as specified under section 372A of the Companies Act, 1956.
26. The Company has not altered the Provisions of the memorandum with respect to situation of the Company's registered office from one state to another during the financial year under scrutiny.
27. The Company has not altered the provisions of the memorandum with respect to the objects of the Company during the financial year under scrutiny.
28. The Company has not altered the provisions of the memorandum with respect to name of the Company during the financial year under scrutiny.
29. The Company has not altered the provisions of the memorandum with respect to the share capital of the Company during the financial year under scrutiny.
30. The Company has not altered its articles of association during the financial year.
31. There was no prosecution initiated against or show cause notices received by the Company, during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has deposited both employee's and employer's contribution to Provident Fund with prescribed authorities pursuant to section 418 of the Act.

Signature
Name of Company Secretary: Hemant Shetye
Place: MUMBAI. Partner: HS AssociateS
Date: 21-05-2009 C.P. No.: 1483.

ANNEXURE "A"
REGISTERS AND RECORDS MAINTAINED BY THE COMPANY

- a) Register of members under Section 150.
- b) Index of members under Section 151.
- c) Register of Transfers.
- d) Registers and Returns under Section 163.
- e) Register of Contracts under Section 301.
- f) Register of Directors, Managing Director, manager and secretary under Section 303.
- g) Register of Director's shareholdings under Section 307.
- h) Register of Inter Company investments under Section 372A.
- i) Register of Charges under Section 143.
- j) Register of Share application and allotment.
- k) Minutes Book under Section 193.
- l) Books of Account under Section 209.
- m) Attendance Register

ANNEXURE "B"

FORMS AND RETURNS AS FILED BY THE COMPANY WITH THE REGISTRAR OF COMPANIES DURING THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2009.

Sr No	Forms	Sections	Date of filing	Particulars
1.	Form 8	Sec.125	24-06-2008	Creation of immovable property dt.24 th May, 2008.
2.	Form No. 17	Sec.138	24-06-2008	Satisfaction of charge of Rs.4,62,38,517 dt. 9 th June, 2008
3.	Form No.17	Sec.138	24-06-2008	Satisfaction of charge of Rs.10,00,000 dt. 9 th June, 2008
4.	Form No.17	Sec.138	24-06-2008	Satisfaction of charge of Rs.40,00,000 dt. 9 th June, 2008
5.	Form No.17	Sec.138	24-06-2008	Satisfaction of charge of Rs.72,80,000 dt. 9 th June, 2008
6.	Form No.17	Sec.138	24-06-2008	Satisfaction of charge of Rs.75,00,000 dt. 9 th June, 2008
7.	Form No.17	Sec.138	24-06-2008	Satisfaction of charge of Rs.4,52,80,000 dt. 9 th June, 2008
8.	Forms 23AC, 23ACA	Sec. 220	17-09-2008	Balance Sheet and Profit/Loss Account for Financial Year ended 31 st March, 2008.
9.	Form No.25C	Sec.269(2)	26-09-2008	Re-appointment of Executive Director
10.	Form 20B	Sec.159	14-10-2009	Annual Return for year ended 30 th September, 2008.
11.	Form No.32	Sec.266	18-12-2008	Resignation of Director.

Place: MUMBAI.
Date: 21-05-2009

Signature
Name of Company Secretary: Hemant Shetye
Partner: HS Associates
C.P. No.: 1483.



REPORT OF THE AUDITORS TO THE MEMBERS OF NGL FINE-CHEM LIMITED

To the members of NGL Fine Chem Limited

We have audited the attached Balance Sheet of **NGL Fine-Chem Limited** as at 31st March, 2009 and also the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order 2003, and on the basis of such checks of the books and records of the Company as we considered appropriate and the information and explanations given to us in the course of Audit, we enclose in the Annexure a statement on the matters specified in the said Order.

Further to our comments in the Annexure referred to above we report that: -

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books;

- c) the Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
- d) In our opinion the Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in Section 211 (3C) of the Companies Act 1956.
- e) On the basis of written representations received from the directors as on 31st March, 2009, and taken on record by the Board of Directors, we report that, none of the directors is disqualified as on 31st March 2009 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act 1956.
- f) in our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2009 and
 - (ii) in the case of the Profit and Loss Account, of the profit for the year ended 31st March 2009 and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on 31st March 2009.

For BHARAT GANDHI & CO,
Chartered Accountants

Mumbai, May 21, 2009

Bharat Gandhi
Proprietor
Membership No: 34959

Annexure referred to in paragraph (1) of the Auditors' Report to the Members of **NGL Fine-Chem Limited** on the accounts for the year ended 31st March 2009

- (1) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) All fixed assets have been physically verified by the management during the year and there is a regular program of verification which in our opinion is reasonable having regard to the size of the Company and the nature of the assets. No serious discrepancies have been noticed on such verification.
 - (c) During the year there were no substantial disposal of fixed assets.
- (2) (a) The inventories have been physically verified by the management at reasonable intervals during the year.
 - (b) The procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) The company is maintaining proper records of inventory and there were no material discrepancies noticed on physical verification.
- (3) (a) The company has not taken any loan from companies, firms or other parties covered under register maintained under section 301 of the Companies Act.
 - (b) The company has granted unsecured loans to companies covered in the register maintained under section 301 of the Companies Act. The loans have been granted to one firm amounting to Rs.1,05,000/-
 - (c) The above loans are granted by the company as interest-free loans and there is no stipulation for the repayment of the same.



