

NGL FINE-CHEM LIMITED



**ANNUAL
REPORT
2010 - 2011**



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

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) 28346659
Email : ngl@vsnl.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
Tel: 23016761 Email: busicomp@vsnl.com

AUDITORS

Bharat Gandhi & Co
Chartered Accountants

SHARES LISTED AT

Bombay Stock Exchange Ltd., Mumbai
Ahmedabad Stock Exchange Ltd., Ahmedabad
Madras Stock Exchange Ltd., Chennai
(Listing fees paid for 2011-12)

30th ANNUAL GENERAL MEETING

Date : August 19, 2011
Day : Friday
Time : 11.30 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 Thirtieth 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 19, 2011, at 11.30 a.m. to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2011, Profit & Loss Account & Cash Flow Statement 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. Suman S. Lad, Director who retires by rotation & being eligible offers himself for re-appointment as Director.
3. To appoint M/s Bharat Gandhi & Co, 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 a special resolution.

“RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 and 310 and any other applicable provisions, if any, read with Schedule XIII to 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 for re-appointment of Mr. Rahul Nachane be and is hereby re-appointed as Managing Director of the Company with effect from June 1, 2011 for a period of 3 years on the terms and conditions as are set out in the agreement to be entered into between the Company and Mr. Rahul Nachane with liberty to the Board of Directors (hereinafter referred to as “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 re-appointment and/or remuneration and/or agreement.

RESOLVED FURTHER THAT Mr. Rahul Nachane shall be entitled to receive such amount as remuneration as may be decided by the Board of Directors from time to time within the limits permissible under the provisions of Sections 198, 269, 309 and 310, read with Schedule XIII of the Companies Act, 1956, for the performance of his duties as the Managing Director of the Company.

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 Managing 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 Managing Director shall be the maximum amount permitted as per Schedule XIII, as amended from time to time.

RESOLVED FURTHER THAT any one of the Directors of the Company be and is hereby severally authorised to sign and file the Return in Form No. 25C with the Registrar of Companies, Maharashtra, and to take such other actions to

comply with all the formalities required to be fulfilled in connection with the re-appointment of Managing Director.”

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 11, 2011 to Friday, August 19, 2011 (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) 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 Agents.
- 6) 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.
- 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 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 28th January 2011, Mr. Rahul Nachane, is re-appointed as Managing Director of the Company for a period of 3 (Three) years with effect from 1st June, 2011. The remuneration to Mr. Rahul Nachane inter alia, includes the payment of salary, perquisites and benefits and is subject to the approval of the members.

1. Name of director	Rahul Jayant Nachane
2. Age	46 years
3. Qualification	B. Com, ACA, MMS, DBF
4. Experience	23 years
5. Number of directorships in other companies	One
6. Shareholding	8,95,793 equity shares

Mr. Rahul Nachane will serve as Managing Director on the Board of the Company from 1st June, 2011.



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

MAJOR TERMS OF REMUNERATION OF MR. RAHUL NACHANE, MANAGING DIRECTOR:

TERMS & CONDITIONS:

I) General Terms

1. Name of Director : Mr. Rahul Nachane
2. Designation : Managing Director
3. Date of Appointment : Re-appointment w.e.f. 1st June, 2011.
4. Period : 3 (Three) years.
5. Salary (p.m) : Rs. 2,50,000/- 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. Rahul Nachane 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 Mr. Rahul Nachane shall be the maximum amount permitted as per Schedule XIII, as amended from time to time.

II) Perquisites:

Mr. Rahul Nachane as a Managing 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 Managing Director notwithstanding the inadequacy or no profits in any financial year during the currency of tenure of his office as such.

IV). The Managing Director shall not be paid any sitting fee for attending the meetings of the Board of Directors or committee thereof.

V). The Managing 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 Mr. Rahul Nachane 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. Rahul Nachane, Managing Director.

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.

In the beneficial interest of the Company, your Directors recommend the resolution for your approval.

Registered Office
W142 C TTC MIDC Industrial Area,
Pawane Village, Off Thane Belapur Road,
Navi Mumbai 400 705
Place: Mumbai
Date: May 21, 2011.

By Order of the Board

Rahul Nachane
Managing Director



DIRECTORS' REPORT TO THE MEMBERS

Your Directors have pleasure in presenting the Thirtieth Annual Report with the Audited Balance Sheet, Profit & Loss Account and the notes and schedules thereon for the year ended 31st March 2011

A. OPERATING RESULTS

The operating results of the Company for the year ended 31st March 2011 are as follows:

	Year ended on 31.03.2011 Rupees	Year ended on 31.03.2010 Rupees
Profit before Depreciation	4,78,47,039	4,71,20,530
Less: Depreciation	(93,61,004)	(77,62,607)
Net Profit before Tax	3,84,86,035	3,93,57,923
Less: Provision for Income Tax	(1,29,00,000)	(1,38,50,000)
Provision for Deferred Tax	(14,31,008)	15,36,603
Net Profit after Tax	2,41,55,027	2,70,44,526
Add/(Less): Prior years adjustments	(46,361)	91,261
Add: Previous years profit brought forward	8,29,15,039	5,57,79,252
Balance Profit carried forward	10,70,23,705	8,29,15,039

B. REVIEW OF OPERATIONS

During the year under review your company achieved a sale of Rs. 3504.10 lakhs (previous year Rs. 2782.35 lakhs) resulting in an increase of 26% over the previous year. The profit before tax is at Rs. 384.86 lakhs (previous year Rs. 393.58 lakhs) resulting in a decrease of 2%.

The sales are up on account of increased demand for the company's products in all the market segments.

C. DIVIDEND

Your directors do not recommend dividend for the year ended 31st March 2011 with a view to conserve resources.

