

# NGL Fine-Chem Limited

Regd. Office : 301, E - Square, Subhash Road, Vile Parle East, Mumbai 400057, Maharashtra, INDIA  
Tel.: (+91 22) 26636450 Fax : 26108030 Email : info@nglfinechem.com CIN : L24110MH1981PLC025884, Website : www.nglfinechem.com

Date: 24<sup>th</sup> August, 2018

To,  
Department of Corporate Service (DCS-CRD)  
BSE Limited.  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai-400001.

**Sub: Compliance as per Regulation 34 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.**

**Reference: NGL Fine-Chem Limited Scrip Code: 524774.**

Dear Sir,

Please find attached Annual Report 2017-2018 duly approved in the 37<sup>th</sup> Annual General Meeting held on Friday, 24<sup>th</sup> August, 2018.

Kindly take the same on your record and acknowledge the receipt of the same.

Thanking You,

For NGL FINE-CHEM LIMITED.

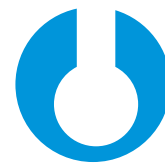


Esha Kulkarni  
Company Secretary and Compliance Officer



**NGL FINE-CHEM LIMITED**

(CIN: L24110MH1981PLC025884)



# **ANNUAL REPORT 2017 - 2018**



**BOARD OF DIRECTORS**

Rahul J. Nachane	Managing Director [00223346]
Rajesh N. Lawande	Executive Director [00327301]
Ajita R. Nachane	Non-Executive Director [00279241]
Jayaram Sitaram	Independent Director [00103676]
Milind V. Shinde	Independent Director [01593560]
Dhananjay Mungale	Independent Director [00007563] [From 28th August, 2017 till 23rd February, 2018]

**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 - 400 011.  
Tel: 23016761 Email: busicomp@vsnl.com

**SECRETARIAL AUDITORS****HS Associates,**

*Company Secretaries*

**SHARES LISTED AT**

BSE Ltd., Mumbai  
(Listing fees paid for 2018-19)  
Scrip Code: 524774

**COMPANY SECRETARY**

Esha Kulkarni

**REGISTERED OFFICE**

301, E Square Subhash Road,  
Vile Parle (East), Mumbai - 400 057,  
Maharashtra, India.  
Tel: (+91 22) 2663 6450  
Email: cs@nglfinechem.com  
Website: www.nglfinechem.com

**STATUTORY AUDITORS****Manek & Associates**

*Chartered Accountants*

**INTERNAL AUDITOR****R. Devarajan & Co**

*Chartered Accountants*

**37<sup>th</sup> ANNUAL GENERAL MEETING**

Date : 24<sup>th</sup> August, 2018

Day : Friday

Time : 11.00 a.m

Place : Hotel Parle International,  
B. N. Agarwal Commercial Complex,  
Vile Parle East, Mumbai - 400 057.

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## NOTICE

**NOTICE** is hereby given that the Thirty-Seventh Annual General Meeting of the Members of NGL Fine-Chem Limited will be held on Friday, 24<sup>th</sup> August, 2018 at 11:00 am at Hotel Parle International, B. N. Agarwal Commercial Complex, Vile Parle East, Mumbai 400057, to transact the following business.

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2018, Statement of Profit & Loss & Cash Flow Statement for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To appoint Mr. Rajesh Lawande, Director (holding DIN 00327301) who retires by rotation & being eligible offers himself for re-appointment as Director.

### **SPECIAL BUSINESS:**

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

3. Special Resolution for re-appointment of Mr. Rajesh Lawande [DIN: 00327301] as the Whole-Time Director of the Company.

“**RESOLVED THAT** pursuant to provisions of Sections 196,197, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 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 be and is hereby accorded for re-appointment of Mr. Rajesh Lawande (holding DIN 00327301) as Whole-Time Director of the Company with effect from June 1, 2018 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. Rajesh Lawande with liberty to the Board of Directors (hereinafter referred to “the Board” which term shall be deemed to include the Remuneration and Nomination 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. Rajesh Lawande shall be entitled to receive such amount as remuneration, perquisites, as may be decided by the Board of Directors from time to time within the limits permissible under the provisions of Sections 196, 197, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, for the performance of his duties as the Whole-time Director of the Company.

**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial year during the aforesaid period, the remuneration payable to the Whole-Time Director by way of salary and perquisites shall not exceed the ceiling laid down in Schedule V of the Companies Act, 2013 as may be decided by Board of Directors, subject to necessary sanctions and approvals.