- (d) As per the information and explanations provided to us, the above loans are not prima-facie prejudicial to the interest of the company, except to the extent of interest loss thereon.
- (4) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventories and fixed assets and with regard to the sale of goods. As per the information and explanations provided to us, there is no major weakness noticed in internal control procedures.
- (5) The company has entered all transactions that need to be entered into a register in pursuance of section 301 of the Companies Act.
- (6) The company has not accepted any deposits from the public.
- (7) In our opinion, the Company has an internal audit system commensurate with the size of the Company's business.
- (8) We have broadly reviewed the books of account maintained by the Company pursuant to the Order made by the Central Government for the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been maintained. However we are not required to and have not carried out any detailed examination of such accounts and records.
- (9) (a) According to the records of the Company the company is regular in depositing undisputed statutory dues including provident fund, employees state insurance, investor education & protection fund, income tax, sales tax, wealth tax, customs duty, excise duty, cess and other statutory dues with the appropriate authorities.
- (b) There are no undisputed arrears of outstanding statutory dues as at March 31, 2009, for a period of more than six months from the date they became payable.
- (10) The company has no accumulated losses as at March 31, 2009 and has not incurred cash losses during the financial years ended March 31, 2009 & March 31, 2008.
- (11) The company has not defaulted in repayment of dues to financial institutions and banks.
- (12) The company has not granted any loans and advances on the basis of securities by way of pledge of shares, debentures and other securities.
- (13) The company is not a chit fund, nidhi / mutual benefit fund / society and thus no special statutes are applicable.
- (14) The company has made investments in shares and securities and proper records have been maintained of the transactions and contracts and timely entries have been made in the records. The said shares and securities have been held by the company in its own name.
- (15) According to the information and explanations given to us, the company has not given any guaranty for loans taken by others from banks or financial institutions.
- (16) In our opinion and according to the explanations given to us, the term loans taken during the year have been applied for the purpose for which it was obtained.
- (17) According to the Cash Flow Statement for the year ended March 31, 2009, neither have funds raised on short term basis have been utilized for long term investments and nor have funds raised on long term basis been utilized for short term investments.
- (18) The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act 1956.
- (19) The company has not issued any debentures during the year and no such debentures are outstanding as on March 31, 2009.
- (20) The company has not made any public issue during the year ended March 31, 2009.
- (21) According to information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

For BHARAT GANDHI & CO,
Chartered Accountants

Mumbai, May 21, 2009

Bharat Gandhi,
Proprietor
Membership No: 34959


Balance Sheet as at March 31, 2009

	Schedule	As at 31.03.2009		As at 31.03.2008	
		Rupees	Rupees	Rupees	Rupees
SOURCES OF FUNDS					
I. Shareholders' Funds					
a) Capital	1	30,890,120		30,890,120	
b) Reserves & Surplus	2	78,458,201		61,628,419	
			109,348,321		92,518,539
2. Loan Funds					
a) Secured Loans	3	41,111,838		24,937,068	
b) Unsecured Loans	4	287,175		284,810	
			41,399,013		25,221,878
3. Deferred Tax Liability					
			5,061,820		4,497,591
Total			155,809,154		122,238,008
APPLICATION OF FUNDS					
4. Fixed Assets					
a) Gross Block	5	99,710,129		92,964,684	
b) Less : Depreciation		(35,117,653)		(27,708,509)	
c) Net Block			64,592,476		65,256,175
5. Investments					
	6		4,701,267		144,100
6. Current Assets, Loans and Advances					
a) Inventories	7	37,912,735		26,567,192	
b) Sundry Debtors	8	61,769,146		30,255,542	
c) Cash & Bank Balances	9	10,887,730		8,645,309	
d) Loans & Advances	10	23,708,200		13,338,908	
		134,277,811		78,806,951	
7. Less: Current Liabilities & Provisions					
a) Current Liabilities	11	(32,814,120)		(21,669,310)	
b) Provisions		(14,948,281)		(299,908)	
		(47,762,401)		(21,969,218)	
Net Current Assets (6 - 7)			86,515,411		56,837,733
Total			155,809,154		122,238,008