D. FUTURE PROSPECTS

The company has commissioned its plant at Tarapur at Unit Alpha during the year. Production has commenced and we anticipate this plant to work at full capacity from Q2 of the current year. Major expansion and reconstruction has also been undertaken at our site at Navi Mumbai. This plant is expected to commence production in Q3 2011.

The company has also enlarged its product profile and intends to introduce two Active Pharmaceutical Ingredients (APIs) in the current year.

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 judgements 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, 2011, 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. Suman S. Lad 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 re-appointment.

Mr. Rahul Nachane is reappointed as Managing Director with effect from 1st June 2011 for a period of three years. The resolution for the appointment of the Managing Director is placed before you in the Annual General Meeting. The Directors recommend his re-appointment.

J. AUDITORS

M/s. Bharat Gandhi & Co, Chartered Accountants, the Auditors of the Company, retire at the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment. You are requested to appoint Auditors for the current financial year and to fix their remuneration.



K. COST AUDITOR

The Company had received order from Central Government dated December 16, 2010 requiring the Company to appoint Cost Auditor for the Financial Year 2010 – 11 and every financial year thereafter.

Accordingly the Company has appointed M/s Krishna S & Associates, Cost Accountant for the financial year ending March 31, 2011,

The Report of the Cost Auditor is awaited.

L. SUBSIDIARY COMPANIES

The company does not have any subsidiary companies.

M. CORPORATE GOVERNANCE REPORT

Corporate Governance Report prepared by HS Associates, Company Secretaries, is annexed hereto.

N. COMPLIANCE CERTIFICATE

The Company has obtained Compliance Certificate pursuant to provisions of Section 383A of Companies Act, 1956 from M/s HS Associates, Company Secretaries and is annexed hereto.

O. COMMITTEES OF THE BOARD

Pursuant to provisions of section 292 (A) of Companies Act, 1956 and clause 49 of listing agreement, the Board has formed Audit Committee, Remuneration Committee and Shareholders/Investors Grievance Committee in compliance with listing agreement.

P. ACKNOWLEDGEMENTS

Your Directors take this opportunity to express their gratitude for the continued co-operation extended by the employees and stakeholders of the company.

For and on behalf of the Board of Directors

Rahul Nachane
Chairman & Managing Director

Mumbai, May 21, 2011.

ANNEXURE A TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2011 .

Information pursuant to the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules 1988.

Conservation of Energy

Following activities were taken to conserve Energy

- Energy audits to identify key areas for improvement in energy efficiency of processes adopted and eliminating wastage.
- Implementation of the energy conservation methods and improving input-output ratios.
- Replaced fossil fuel (furnace oil) boiler with renewable energy source (agro waste) boiler at one site in Tarapur.

Form A for disclosure of particulars with respect to Conservation of Energy:

	2010-2011	2009-2010
A. Power & Fuel Consumption		
1. Electricity		
(a) Purchases		
Units	17,71,063	15,70,173
Amount (Rs.)	98,97,638	81,34,525
Rate per unit (Rs.)	5.59	5.18
(b) Own Generated		
Units	1,25,163	95,901
Amount (Rs.)	16,83,092	13,05,780
Rate per unit (Rs.)	13.45	13.62
2. Coal		
	Nil	Nil
3. Furnace Oil		
Quantity (litres)	3,43,582	3,85,365
Amount (Rs.)	84,89,569	86,26,611
Rate per unit (Rs.)	24.71	22.39
4. Others (Light Diesel Oil)		
Quantity (litres)	3,665	17,535
Amount (Rs.)	1,51,203	5,67,107
Rate per unit (Rs.)	41.26	32.34
B. Consumption per unit of production		
Pharmaceuticals	*	*

* Cannot be ascertained due to varied nature of output.

Form B for disclosure of particulars with respect to Technology Absorption:

Research and Development (R&D):

The company carries out research & development activities at its own laboratory. The benefits from research & development cannot be quantified and hence are not disclosed.

Expenditure on R&D for the year ended 31st March 2011.

(a) Capital	Rs. 45.65 lakhs
(b) Recurring	Rs. 45.31 lakhs
(c) Total	Rs. 90.96 lakhs
(d) As percentage of turnover	2.60%

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.

Foreign Exchange Earnings and Outgo

Total Foreign Exchange Earned	Rs. 27,47,93,357
Total Foreign Exchange Used	Rs. 2,79,63,574



ANNEXURE B TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2011

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 12th May 2010, 30th July 2010, 30th October 2010 and 28th January 2011. 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	--
R. N. Lawande	ED	4	Yes	1	--
R. N. Bhalerao	NED	3	Yes	--	--
M. V. Shinde	NED	4	Yes	--	--
S. S. Lad	NED	4	Yes	2	--

- MD – Managing Director
- ED – Executive Director NED – Non Executive Director

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: Suman S. Lad
 b. Age: 81 years
 c. Qualifications: B. Com, CAIIB
 d. Expertise in functional areas: ex-Banker
 e. Directorships in other Indian public limited companies & other firms as on 31.03.2011: Sanghvi Woods Pvt. Ltd. Kirti Stationers Pvt. Ltd.
 f. Shareholding: Nil

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: Rahul J. Nachane
 b. Age: 46 years
 c. Qualifications: BCom, ACA, MMS, DBF
 d. Expertise in functional areas: Finance & Marketing
 e. Directorships in other Indian public limited companies & other firms as on 31.03.2011: Tele Access e-Services Private Limited
 f. Shareholding: 8,95,793 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 3 Non Executive Independent Directors & 1 Executive Director was 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. R. N. Bhalerao – Member

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	4
R. N. Bhalerao	NED	3
R. N. Lawande	ED	4