**RESOLVED FURTHER THAT** anyone Director of the Company be and is hereby severally authorized to sign and file the necessary forms and returns with the Registrar of Companies, Mumbai, and to take such other actions and to do all deeds and things to

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

### Notes:

- 1) The ordinary resolution for ratification of Statutory Auditor is not proposed as pursuant to the Companies (Amendment) Act, 2017, the same is omitted with effect from 7<sup>th</sup> May, 2018.
- 2) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY / PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
- 3) A Person can act as Proxy for only 50 members and holding in aggregate not more than 10 percent of the total share capital of the company carrying voting rights. Member holding more than 10 percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other member.
- 4) Corporate Members intending to send their authorized representatives to attend the AGM are requested to send a duly certified copy of their Board Resolution authorizing their representatives to attend and vote at the AGM.
- 5) The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith.
- 6) Members/Proxies should bring the Attendance Slip duly filled in for attending the Meeting and also their copy of the Annual Report.
- 7) The Register of Members and Share Transfer Register in respect of equity shares of the Company will remain closed from Friday, 17<sup>th</sup> August, 2018 to Friday, 24<sup>th</sup> August, 2018 (both days inclusive).
- 8) 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.
- 9) 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.
- 10) 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.
- 11) 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.
- 12) 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.
- 13) Electronic copy of the Notice of the 37<sup>th</sup> Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes



unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 37<sup>th</sup> Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.

- 14) Members may also note that the Notice of the 37<sup>th</sup> Annual General Meeting and the Annual Report for 2017-18 will also be available on the Company's website [www.nglfinechem.com](http://www.nglfinechem.com) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Mumbai for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: [cs@nglfinechem.com](mailto:cs@nglfinechem.com).
- 15) Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form are advised to file nomination in the prescribed Form SH-13 with the Company's share transfer agent. In respect of shares held in electronic/ demat form, the members may please contact their respective depository participant.
- 16) Members are requested to send all communications relating to shares, unclaimed dividend, change of address etc. to the Registrar and Share Transfer Agents at the following address:

**Purva 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](mailto:busicomp@vsnl.com)

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

- 17) Voting through electronic means:

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 37<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services Limited (CDSL):

A member can opt for only one mode of voting i.e. either in person or through proxy at the meeting or through e-voting or by ballot. If a member casts vote by all the three modes, then voting done through e-voting shall prevail and voting through other means shall be treated as invalid.

The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.

**In case of members receiving e-mail:**

- (i) The voting period begins on Tuesday, 21<sup>st</sup> August, 2018 at 9.00 a.m and ends on Friday, 23<sup>rd</sup> August, 2018 at 5.00 p.m.. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Friday, 17<sup>th</sup> August, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) Open e-mail
- (iii) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period.
- (iv) Click on "Shareholders" tab.
- (v) Now Enter your User ID:
- a) For CDSL: 16 digits beneficiary ID;
- b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID;
- c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification Code / Captcha Code as displayed and Click on Login.
- (vii) If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and had cast your vote earlier for EVSN of any company/entity, then your existing password is to be used.
- (viii) If you are a first-time user follow the steps given below.

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

**PAN\***

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

- Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN Field.
- In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. e.g. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN Field.

**DOB#**

Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.

**Dividend Bank Details#**

Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.

- Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v)
- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then reach directly the EVSN selection screen.
- (xi) However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended



not to share your password with any other person and take utmost care to keep your password confidential.

- (xii) For Members holding shares in physical form, the details can be used only for e-voting on the resolution contained in this Notice.
- (xiii) Click on the **180607003** EVSN number of NGL Fine-Chem Limited on which you choose to vote.
- (xiv) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option "YES" or "NO" as desired. The option "YES" implies that you assent to the Resolution and option "NO" implies that you dissent to the Resolution.
- (xv) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- (xvi) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xviii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xix) If Demat account holder has forgotten the changed password then enter the User ID and image verification code/Captcha Code and click on Forgot Password & enter the details as prompted by the system.
- (xx) For Institutional Shareholders:
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (i) Please follow all steps from sl.no. (i) to sl.no. (xxi) above, to cast vote

**Other Instructions:**

- (A) If you are already registered with CDSL for e-voting then you can use your existing user ID and password/PIN for casting your vote.
- (B) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (D) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of [www.evoting.CDSL.com](http://www.evoting.CDSL.com)
- (E) The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date (record date) of Friday, 17<sup>th</sup> August 2018.
- (F) Mr. Hemant Shetye, Partner of M/s HS Associates, Practicing Company Secretaries (Membership No. FCS 2827) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (G) The Scrutinizer shall within a period not exceeding two days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company
- (H) The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.nglfinechem.com](http://www.nglfinechem.com) and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to BSE Limited.
- (I) Members who do not have access to e-voting facility may send duly completed Ballot Form (enclosed with the Annual Report) so as to reach the Scrutinizer appointed by the Board of Directors of the Company, Mr. Hemant Shetye, Partner of HS Associates, Practicing Company Secretaries, at the Registered office of the Company not later than 23<sup>rd</sup> August, 2018 (5.00 pm IST)
- (J) Ballot Form received after this date will be treated invalid.
- (K) A member can opt only for one mode of voting i.e either through e-voting or by Ballot. If a Member casts vote by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.
- 18) All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days, up to and including the date of the Annual General Meeting of the Company.