For Significant Accounting Policies & Notes refer to Schedule 16 annexed

As per our Report of even date attached

For BHARAT GANDHI & CO
Chartered Accountants

BHARAT GANDHI
Proprietor

Mumbai, May 21, 2009

R. J. NACHANE
R. N. LAWANDE
S. S. LAD
M. V. SHINDE
R. N. BHALERAO
Directors

Mumbai, May 21, 2009

Profit & Loss Account for the year ended March 31, 2009

	Schedule	Year ended	Year ended
		31.03.2009	31.03.2008
		Rupees	Rupees
INCOME			
Gross Sales		254,370,228	130,462,507
Less: Taxes		(8,071,458)	(4,046,286)
		246,298,770	126,416,221
Other Income	12	843,983	1,271,621
		247,142,753	127,687,842
EXPENDITURE			
(Increase) in Stock of WIP/FG	13	(7,183,340)	(3,905,773)
Raw Materials consumed/traded		122,582,062	59,910,997
Manufacturing and other Expenses	14	88,380,047	60,262,753
Interest	15	4,271,851	3,446,278
Depreciation & Amortisation		7,615,632	5,920,067
		215,666,252	125,634,322
Profit Before Tax		31,476,501	2,053,520
Less: Provision for Taxation			
Current		(11,150,000)	(225,000)
Deferred		(564,229)	(66,385)
Fringe Benefit Tax		(167,150)	(147,554)
Net Profit After Tax		19,595,122	1,614,581
Add/(Less): Prior years expenses		(2,765,340)	(38,929)
Add: Balance brought forward		38,949,470	37,373,818
Net Profit carried to Balance Sheet		55,779,252	38,949,470

For Significant Accounting Policies & Notes refer to Schedule 16 annexed

As per our Report of even date attached

For BHARAT GANDHI & CO
Chartered Accountants

BHARAT GANDHI
Proprietor

Mumbai, May 21, 2009

R. J. NACHANE
R. N. LAWANDE
S. S. LAD
M. V. SHINDE
R. N. BHALERAO
Directors

Mumbai, May 21, 2009



Schedules 1 to 15 forming part of Balance Sheet as at March 31, 2009 and the Profit and Loss Account for the year ended on the same date.

	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees		As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
SCHEDULE 1 - SHARE CAPITAL			SCHEDULE 2 - RESERVES & SURPLUS		
Authorised Capital			Share Premium Account		
1,00,00,000 Equity Shares of Rs. 5/- each	50,000,000	50,000,000	Balance at the end of the year	1,173,981	1,173,981
Issued, Subscribed & Paid Up Capital			Capital Reserve Account		
61,78,024 Equity Shares of Rs. 5/- each fully paid up	30,890,120	30,890,120	Balance at the end of the year	15,000,000	15,000,000
(Previous year: 61,78,024 equity shares of Rs. 5/- each)			Amalgamation Reserve Account		
(Of the above 31,78,024 equity shares of Rs. 5/- each are allotted for consideration received other than in cash pursuant to the amalgamation carried out in 2004-05)			Balance at the end of the year	4,004,968	4,004,968
	30,890,120	30,890,120	General Reserve Account		
			Balance at end of the year	2,500,000	2,500,000
			Profit & Loss Account	55,779,252	38,949,470
				78,458,201	61,628,419
SCHEDULE 3 - SECURED LOANS			SCHEDULE 4 - UNSECURED LOANS		
Term Loans from Bank	2,371,085	4,608,800	Capital Subsidy Loan	287,175	284,810
Working Capital Loans from Bank	38,740,753	20,328,268	From Development Corporation of Konkan Ltd	287,175	284,810
(Secured by exclusive mortgage & charge on all of the company's assets including moveable & immoveable property, hypothecation of inventories and book debts and guaranteed by Rahul Nachane & Rajesh Lawande, Directors)	41,111,838	24,937,068			
SCHEDULE 5 - FIXED ASSETS					

ASSETS	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As at 31.03.2008 Rupees	Additions Rupees	(Deductions) Rupees	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees	Additions/ (Deductions) Rupees	For the year Rupees	As at 31.03.2009 Rupees	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
	Leasehold Land	474,348	650,000	-	1,124,348	128,172	-	12,913	141,085	983,263
Factory Building	17,280,566	363,250	-	17,643,816	2,415,226	-	587,817	3,003,043	14,640,773	14,865,340
Plant and Machinery	68,013,288	4,925,496	-	72,938,784	21,877,956	-	6,564,724	28,442,680	44,496,104	46,135,332
Furniture & Fixtures	3,131,204	-	-	3,131,204	912,902	-	177,840	1,090,742	2,040,462	2,218,302
Vehicles	3,160,028	1,013,187	(206,488)	3,966,727	1,469,003	(206,488)	272,338	1,534,853	2,431,874	1,691,025
Technical Knowhow Fees	905,250	-	-	905,250	905,250	-	-	905,250	-	-
TOTAL	92,964,684	6,951,933	(206,488)	99,710,129	27,708,509	(206,488)	7,615,632	35,117,653	64,592,476	65,256,175
Previous Year	81,460,726	19,964,302	(8,460,344)	92,964,684	21,788,442	-	5,920,067	27,708,509	65,256,175	59,672,284