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. However as stipulated in Schedule XIII of Companies Act, 1956, the Remuneration Committee should comprise of at least 3 (Three) Non Executive Independent Directors. The Remuneration Committee of the Company comprises of 3 (Three) 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 1 meeting 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	1
M. V. Shinde	NED	1
R. N. Bhalerao	NED	0

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 the managing director and executive director is recommended by the remuneration committee, then approved 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. 30,00,000	Rs. 1,80,000
Mr. Rajesh Lawande	ED	Rs. 31,87,500	Rs. 1,80,000

Mr. Rahul Nachane is appointed as Managing Director with effect from 1st June 2006 for a period of 5 years, Mr. Rajesh Lawande has been re-appointed as Executive Director with effect from 1st June 2010 for a period of 5 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	8,000	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 & 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 – 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	4
R. N. Lawande	ED	4

The company received 6 complaints from the shareholders during the year, out of which none remained pending at the end of the year. Further, during the year ended on 31st March 2011 the company approved transfer of 1,800 and transmission of 700 Equity shares of Rs.5/-.

4 General Body Meetings:

Financial Year	Date	Time	Venue	Special Resolution(s)
2007-08 AGM	August 22, 2008	11.00 am	Regd. Office	1. Appointment of Mr. A. G. Lawande as Executive Director
2008-09 AGM	August 28, 2009	11.00 am	Regd. Office	1. Re-appointment of Mr. Rajesh Lawande as Executive Director 2. Appointment of Mr. Arun Lawande as Consultant to the company
2009-10 AGM	August 20, 2010	11.00 am	Regd. Office	NIL

No special resolutions were put through postal ballot as all the above special resolutions were voted unanimously by show of hands.

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. The results are also published in Free Press Journal & Navshakti. The results are also displayed at the company's website at www.nglfinechem.com. 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 30th Annual General Meeting is proposed to be held on Friday, August 19, 2011 at 11.30 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	Mid 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 11, 2011 to Friday, August 19, 2011 (both days inclusive)

Dividend

The Board of Directors have not proposed any dividend for the year ended 31st March 2011 with a view to conserve resources.

Listing of equity shares on Stock Exchanges

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

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 2010-2011 (BSE)

Month	BSE		
	High	Low	Volume of shares traded (Nos)
April 2010	21.95	18.10	45,079
May 2010	20.25	16.45	33,121
June 2010	19.40	15.85	16,488
July 2010	27.90	17.55	4,56,163
August 2010	24.40	20.70	48,567
September 2010	25.65	19.55	70,968
October 2010	23.20	19.15	74,223
November 2010	26.10	19.15	1,75,959
December 2010	23.70	16.15	39,568
January 2011	22.80	16.90	31,086
February 2011	17.75	13.45	13,755
March 2011	16.20	12.15	24,949

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 31.03.2011, 71.56% of the Company's total shares representing 44,20,908 shares were held in de-materialized form & the balance 28.44% representing 17,57,116 shares in paper form. The details are given below

Type	No. of Shares Held	% Shareholding
<u>De-materialized shares</u>		
With N.S.D.L	29,81,644	48.26
With C.D.S.L	14,39,264	23.30
Total demat shares	44,20,908	71.56
Physical shares	17,57,116	28.44
	61,78,024	100.00

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

Categories of Shareholders as on March 31, 2011

Category	No. of Shares Held	% Shareholding
Bodies Corporate	6,71,388	10.87
Directors & their relatives	41,19,335	66.68
General Public	13,85,170	22.42
NRI/OCB	2,131	0.03
	61,78,024	100.00

Distribution of shareholding as on March 31, 2011

No. of shares	No. of Shareholders	% of Shareholders	Shareholding (Rs.)	% of Shareholding
Up to 5000	3,064	92.46	32,48,130	10.52
5001 – 10000	108	3.26	8,28,580	2.68
10001 – 20000	77	2.32	10,69,015	3.46
20001 – 30000	12	0.36	2,95,475	0.96
30001 – 40000	08	0.24	2,91,250	0.94
40001 – 50000	08	0.24	3,80,570	1.23
50001 – 100000	12	0.36	9,02,990	2.92
100001 & above	25	0.75	2,38,74,110	77.29
	3,314	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, 2011 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;
Director
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 Rajesh Lawande
Managing Director Executive

Date: May 21, 2011.
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, 2011.
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, 2011, 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, 2011.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure & Developments

The Indian pharmaceutical industry is one of the fast growing sectors of the Indian economy and has made rapid strides over the years. From being an import dependent industry in the 1950s, the industry has achieved self-sufficiency and gained global recognition as a producer of low cost high quality bulk drugs and formulations. Leading Indian companies have developed infrastructure in over 60 countries including developed markets like US and Europe. In the recent past, several pharmaceutical companies have demonstrated that they possess the ability to engage in commercially viable research and development activities and become significant players in the international market.

The sector is highly fragmented with more than 20,000 registered units. Price competition is severe and the government has price control regulations in place. Over 70% of the country's demand is met by the Indian Pharmaceutical industry. Manufacturing is of a wide range of products such as active pharmaceutical ingredients (API), pharmaceutical formulations, tablets, capsules, orals and injectables.

Market Trends & Outlook

The Indian pharmaceutical industry is the third largest in the world in terms of volume and stands 14th in terms of value. By 2020 the Indian Pharmaceutical market is expected to reach US\$ 55 billion from US\$ 12.6 billion in 2009.

India tops the world in exporting generic medicines worth USD 11 billion and the market is estimated to grow at a CAGR of around 17 percent upto 2015.

Asia Pacific Pharmaceutical Market

The pharma market world over will experience significant shifts. Asia-Pacific region will emerge as the fastest growing pharmaceutical market over the recent past. The reason for this positive shift can be attributed to the low costs and favorable regulatory environment. This region has experienced important developments regarding contract manufacturing, especially in generics and APIs. An increased R&D activity in the region has helped Asia-Pacific pharmaceutical industry to achieve an estimated market size of around US\$ 187 Billion in 2009. Here, the pharmaceutical industry is expected to grow at a CAGR of around 12.6% during 2010-2012. It can, in fact, become the global API production hub in next few years.

The Indian industry has certain advantages to compete in the global scenario

Competitive Workforce: Educated and English speaking workforce forming a strong backbone of high managerial and technical competence.

Cost-effective chemical synthesis: Good track record for development and improved cost-beneficial chemical synthesis for various drug molecules.

Legal & financial framework: Solid legal framework and strong financial markets.

Consolidation: The global pharmaceutical industry is finding great opportunities in India. Consolidation is progressing at a fast pace in India.

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. 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 up-gradation 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. Improved technologies and greater productivity has increased our competitiveness. 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 26% over the previous year to Rs 3504.10 lakhs. Profit has decreased to Rs 241.55 lakhs which is an decrease of

10.7% over the previous year. Future performance drivers are improved productivity 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/CIN No. of the Company: L24110MH1981PLCO25884.

Nominal Capital: Rs. 5,00,00,000/-
Issued Capital: Rs 3,08,90,120/-

To,
THE MEMBERS,
NGL FINE CHEM LIMITED
Regd. Office:W142(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, 2011** ("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.
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 **12th May 2010, 30th July 2010, 30th October 2010 and 28th January 2011** 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 12, 2010 to Friday, August, 20, 2010** (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, 2010** was held on **Friday, 20th August 2010** 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 not advanced any loans to its Directors and/or persons or firms or companies referred to under Section 295 of the Act.

9. The Company has duly complied with the provisions of Section 297 of the Act in respect of Contracts specified in that section.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
11. As per the information provided to us there were no transactions attracting the provisions of Section 314 of the Companies act, 1956.
12. The Company has not issued any duplicate certificates during the Financial Year.
13. The Company has:
 - (i) The Company approved transfer of 1,800 and transmission of 700 Equity shares of Rs.5/- during the year 2010-2011. 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. 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 the Managing Director during the financial year under review, subject to the approval of the Shareholders in Annual General Meeting.
16. The Company has not appointed any sole-selling agents during the financial year.
17. No approvals 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 Institution, Banks but not from Directors, Members and others during the financial year ending on 31st March 2011. The said borrowing 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 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 are 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 of Provident Fund with prescribed authorities pursuant to section 418 of the Act.

Sd/-
Name of Company Secretary: Hemant Shetye
Partner: HS Associates
C.P. No.: 1483.

Place: MUMBAI.
Date: May 21, 2011

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 of Board of Directors.

ANNEXURE "B": FORMS AND RETURNS AS FILED BY THE COMPANY WITH THE REGISTRAR OF COMPANIES, REGIONAL DIRECTOR, COMPANY LAW BOARD DURING THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2011.

Sr No	Forms	Sections	Date of filing	Particulars
1.	23AA	209(1)	13/05/2010	Notice of address at which books of A/C are maintained
2.	23	192	17/05/2010	Registration of Resolution
3.	8	125	21/06/2010	Creation of charge
4.	25C	269(2) and Schedule XIII	22/06/2010	Return of appointment of Whole-time Director
5.	23AC & 23ACA	220	17/09/2010	Submission of Balance sheet & Profit & Loss A/C
6.	66	383A	17/09/2010	Submission of Compliance Certificate
7.	20B	159	18/10/2010	Annual Return
8.	23C	233B(2)	11/02/2011	Appointment of Cost Auditor
9.	FORM		17/02/2011	Application for grant of immunity certificate under CLSS 2010

Place: MUMBAI.
Date: May 21, 2011

Sd-
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, 2011 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 mis-statement. 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, 2011, and taken on record by the Board of Directors, we report that, none of the directors is disqualified as on 31st March 2011 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 2011 and
 - (ii) in the case of the Profit and Loss Account, of the profit for the year ended 31st March 2011 and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on 31st March 2011.

For BHARAT GANDHI & CO,
Chartered Accountants

Sd/-

Bharat Gandhi
Mumbai, May 21, 2011

Proprietor
Membership No: 34959
FRN No.:101214W

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 2011

- (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) The company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under section 301 of the Act. Consequently, clauses (iii)(b), (iii)(c), (iii)(d), (iii)(f) and (iii)(g) of paragraph 4 of the order are not applicable.
- (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. said shares and securities have been held by the company in its own name.
- (7) In our opinion, the Company has an internal audit system commensurate with the size of the Company's business. (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.
- (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. (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.
- (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. (17) According to the Cash Flow Statement for the year ended March 31, 2011, 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.
- (b) There are no undisputed arrears of outstanding statutory dues as at March 31, 2011, for a period of more than six months from the date they became payable. (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.
- (10) The company has no accumulated losses as at March 31, 2011 and has not incurred cash losses during the financial years ended March 31, 2011 & March 31, 2010. (19) The company has not issued any debentures during the year and no such debentures are outstanding as on March 31, 2011.
- (11) The company has not defaulted in repayment of dues to financial institutions and banks. (20) The company has not made any public issue during the year ended March 31, 2011.
- (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. (21) According to information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.
- (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

For BHARAT GANDHI & CO,
Chartered Accountants

Sd/-

Bharat Gandhi.