	No. of securities		As at	
	As at 31.03.2009	As at 31.03.2008	31.03.2009 Rupees	31.03.2008 Rupees
SCHEDULE 6 - INVESTMENTS				
(a) Trade, Quoted				
Equity Shares				
Tata Consultancy Serv. Ltd. Equity Shares of Re. 1	292	292	124,100	124,100
Mutual Fund Units				
HDFC Cash Management Fund Weekly Dividend Reinvest	102,921	-	1,030,909	-
HDFC High Interest Fund Quarterly Dividend Reinvest	127,794	-	1,517,613	-
HDFC Growth Fund - Growth	4,592	-	180,000	-
HDFC Top 200 Fund - Dividend Reinvest	25,573	-	816,869	-
ICICI Prudential Dynamic Plan - Cumulative	3,612	-	180,000	-
J P Morgan India Equity Plan - Growth	27,523	-	180,000	-
Kotak K 30 - Growth	3,244	-	180,000	-
Reliance Vision Fund - Retail Plan - Growth	1,339	-	180,000	-
SBI MF MSFU Contra Fund - Dividend	37,276	-	750,000	-
Less: Provision for Diminution in value of investments			(458,224)	-
			4,681,267	124,100
(b) Trade, Unquoted				
The Saraswat Coop Bank Ltd. Equity Shares of Rs 10	2,000	2,000	20,000	20,000
			4,701,267	144,100

Notes: (market values as on 31.03.2009)

1. Quoted: Market value of quoted investments is Rs 47,15,007 (previous year Rs. 2,43,762)

2. Non-Quoted: All the shares are fully paid up.



	As at 31.03.2009	As at 31.03.2008
	Rupees	Rupees

SCHEDULE 7 - INVENTORIES

(As taken, valued and certified by a Director, at cost or market value, whichever is lower)

Raw Materials	11,406,946	7,055,963
Work In Process	18,043,404	17,292,320
Finished Goods	7,975,886	1,543,630
Consumables	132,011	116,880
Fuel & Oil	274,674	174,859
Packing Materials	79,814	383,540
	37,912,735	26,567,192

SCHEDULE 8 - SUNDRY DEBTORS

(Unsecured, Considered Good)

Due for less than six months	59,950,912	29,384,061
Due for more than six months	1,818,234	871,481
	61,769,146	30,255,542

SCHEDULE 9 - CASH AND BANK BALANCES

Cash on hand	229,461	306,015
Balance with Banks (with scheduled banks)		
- In Current Accounts	3,147,762	4,653,144
- In Fixed Deposit Accounts	7,510,507	3,686,150
	10,887,730	8,645,309

SCHEDULE 10 - LOANS AND ADVANCES

Advances recoverable in cash or in kind or for value to be received		
Unsecured, considered good	23,708,200	13,338,908
	23,708,200	13,338,908

Note:

Above loans & advances include advances to firms in which Directors or their relatives are interested which are listed below

	As on		Maximum amount due during the year	
	31.03.2009	31.03.2008	31.03.2009	31.03.2008
Shreyas Hospital	-	105,000	105,000	575,000

SCHEDULE 11 - CURRENT LIABILITIES & PROVISIONS

Current Liabilities

Acceptances	2,606,526	844,410
Sundry Creditors	28,877,887	19,951,204
Advances received from customers	1,329,707	873,696
	32,814,120	21,669,310

Provisions

Provision for Income Tax	11,317,150	225,000
Provision for Foreign Exchange Derivate Losses	103,866	69,453
Unclaimed Dividend	5,298	5,455
Other Provisions	3,521,967	-
	14,948,281	299,908

	As at 31.03.2009	As at 31.03.2008
	Rupees	Rupees

SCHEDULE 12 - OTHER INCOME

Dividend Received	156,049	3,796
Interest Received	346,579	954,288
Profit on Sale of Fixed Assets	5,000	-
Other Miscellaneous Income	336,355	313,537
	843,983	1,271,621

Note: Interest income is stated at gross value. The value of income tax deducted at source is Rs. 38,167 (Previous year: Rs. 1,01,458)

SCHEDULE 13 - (INCREASE) IN STOCK OF FINISHED GOODS & WORK IN PROCESS

Closing Stock		
(a) Work in Process	18,043,404	17,292,320
(b) Finished Goods	7,975,886	1,543,630
Less: Opening Stock		
(a) Work in Process	(17,292,320)	(12,960,455)
(b) Finished Goods	(1,543,630)	(1,969,722)
	(7,183,340)	(3,905,773)