Mumbai, May 21, 2011

Proprietor
Membership No: 34959
FRN No.:101214W



Balance Sheet as at March 31, 2011

	Schedule	As at 31.03.2011		As at 31.03.2010	
		Rupees	Rupees	Rupees	Rupees
SOURCES OF FUNDS					
1. Shareholders' Funds					
a) Capital	1	30,890,120		30,890,120	
b) Reserves & Surplus	2	129,702,654		105,593,988	
			160,592,774		136,484,108
2. Loan Funds					
a) Secured Loans	3	62,790,265		50,203,763	
b) Unsecured Loans	4	287,175		287,175	
			63,077,440		50,490,938
3. Deferred Tax Liability					
			4,956,225		3,525,217
Total			228,626,439		190,500,263
APPLICATION OF FUNDS					
4. Fixed Assets					
a) Gross Block	5	153,264,286		97,256,533	
b) Less : Depreciation		(43,971,032)		(34,984,660)	
c) Net Block		109,293,254		62,271,873	
d) Capital Work in Progress		5,979,420	115,272,674	12,253,335	74,525,208
5. Investments					
	6		16,298,919		9,750,344
6. Current Assets, Loans and Advances					
a) Inventories	7	47,891,349		41,372,578	
b) Sundry Debtors	8	107,408,106		81,802,495	
c) Cash & Bank Balances	9	8,051,872		10,412,090	
d) Loans & Advances	10	33,606,345		35,774,522	
		196,957,672		169,361,685	
7. Less: Current Liabilities & Provisions					
a) Current Liabilities	11	(79,824,233)		(44,458,237)	
b) Provisions		(20,078,592)		(18,678,737)	
		(99,902,825)		(63,136,974)	
Net Current Assets (6 - 7)			97,054,847		106,224,711
Total			228,626,439		190,500,263

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, 2011

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

Mumbai, May 21, 2011

Profit & Loss Account for the year ended March 31, 2011

	Schedule	Year ended	
		31.03.2011	31.03.2010
		Rupees	Rupees
INCOME			
Gross Sales		374,956,958	298,120,162
Less: Taxes		(24,547,395)	(19,885,391)
		350,409,562	278,234,771
Other Income	12	4,873,684	3,533,956
		355,283,246	281,768,727
EXPENDITURE			
(Increase)/decrease in Stock of WIP/FG	13	(8,602,809)	164,709
Raw Materials consumed/traded		176,388,532	119,068,741
Manufacturing and other Expenses	14	134,030,378	112,624,214
Interest	15	5,620,107	2,790,533
Depreciation & Amortisation		9,361,004	7,762,607
		316,797,212	242,410,804
Profit Before Tax		38,486,035	39,357,923
Less: Provision for Taxation			
Current		(12,900,000)	(13,850,000)
Deferred		(1,431,008)	1,536,603
Net Profit After Tax		24,155,027	27,044,526
Add/(Less): Prior years expenses		(46,360)	91,261
Add: Balance brought forward		82,915,039	55,779,252
Net Profit carried to Balance Sheet		107,023,705	82,915,039

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, 2011

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

Mumbai, May 21, 2011



Schedules 1 to 15 forming part of Balance Sheet as at March 31, 2011 and the Profit and Loss Account for the year ended 2010-11.

	As at 31.03.2011 Rupees	As at 31.03.2010 Rupees		As at 31.03.2011 Rupees	As at 31.03.2010 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					
SCHEDULE 3 - SECURED LOANS			Profit & Loss Account	107,023,705	82,915,039					
Term Loans from Bank	23,778,721	1,918,988		129,702,654	105,593,988					
Working Capital Loans from Bank	39,011,544	48,284,775	SCHEDULE 4 - UNSECURED LOANS							
(Secured by exclusive mortgage & charge on all of the company's assets including moveable & immovable property, hypothecation of inventories and book debts and guaranteed by Rahul Nachane & Rajesh Lawande, Directors)			Capital Subsidy Loan	287,175	287,175					
	62,790,265	50,203,763	From Development Corporation of Konkan Ltd	287,175	287,175					
SCHEDULE 5 - FIXED ASSETS										
ASSETS	GROSS BLOCK			DEPRECIATION		NET BLOCK				
	As at 31.03.2010 Rupees	Additions Rupees	(Deductions) Rupees	As at 31.03.2011 Rupees	As at 31.03.2010 Rupees	For the year Rupees	Additions/ (Deductions) Rupees	As at 31.03.2011 Rupees	As at 31.03.2010 Rupees	
Leasehold Land	1,124,348	-	-	1,124,348	156,081	14,996	-	171,077	953,271	968,267
Factory Building	16,076,047	9,819,987	-	25,896,034	2,754,585	618,523	(6,280)	3,366,828	22,529,206	13,321,462
Plant and Machinery	71,470,634	41,745,343	-	113,215,977	28,520,663	8,031,804	(20,605)	36,531,862	76,684,115	42,949,971
Furniture & Fixtures	3,104,702	868,908	-	3,973,610	969,360	196,200	-	1,165,560	2,808,050	2,135,342
Vehicles	4,575,552	3,921,263	(347,748)	8,149,067	1,678,722	499,481	(347,748)	1,830,455	6,318,612	2,896,830
Technical Knowhow Fees	905,250	-	-	905,250	905,250	-	-	905,250	-	-
TOTAL	97,256,533	56,355,501	(347,748)	153,264,286	34,984,661	9,361,004	(374,633)	43,971,032	109,293,254	62,271,872
Previous Year	99,710,129	9,953,328	(12,406,924)	97,256,533	35,117,653	7,762,607	(7,895,600)	34,984,660	62,271,873	64,592,476
Capital Work in Progress	12,253,335	35,414,387	(42,323,049)	5,979,420	-	-	-	-	5,979,420	12,253,335
		No. of securities		As at	As at					
		As at	As at	31.03.2011	31.03.2010					
		31.03.2011	31.03.2010	Rupees	Rupees					
SCHEDULE 6 - INVESTMENTS										
(a) Trade, Quoted										
Equity Shares										
Tata Consultancy Services Ltd. Equity Shares of Re. 1		584	584	124,100	124,100					
Mutual Fund Units										
HDFC Growth Fund - Growth		15,014	15,014	840,000	840,000					
HDFC Top 200 Fund - Dividend Reinvest		60,461	32,766	2,449,832	1,128,143					
ICICI Prudential Dynamic Plan - Cumulative		26,094	14,470	2,240,000	1,040,000					
J P Morgan India Equity Plan - Growth		93,381	93,381	840,000	840,000					
Kotak K 30 - Growth		11,331	11,331	840,000	840,000					
Reliance Vision Fund - Retail Plan - Growth		4,362	4,362	840,000	840,000					
SBI MF MSFU Contra Fund - Dividend		115,164	54,430	2,581,694	1,136,382					
Birla Sunlife Frontline Equity Fund - Dividend		68,277	9,500	1,503,425	200,000					
HDFC Equity Fund - Growth		11,449	11,449	2,532,419	2,532,419					
Reliance Growth Fund - Dividend		26,476	3,893	1,507,449	209,300					
				16,298,919	9,730,344					
(b) Trade, Unquoted										
The Saraswat Coop Bank Ltd. Equity Shares of Rs 10		-	2,000	-	20,000					
				16,298,919	9,750,344					