SCHEDULE 14 - MANUFACTURING & OTHER EXPENSES

Salaries, Wages and Bonus	21,027,558	18,168,890
Contribution to Provident & Other Funds	1,515,824	1,353,421
Employees Welfare Expenses	483,878	598,952
Power and Fuel	18,209,365	11,993,318
Consumable Stores	2,561,615	1,341,401
Packing Materials	2,248,701	1,281,000
Processing Charges	2,180,093	1,647,367
Labour Charges	2,632,527	1,748,560
Factory Expenses	3,596,514	1,637,821
Water Charges	816,911	714,088
Repairs to		
Plant & Machinery	6,552,580	2,537,964
Factory Buildings	1,374,123	101,148
Other Assets	162,301	69,788
Cess Paid	208,516	317,005
Insurance	1,308,084	791,250
Laboratory Expenses	3,971,838	3,693,708
Payment to Auditors	500,000	300,000
Postage, Telephone & Telegrams	876,436	876,100
Legal and Professional Fees	905,386	1,118,416
Bank Charges and Commission	1,139,934	652,188
Rent, Rates and Taxes	307,283	222,384
Printing & Stationery	617,566	515,251
Vehicle Expenses	1,009,284	979,200
Advertisement & Business Promotion	521,303	1,178,145
Travelling Expenses	371,934	522,823
Freight, Coolie & Cartage	8,772,952	3,970,576
Loss due to Diminution in value of Investments	458,225	-
Miscellaneous Expenses	4,049,316	1,931,989
	88,380,047	60,262,753

SCHEDULE 15 - INTEREST

Interest on Term Loans	782,756	544,244
Interest on Working Capital Borrowings	3,489,095	2,902,034
	4,271,851	3,446,278



SCHEDULE 16

Significant Accounting Policies and Notes forming part of Balance Sheet as at 31st March 2009 and Profit and Loss Account for the year ended on that date.

A. SIGNIFICANT ACCOUNTING POLICIES:

Basis of preparation of financial statements.

The financial statements are prepared under the historical cost convention on accrual basis and in accordance with the standard on accounting issued by the Institute of Chartered Accountants of India and referred to in Section 211 (3C) of the Companies Act, 1956. Accounting Policies not specifically referred to otherwise are consistent with generally accepted accounting principles.

i) Fixed Assets and Depreciation.

Fixed assets are stated at cost. Attributable expenditure of bringing the respective assets to working condition for their intended use is capitalized. Depreciation in the accounts is charged on the Straight Line Method at the rates and in the manner prescribed by Schedule XIV of the Companies Act, 1956 on the cost, as reduced by the amount of Excise Cenvat & VAT claimed.

Intangible assets are amortized over a period of 3 years.

ii) Investments.

Investments are stated at cost or market value whichever is lower. Where investments have diminished in value the provision is made to the extent of diminution. Quoted, non traded shares are fully written off and not reflected in the investment schedule.

iii) Inventories.

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

iv) Sales & Other Income.

Export Sales are recognized as per the date of the shipping bill. Local Sales are recognized on dispatch of goods to the customers. Sales are shown net of returns and include VAT and excise duty.

Dividend income is accounted for when the right to receive dividend is established.

Export Duty Drawback is accounted on cash receipt basis.

v) Foreign Exchange Transactions.

(i) Transactions denominated in foreign currencies are normally recorded at the exchange rates prevailing at the time of the transactions or the applicable forward contracts.

(ii) Foreign currency liabilities & assets are re-stated at the rate prevailing on the last day of the accounting year or the applicable forward contracts. Gains and losses arising out of such fluctuations are duly dealt with in the profit and loss account.

vi) Retirement Benefits.

(a) Short term employee benefit obligations are estimated and provided for.

(b) Post employment benefits and other long term employee benefits

• Defined contribution plans:
Company's contribution to provident fund and state employee insurance are determined under the relevant schemes and/or statute and charged to revenue.

• Defined benefit plans:

Gratuity:

Company's liability towards gratuity is actuarially determined at each renewal date using the projected unit credit method. Actuarial gains and losses are recognized in revenue.

Short term benefits (accumulated leave benefit):
The expected cost of accumulating compensated absences (leave encashment) that the company expects to pay as a result of unused entitlement that has accumulated as at the Balance Sheet date is provided for on the basis of current salary payable to employees.

Long term benefits:

The company does not offer any long term benefits such as pension, long service leave, sabbatical leave, long term disability benefits, profit sharing, bonuses and deferred compensation, etc. These are hence not quantified nor provided for.

vii) Taxation

Income taxes are accounted for in accordance with Accounting Standard 22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India. Tax expense comprises both current, deferred & fringe benefit tax. Current tax is measured at the amount expected to be paid to/recovered from the tax authorities using the applicable tax rates. Deferred tax assets and liabilities are recognized for future tax consequences attributable to timing differences between taxable income and accounting income that are capable of reversing in one or more subsequent periods and are measured using the relevant enacted tax rates. At each Balance Sheet date the company reassesses the unrecognized deferred tax assets to the extent they have become reasonably certain or virtually certain of realization, as the case may be. Fringe Benefit Tax is provided based on the provisions of the Income Tax Act using the applicable tax rates.

viii) Research & Development

All revenue expenses pertaining to research and development are charged to the profit and loss account in the year in which they are incurred and expenditure of capital nature is capitalized as fixed assets, and depreciated as per the company's policy.

ix) Contingencies/Provisions

Provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions except in respect of employee benefits are not discounted to its present value and are determined based on best estimate of the expenditure required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate. A contingent liability is disclosed, unless the possibility of an outflow of resources embodying the economic benefit is removed.