Notes: (market values as on 31.03.2011)

1. Quoted: Market value of quoted investments is Rs.1,99,53,194 (previous year Rs. 1,21,64,908)

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



	As at 31.03.2011 Rupees	As at 31.03.2010 Rupees
--	-------------------------------	-------------------------------

SCHEDULE 7 - INVENTORIES

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

Raw Materials	12,505,311	14,860,632
Work In Process	30,610,815	17,185,283
Finished Goods	3,846,575	8,669,298
Consumables	461,684	301,904
Fuel & Oil	209,435	209,954
Packing Materials	257,529	145,507
	<u>47,891,349</u>	<u>41,372,578</u>

SCHEDULE 8 - SUNDRY DEBTORS

(Unsecured, Considered Good)

Due for less than six months	8,264,390	77,762,624
Due for more than six months	99,143,716	4,039,871
	<u>107,408,106</u>	<u>81,802,495</u>

SCHEDULE 9 - CASH AND BANK BALANCES

Cash on hand	340,493	477,135
Balance with Banks (with scheduled banks)		
- In Current Accounts	1,842,099	442,999
- In Fixed Deposit Accounts	5,869,279	9,491,956
	<u>8,051,871</u>	<u>10,412,090</u>

SCHEDULE 10 - LOANS AND ADVANCES

Advances recoverable in cash or in kind or for value to be received		
Unsecured, considered good	33,606,345	35,774,522
	<u>33,606,345</u>	<u>35,774,522</u>

SCHEDULE 11 - CURRENT LIABILITIES & PROVISIONS

Current Liabilities		
Acceptances	2,236,500	3,536,368
Sundry Creditors	77,587,733	40,335,693
Advances received from customers	-	586,176
	<u>79,824,233</u>	<u>44,458,237</u>
Provisions		
Provision for Income Tax	12,902,766	13,852,766
Unclaimed Dividend	82,362	82,362
Other Provisions	7,093,464	4,743,609
	<u>20,078,592</u>	<u>18,678,737</u>

SCHEDULE 12 - OTHER INCOME

Dividend Received	680,254	386,670
Interest Received	713,535	623,072
Duty Drawback Received	2,504,467	1,797,494
Profit on Sale of Fixed Assets	13,334	-
Other Miscellaneous Income	962,094	726,720
	<u>4,873,684</u>	<u>3,533,956</u>

Note: Interest income is stated at gross value. The value of income tax
deducted at source is Rs. 70,778 (Previous year: Rs. 65,382)

	As at 31.03.2011 Rupees	As at 31.03.2010 Rupees
--	-------------------------------	-------------------------------

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

Opening Stock		
(a) Work in Process	17,185,283	18,043,404
(b) Finished Goods	8,669,298	7,975,886
Less: Closing Stock		
(a) Work in Process	(30,610,815)	(17,185,283)
(b) Finished Goods	(3,846,575)	(8,669,298)
	<u>(8,602,809)</u>	<u>164,709</u>

SCHEDULE 14 - MANUFACTURING & OTHER EXPENSES

Salaries, Wages and Bonus	32,534,808	27,328,046
Contribution to Provident & Other Funds	2,200,273	1,642,746
Employees Welfare Expenses	1,561,710	1,070,140
Power and Fuel	23,818,667	19,444,639
Consumable Stores	4,214,998	2,657,789
Packing Materials	2,699,234	2,023,717
Processing Charges	13,554,187	10,928,749
Factory Expenses	3,460,266	2,743,435
Water Charges	926,236	242,895
Repairs to		
Plant & Machinery	13,473,667	13,310,359
Factory Buildings	2,838,231	1,393,188
Other Assets	283,660	1,097,865
Cess Paid	118,381	253,556
Insurance	1,958,773	1,486,700
Laboratory Expenses	4,834,989	4,193,383
Loss by fire	-	3,884,784
Payment to Auditors	600,000	500,000
Postage, Telephone & Telegrams	975,974	852,467
Legal and Professional Fees	1,876,229	1,845,164
Bank Charges and Commission	1,147,747	2,176,958
Rent, Rates and Taxes	2,464,780	245,750
Printing & Stationery	783,424	705,621
Vehicle Expenses	910,682	770,343
Advertisement & Business Promotion	1,215,287	511,459
Travelling Expenses	944,703	215,466
Freight, Coolie & Cartage	8,671,290	7,621,961
Miscellaneous Expenses	5,962,182	3,477,034
	<u>134,030,378</u>	<u>112,624,214</u>

SCHEDULE 15 - INTEREST

Interest on Term Loans	1,362,477	327,398
Interest on Working Capital Borrowings	4,257,630	2,463,135
	<u>5,620,107</u>	<u>2,790,533</u>



SCHEDULE 16

Significant Accounting Policies and Notes forming part of Balance Sheet as at 31st March 2011 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 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.