B. NOTES ON ACCOUNTS:

1. Contingent Liabilities

- (i) Estimated amount of contracts remaining to be executed on capital account and not paid for – Rs. 1.06 lakhs (Previous year Rs. 7.53 lakhs)
- (ii) Letters of credit established for which goods are yet to be received and provided for – Rs. 30.85 lakhs (Previous year – Rs. 33.06 lakhs).
- (iii) Bank Guarantees outstanding – NIL (Previous year – Rs. 0.25 lakhs).

2. There is no employee drawing remuneration in excess of the limits laid down under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975. (Previous year - Nil).

3. The total amount of remuneration paid to Directors charged in these accounts is set out below: -

	(Amount in Rupees)	
	2008-2009	2007-2008
Payments to Executive Directors		
Salary	53,52,107	34,17,006
Contribution to Provident Fund & Gratuity Fund	2,42,085	2,31,607
Total	55,94,192	36,48,613

Payments to Non -Executive Directors		
Sitting Fees	20,000	28,000

4. Payment to Auditors

	(Amount in Rupees)	
	2008-2009	2007-2008
Audit Fees	4,00,000	2,25,000
Tax Audit Fees Certification & Other Work	50,000	50,000
	25,000	50,000
Total	5,00,000	3,00,000

5. Segment Reporting

Based on the guiding principles given by the Accounting Standard – 17 "Segment Reporting" issued by the Institute of Chartered Accountants of India, the company's business comprises of only one segment - pharmaceuticals. Hence segment wise analysis is not given as the same is not applicable.

6. Deferred Tax Liability for the year ended 31st March 2009 comprises of tax effect of timing differences on account of:

	2008-2009	2007-2008
Fixed Assets – Excess of Net Block over Written Down Value as per the provisions of the Income Tax Act 1961	(50,61,820)	(44,97,591)
Net Deferred Tax Liability	50,61,820	44,97,591

7. Earnings per share

	2008-2009	2007-2008
Net profit for the period attributable to the equity shareholders (Rs.)	1,95,95,122	16,14,579
Weighted average number of equity shares outstanding (No)	61,78,024	61,78,024
Basic and diluted earnings per share of face value of Rs. 5/- each (Rs.)	3.17	0.26

8. Related parties disclosures

Disclosures as required by Accounting Standards 18 "Related Party Disclosures" are given below:

- (a) Related parties with whom transactions have taken place during the year.

Associate Companies/Firms in which Directors are interested
Shreyas Hospital

Key management personnel and their relatives with whom company has transacted

Name	Designation	Relatives
Rahul Nachane	Managing Director	
Arun Lawande	Executive Director	N G Lawande
Rajesh Lawande	Executive Director	N G Lawande

- (b) Nature of transaction.

	(Rupees in lakhs)	
	Associate companies/ Firms in which Directors are interested	Key managerial personnel & their relatives
1. Sales & service	—	—
2. Interest and other income received / receivable	(—)	(—)
3. Purchases of goods/ payments for other services	—	—
4. Finance provided	(21.60)	(—)
5. Interest paid	1.05	(—)
6. Sale of Fixed Assets	(1.05)	(—)
7. Outstanding balances as on March 31:		
Debtors	—	—
Loans & Advances	(—)	(—)
Creditors	(4.55)	(—)
8. Managerial remuneration	(6.44)	(—)
	(—)	(40.04)

Note: Previous years figures are given in parenthesis.



9. Retirement benefits: Contributions towards gratuity are made to the Employees Group Gratuity Scheme operated by the Life Insurance Corporation of India. The basis of actuarial valuation is given below:

Actuarial assumptions

Mortality rate	As per 1994-95 LIC Mortality tables
Withdrawal rate	Actual during the last 3 years
Salary escalation rate	4% for each year
Discounting rate	LIC discounting rate (present 8%)
Gratuity benefits	As per the Payment of Gratuity Act 1972 as amended from time to time.

Actuarial results (funded)

Date of valuation	31-Mar-2009	01-Nov-2007
Total number of employees	97	128
Accrued Gratuity liability	Rs. 18,00,013	Rs. 20,42,692
Present value of past gratuity	Rs. 11,24,720	Rs. 14,14,287
Fund Value	Rs. 12,60,770	Rs. 14,14,287

The actuarial valuation for 2007-08 was available only as on 1st November 2007 as it is carried out by the Life Insurance Corporation of India. All provisions for 2007-08 are made on this basis.

Short term benefits (Leave encashment)

This is the first year in which the company has provided for accumulated compensated absences (leave encashment) as per AS 15 (Revised 2005) Accounting for Retirement Benefits. The provision is made on the basis of the total accumulated leave of employees as on Balance Sheet date valued at the current salary or wage rate. The prior years provision of Rs. 27,85,833 is classified under prior years expenses in the Profit & Loss account. The current year's provision is charged under Salaries & Wages amounting to Rs. 3,68,099. Consequently the profit available for appropriation for the year is lower by Rs. 27,85,833 pertaining to the prior year's provision.

During the year the company has recognized the following amounts in the Profit & Loss Account in Schedule 14.

	(Rupees)	
	2008-2009	2007-2008
Salaries, wages, bonus includes compensated absences.	2,10,27,558	1,81,68,890
Contribution for provident fund & gratuity fund		
▪ Provident Fund	10,51,050	10,96,723
▪ Gratuity Fund	3,75,203	1,63,914
▪ ESIC	86,799	88,086
▪ Other Funds	2,772	4,698

10. The company has provided for losses arising from forward contract/derivates in foreign exchange to the extent of Rs. 1,03,866 (Previous year - Rs. 69,453).

11. Additional information pursuant to provisions of Paragraph 3, 4C and 4D of Part II of Schedule VI to the Companies Act, 1956.

	2008-2009	2007-2008
a) Capacity		
Licensed Capacity	Licence not Required	
Installed Capacity (p.a)	105,000 kg	105,000 kg
b) Actual Production		
Pharmaceutical bulk drugs & intermediates	1,08,919 kgs	78,938 kgs
Finished Dosages	16,32,770 nos	15,05,107 nos

c) Turnover (quantity includes captive consumption)		
Pharmaceutical bulk drugs & intermediates (Rs.2327.47 lakh)	1,03,319 kgs	80,689 kgs
Finished Dosages (Rs.135.52 lakh)	15,15,670 nos	14,72,107 nos

d) Stock of Finished Goods		
Pharmaceutical bulk drugs & intermediates		
Opening Stock		
Pharmaceutical bulk drugs	580 kgs	2,331 kgs
Finished Dosages	33,000 Nos	—
	Rs. 5,46,061	(—)
	<u>2008-2009</u>	<u>2007-2008</u>
Closing Stock		
Pharmaceutical bulk drugs	6,180 kgs	580 kgs
Finished Dosages	150,100 Nos	33,000 Nos
	Rs. 5,34,554	Rs. 5,46,061

e) Value of raw materials consumed				
	<u>Rupees</u>	<u>%</u>	<u>Rupees</u>	<u>%</u>
Indigenous	10,15,43,148	82.8	4,64,20,536	77.5
Imported	2,10,38,914	17.2	1,34,90,461	22.5
	<u>12,25,82,062</u>	<u>100.0</u>	<u>5,99,10,997</u>	<u>100.0</u>

f) Value of stores & spares consumed				
	<u>Rupees</u>	<u>%</u>	<u>Rupees</u>	<u>%</u>
Indigenous	25,61,615	100.0	13,41,401	100.0
Imported	—	—	—	—
	<u>25,61,615</u>	<u>100.0</u>	<u>13,41,401</u>	<u>100.0</u>

g) Value of imports calculated on CIF basis		
Raw Materials	Rs.2,20,80,822	Rs.1,30,41,678
Consumable Stores	—	—
Capital Goods	—	—

h) Expenditure in foreign currency		
Commission	Rs. 3,18,333	Rs.1,59,138
Travelling Expenses	Rs. 44,618	Rs. 2,31,198
Laboratory Equipment	—	Rs.7,09,625
Laboratory Expenses	Rs. 6,503	Rs. 3,23,508
Others	Rs. 3,81,462	—

i) Earnings in foreign currency		
i. Export FOB value	Rs.18,32,04,537	Rs.8,51,84,785
ii. Others (Insurance & freight)	Rs.58,65,218	Rs.19,07,747



12. Previous year's figures have been recast, regrouped and rearranged wherever necessary.

13. Balance Sheet Abstract and Company's General Business Profile:

I. Registration Details

Registration No.	25884	State Code	11
Balance Sheet Date	31	03	2009
	Date	Month	Year

II. Capital raised during the year (Amount in Rs. thousand)

Public Issue	Nil	Right Issue	Nil
Bonus Issue	Nil	Private Placement	Nil

III. Position of Mobilization and Deployment of Funds (Amount in Rupees Thousands)

Total Liability	155,809
Total Assets	155,809

Sources of Funds

Paid-up Capital	30,890
Reserves & Surplus	78,458
Secured Loans	41,112
Unsecured Loans	287
Deferred Tax Liability	5062

Application of Funds

Net Fixed Assets	64,593
Investments	4,701
Net Current Assets	86,515

IV **Performance of Company**
(Amount in Rs. thousands)

Turnover & Other Receipts	247,143
Total Expenditure	215,666
Profit before Tax	31,477
Profit after Tax	19,595
Earning per Share in Rs.	3.17
Dividend Rate %	Nil

V **Generic Names of Three Principal Products/Services of Company**

Item Code No. (ITC Code)	Product description
292700	Diminazene Aceturate
300939	Diminazene Granules
300939	Pharmaceutical Formulations