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.

x) Impairment of Assets

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal external factors. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to the present value by using weighted average cost of capital. A previously recognized impairment loss is increased or reversed depending on changes in circumstances.



B. NOTES ON ACCOUNTS:

1. Contingent Liabilities
 - (i) Estimated amount of contracts remaining to be executed on capital account and not paid for – Rs. 1.13 lakhs (Previous year Rs. 46.87 lakhs)
 - (ii) Letters of credit established for which goods are yet to be received and provided for – Rs. 50.13 lakhs (Previous year – Rs. 29.09 lakhs).
 - (iii) Bank Guarantees outstanding – NIL (Previous year – Rs. NIL 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)	
	<u>2010-2011</u>	<u>2009-2010</u>
Payments to Executive Directors		
Salary	61,87,500	37,50,000
Contribution to Provident Fund & Gratuity Fund	3,60,000	5,87,500
Total	65,47,500	43,37,500
Payments to Non -Executive Directors		
Sitting Fees	22,000	22,000

4. Payment to Auditors

	(Amount in Rupees)	
	<u>2010-2011</u>	<u>2009-2010</u>
Audit Fees	4,50,000	4,00,000
Tax Audit Fees	75,000	50,000
Certification & Other Work	75,000	50,000
Total	6,00,000	5,00,000

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 2011 comprises of tax effect of timing differences on account of:

	<u>2010-2011</u>	<u>2009-2010</u>
Fixed Assets – Excess of Net Block over Written Down Value as per the provisions of the Income Tax Act 1961	(49,56,225)	(35,25,217)
Net Deferred Tax Liability	49,56,225	35,25,217

7. Earnings per share

	<u>2010-2011</u>	<u>2009-2010</u>
Net profit for the period attributable to the equity shareholders (Rs.)	241,55,037	2,70,44,526
Weighted average number of equity shares outstanding (No)	61,78,024	61,78,024
Basic and diluted earnings per share of face value Rs. 5/- each (Rs.)	3.91	4.38

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 or their relatives are interested – NIL

Key management personnel and their relatives with whom company has transacted

<u>Name</u>	<u>Designation</u>	<u>Relatives</u>
Rahul Nachane	Managing Director	--
Rajesh Lawande	Executive Director	N. G. Lawande A. G. Lawande

- (b) Nature of transaction.

	(Rupees in lakhs)	
	<u>Associate companies/ Firms in which Directors are interested</u>	<u>Key managerial personnel & their relatives</u>
1. Sales & service	--	--
2. Interest and other income received / receivable	(--)	(--)
3. Purchases of goods/ payments for other services	--	5.31 (5.95)
4. Finance provided	(--)	(--)
5. Interest paid	(--)	(--)
6. Sale of Fixed Assets	(--)	(--)
7. Outstanding balances as on March 31:		
Debtors	--	--
Loans & Advances	(--)	(--)
Creditors	(--)	(--)
8. Managerial remuneration	--	70.10 (48.10)

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 1994-96 LIC Mortality tables	
Withdrawal rate	1% to 3% depending on age	
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-2011	31-Mar-2010
Total number of employees	114	109
Accrued Gratuity liability	Rs. 27,60,679	Rs. 21,93,718
Present value of past gratuity	Rs. 17,64,328	Rs. 13,71,075
Fund Value	Rs. 21,41,595	Rs. 16,56,373

Short term benefits (Leave encashment)

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 current year's provision is charged under Salaries & Wages amounting to Rs. 21,68,515 (Previous year Rs. 11,77,130).

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

	(Rupees)	
	<u>2010-2011</u>	<u>2009-2010</u>
Salaries, wages, bonus includes compensated absences.	3,25,34,808	2,73,28,046
Contribution for provident fund & gratuity fund		
<input type="checkbox"/> Provident Fund	14,53,486	11,85,807
<input type="checkbox"/> Gratuity Fund	6,27,831	3,66,950
<input type="checkbox"/> ESIC	1,07,634	86,534
<input type="checkbox"/> Other Funds	11,322	3,455

10. The company has not received any information from suppliers or service providers, whether they are covered under the "Micro, Small and Medium Enterprises (Development) Act 2006". Therefore it is not possible to give the information required under the Act.
11. Value added tax (VAT) recoverable has been recorded on the basis of claims submitted or in the process of being submitted, as per rules of the relevant act and which in the opinion of the company are recoverable.
12. Additional information pursuant to provisions of Paragraph 3, 4C and 4D of Part II of Schedule VI to the Companies Act, 1956.

	<u>2010-2011</u>	<u>2009-2010</u>
a) Capacity		
Licensed Capacity	Licence not	Required
Installed Capacity (p.a)	150,000 kgs	105,000 kgs
b) Actual Production		
Pharmaceutical bulk drugs & intermediates	1,48,065 kgs	1,17,537 kgs
Finished Dosages	16,14,670 nos	22,01,400 nos

c) Turnover (quantity includes captive consumption)		
Pharmaceutical bulk drugs & intermediates	1,50,126 kgs (Rs. 3314.30 lakh)	1,18,198 kgs (Rs. 2573.00 lakh)
Finished Dosages	18,14,670 nos (Rs.189.80 lakh)	21,62,300 nos (Rs.209.35 lakh)

d) Stock of Finished Goods		
Pharmaceutical bulk drugs & intermediates		
Opening Stock		
Pharmaceutical bulk drugs	5,618 kgs (Rs. 79,62,896)	6,280 kgs (Rs. 75,33,925)
Finished Dosages	200,000 nos Rs. 7,06,402	160,900 nos Rs. 4,41,961
	<u>2010-2011</u>	<u>2009-2010</u>