Signatories to Schedules 1 to 16

For BHARAT GANDHI & CO,
Chartered Accountants

R. J. NACHANE

R. N. LAWANDE

S. S. LAD

R. N. BHALERAO

BHARAT GANDHI

Proprietor
Mumbai, May 21, 2009

M. V. SHINDE

Directors
Mumbai, May 21, 2009



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2009

(Pursuant to Clause 32 of the Listing Agreement)

	(Rupees in Lakhs)	
	<u>2008-09</u>	<u>2007-08</u>
Cash Flow from Operating Activities		
Net Profit Before Tax	314.76	20.54
Adjusted for		
Depreciation	76.16	59.20
Interest	42.72	34.46
Prior years provision written back	(27.65)	(0.40)
Interest Received	(3.47)	(9.54)
Dividends Received	(1.56)	(0.04)
Profit on sale of Fixed Assets	(0.05)	—
Operating Profit Before Working Capital Changes	400.91	104.22
Adjusted for		
Trade & Other Receivables	(418.83)	363.24
Inventories	(113.46)	(35.51)
Trade Payables	257.94	(239.60)
Cash Generated from Operations Activities	126.56	192.35
Interest Paid	(42.72)	(34.46)
Taxes Paid	(118.81)	(4.39)
Proposed Dividend (incl. Dividend Tax)	—	—
<i>Net Cash from Operating Activities (A)</i>	<u>(34.97)</u>	<u>153.50</u>
Cash Flow From Investing Activities		
Purchase of Fixed Assets	(69.52)	(115.04)
Proceeds from Sale of Fixed Assets	0.05	—
Investment made (net)	(45.57)	—
Interest Received	3.47	9.54
Dividends	1.56	0.04
Capital Gains	—	—
<i>Net Cash Used In Investing Activities (B)</i>	<u>(110.01)</u>	<u>(105.46)</u>
Cash Flow From Financing Activities		
Issue of capital	—	—
Bank Borrowings	161.75	(131.04)
Other borrowings	0.02	—
Deferred Tax Liability	5.64	0.66
<i>Net Cash Used in Financing Activities (C)</i>	<u>167.41</u>	<u>(130.38)</u>
Net Increase in Cash and Cash Equivalents (A + B + C)	22.43	(82.34)
Cash and Cash Equivalents at the beginning of the year	86.45	168.79
Cash and Cash Equivalents at the end of the year	108.88	86.45

For Significant Accounting Policies & Notes refer to Schedule 16 annexed

Signatories to Schedules 1 to 16

This is the Cash Flow Statement referred to in our report of even date

For BHARAT GANDHI & CO,

Chartered Accountants

BHARAT GANDHI
Proprietor

Mumbai, May 21, 2009

R. J. NACHANE
R. N. LAWANDE
S. S. LAD
R. N. BHALERAO

M. V. SHINDE
Directors

Mumbai, May 21, 2009



NGL FINE-CHEM LIMITED
 Regd Office: W142(C) TTC MIDC Industrial Area,
 Pawane Village, Thane Belapur Road, Navi Mumbai 400 705

PROXY FORM
 Twenty Eighth Annual General Meeting – August 28, 2009.

Reg Folio No: _____

I/We _____ of _____ residing at _____
 _____ being a member (s) of the above named Company
 hereby appoint _____ of _____ residing at _____
 _____ or failing him / her _____
 of _____ residing at _____ as my/
 our proxy to vote for me/us on my/our behalf at the Twenty Eighth Annual General Meeting of the Company to be held at W142(C)
 TTC MIDC Industrial Area, Pawane Village, Thane Belapur Road, Navi Mumbai 400 705 on Friday, August 28, 2009 at 11.00 a.m.
 and any adjournment thereof.

Signed this _____ day of _____ 2009

Re.1 Revenue Stamp

Signature _____

Note: Proxies must reach the Company's Registered Office not less than 48 hours before the meeting.

NGL FINE-CHEM LIMITED
 Regd Office: W142(C) TTC MIDC Industrial Area,
 Pawane Village, Thane Belapur Road, Navi Mumbai 400 705

ATTENDANCE SLIP
 Twenty Eighth Annual General Meeting – August 28, 2009.

To be handed over at the entrance of the meeting hall

Name of the attending Member (in Block Letters)	Member's FolioNumber/Client ID No.
Name of Proxy (in Block Letters) (To be filled in if the proxy attends instead of the Member)	

No. of Shares held.....

I hereby record my presence at the Twenty Eighth Annual General Meeting of the Company at W142(C) TTC MIDC Industrial Area, Pawane Village, Thane Belapur Road, Navi Mumbai 400 705 on Friday, August 28, 2009 at 11.00 a.m.

 Member's/Proxy's signature

Note: You are requested to bring your copy of Annual Report to the Meeting.

BOOK-POST

If undelivered please return to :
NGL FINE-CHEM LIMITED
2, New Metalage Industrial Premises,
Subhash Road, Jogeshwari (East),
Mumbai - 400 060