Closing Stock		
Pharmaceutical bulk drugs	3,558 kgs (Rs. 38,46,575)	5,618 kgs (Rs. 79,62,896)
Finished Dosages	--	200,000 nos Rs. 7,06,402

e) Value of raw materials consumed	<u>2010-2011</u>		<u>2009-2010</u>	
	<u>Rupees</u>	<u>%</u>	<u>Rupees</u>	<u>%</u>
Indigenous	14,87,14,373	84.3	9,77,98,512	82.1
Imported	2,76,74,159	15.7	2,12,70,229	17.9
	<u>17,63,88,532</u>	<u>100.0</u>	<u>11,90,68,741</u>	<u>100.0</u>

f) Value of stores & spares consumed	<u>2010-2011</u>		<u>2009-2010</u>	
	<u>Rupees</u>	<u>%</u>	<u>Rupees</u>	<u>%</u>
Indigenous	42,14,998	100.0	26,57,789	100.0
Imported	--	--	--	--
	<u>42,14,998</u>	<u>100.0</u>	<u>26,57,789</u>	<u>100.0</u>

g) Value of imports calculated on CIF basis		
Raw Materials	Rs. 2,27,02,530	Rs. 2,27,06,754
Consumable Stores	--	--
Capital Goods	Rs. 31,83,800	Rs. 11,72,372

h) Expenditure in foreign currency		
Professional Fees	Rs. 34,897	--
Others	Rs. 20,42,347	Rs. 5,45,568

i) Earnings in foreign currency		
i. Export FOB value	Rs.26,95,96,632	Rs.19,67,22,322
ii. Others (Insurance & freight)	Rs. 51,96,725	Rs. 45,89,466



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

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

I. Registration Details

Registration No.	25884	State Code	11
Balance Sheet Date	31	03	2011
	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	2,28,626
Total Assets	2,28,626

Sources of Funds

Paid-up Capital	30,890
Reserves & Surplus	1,29,703
Secured Loans	62,790
Unsecured Loans	287
Deferred Tax Liability	4,956

Application of Funds

Net Fixed Assets	1,15,272
Investments	16,299
Net Current Assets	97,055

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

Turnover & Other Receipts	3,55,283
Total Expenditure	3,16,797
Profit before Tax	38,486
Profit after Tax	24,155
Earning per Share in Rs.	3.91
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
M. V. SHINDE
Directors

BHARAT GANDHI
Proprietor
Membership No: 34959
FRN No.:101214W

Mumbai, May 21, 2011

Mumbai, May 21, 2011



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2011
(Pursuant to Clause 32 of the Listing Agreement)

	<u>2010-11</u>	(Rupees in Lakhs) <u>2009-10</u>
Cash Flow from Operating Activities		
Net Profit Before Tax	384.80	393.58
Adjusted for		
Depreciation	93.34	77.63
Interest	56.20	27.91
Prior years provision written back	(0.46)	0.91
Interest Received	(7.13)	(6.23)
Dividends Received	(6.80)	(3.87)
Profit on sale of Fixed Assets	(0.13)	-
Operating Profit Before Working Capital Changes	<u>519.82</u>	<u>489.93</u>
Adjusted for		
Trade & Other Receivables	(234.37)	(321.00)
Inventories	(65.13)	(34.60)
Trade Payables	367.66	153.75
Cash Generated from Operations Activities	<u>587.98</u>	<u>288.08</u>
Interest Paid	(56.20)	(27.91)
Taxes Paid	(143.31)	(123.13)
Proposed Dividend (incl. Dividend Tax)		
Net Cash from Operating Activities (A)	<u>388.47</u>	<u>137.04</u>
Cash Flow From Investing Activities		
Purchase of Fixed Assets	(500.83)	(222.07)
Proceeds from Sale of Fixed Assets	0.13	-
Loss of assets by fire	--	45.11
Investment made (net)	(65.48)	(50.49)
Interest Received	7.13	6.23
Dividends	6.80	3.87
Capital Gains	--	-
Net Cash Used In Investing Activities (B)	<u>(552.25)</u>	<u>(217.35)</u>
Cash Flow From Financing Activities		
Issue of capital	--	
Bank Borrowings	125.87	90.92
Other borrowings	--	-
Deferred Tax Liability	14.31	(15.37)
Net Cash Used in Financing Activities (C)	<u>140.18</u>	<u>75.55</u>
Net Increase in Cash and Cash Equivalents (A + B + C)	(23.60)	(4.76)
Cash and Cash Equivalents at the beginning of the year	104.12	108.88
Cash and Cash Equivalents at the end of the year	80.52	104.12

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, 2011

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

Mumbai, May 21, 2011

NGL FINE-CHEM LIMITED

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

PROXY FORM

Thirtieth Annual General Meeting – August 19, 2011.

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 _____

of _____ residing at _____ as my/our

proxy to vote for me/us on my/our behalf at the Thirtieth Annual General Meeting of the Company to be held at W142(C) TTC MIDC Indl. Area,

Pawane Village, Thane Belapur Road, Navi Mumbai 400705 on Fri day, August 19, 2011 at 11.30 a.m. and any adjournment thereof.

Signed this _____ day of _____ 2011

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

Thirtieth Annual General Meeting – August 19, 2011.

To be handed over at the entrance of the meeting hall

Name of the attending Member (in Block Letters)	Member's Folio Number/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 Thirtieth Annual General Meeting of the Company at W142(C) TTC MIDC Industrial Area, Pawane Village,
Thane Belapur Road, Navi Mumbai 400705 on Friday, August 19, 2011 at 11.30 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.