The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in Corporate Governance" (Circular No. 17/2011 dated 21.04.2011 and Circular No. 18/2011 dated 29.04.2011) allowing companies to dispatch documents to the shareholders through electronic mode. Considering the above theme, your company had decided to send Annual Report through electronic mode.

By Order of the Board

Registered Office  
301, E Square Subhash Road,  
Vile Parle (East), Mumbai - 400 057.

Place: Mumbai  
Date: May 18, 2018.

sd/-

Esha Kulkarni  
Company Secretary



## **ANNEXURE TO THE NOTICE**

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

#### **Item No. 3:**

Mr. Rajesh Lawande (DIN 00327301) the Whole-Time Director of the company whose term expires on 31<sup>st</sup> May, 2018 is to be re-appointed as Whole-Time Director with effect from 1st June 2018 for a period of three years.

The Board at their meeting held on 18<sup>th</sup> May, 2018 based on recommendation of Nomination & Remuneration Committee approved re-appointment of Mr. Rajesh Lawande as Whole-Time Director of the Company for a period of three (3) years commencing from June 1, 2018 to May 31, 2021. The Board approved terms and condition of appointment including remuneration as approved by Nomination & Remuneration Committee in accordance with the provisions of section 196, 197, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof for the time being in force subject to approval of the Shareholders at the ensuing Annual General Meeting.

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

##### **TERMS & CONDITIONS:**

##### **I) General Information**

- a. Nature of industry : The company manufactures active pharmaceutical ingredients and finished formulations.
- b. Date of commencement of commercial production : The company has already commenced commercial production in 1983
- c. Financial performance : PBT for past 3 years is as follows  
2017-18 Rs. 1780.27 lakhs [IND-AS]  
2016-17 Rs. 2281.40 lakhs [IND-AS]  
2015-16 Rs. 1786.81 lakhs
- d. Foreign investments or collaboration : Nil

##### **II) Information about appointee**

1. Background details : Rajesh Lawande is M.Sc (Chemistry) from IIT Mumbai and PGDM from IIM Lucknow. He has over 17 years of experience in the pharmaceutical sector.
2. Past remuneration : Rs. 1,29,46,600/- for the financial year March'2018
3. Recognition and awards : Nil
4. Job profile and suitability : He has the educational background, training and experience suitable for the job.

5. Remuneration proposed : Rs. 7,00,000 per month plus 2.5% of profits with power to Board to vary from time to time within the limits of Schedule V of the Companies Act. As per the circular dated 12<sup>th</sup> September, 2016, the limits as specified in Schedule V shall be doubled if special resolution is passed in general meeting. Hence, the limit of yearly remuneration shall be 168 lakhs.
6. Comparative remunerative profile in the industry : The salary proposed is comparable in the industry.
7. Pecuniary relationship with the company : Rajesh Lawande is the promoter director of the company and holds 11,43,811 equity shares which are 18.51% of the total paid up equity shares.

##### **III) Other information**

1. Reasons for inadequacy of profits : The profits as calculated under the managerial remuneration to directors under the Companies Act 2013 are inadequate for payment of remuneration.
2. Steps to be taken for improving : The company's operations are growing at over 10% each year. The profits in future will be adequate to cover the remuneration.
3. Expected increase in profits and productivity : Over the past two years, the company's profit before tax have increased from Rs. 1780.28 lakhs in 2015-16 to Rs. 2281.40 Lakhs in 2016-17. [Figures as per IND-AS]

##### **IV) Perquisites:**

Mr. Rajesh Lawande as a Whole-Time Director will be entitled for following perquisites, which shall not be part of the ceiling of remuneration.

- a) Provident Fund: Contribution to Provident Fund, Super annuation 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. 12,000/- 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.
- V). Salary and perquisites specified herein shall be payable to the Whole-Time Director notwithstanding the inadequacy or no profits in any financial year during the currency of tenure of his office as such.
- VI). The Whole-Time Director shall not be paid any sitting fee for attending the meetings of the Board of Directors or committee thereof.
- VII). The Whole-Time 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.
- VIII). The terms and conditions of the said re-appointment may be altered and/or 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 V of the Companies Act, 2013, or any amendment hereafter in that regard.

Mr. Rajesh Lawande satisfies all the conditions as set out in part I of Schedule V as also under Section 196 of the Companies Act, 2013 for being eligible to be appointed as a Whole-Time Director of the Company. He is not disqualified for being appointed as Director in terms of Section 164 of the Companies Act, 2013.

The Board of Directors are of the opinion that the re-appointment of Mr. Rajesh Lawande, Whole-Time Director, is in the best interest of the Company and accordingly, recommend the resolution as set in Item No. 3 for approval of the members.

Other than Mr. Rajesh Lawande, being appointee, Mrs. Ajita Nachane and Mr. Rahul Nachane his relatives, none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 3.

By Order of the Board

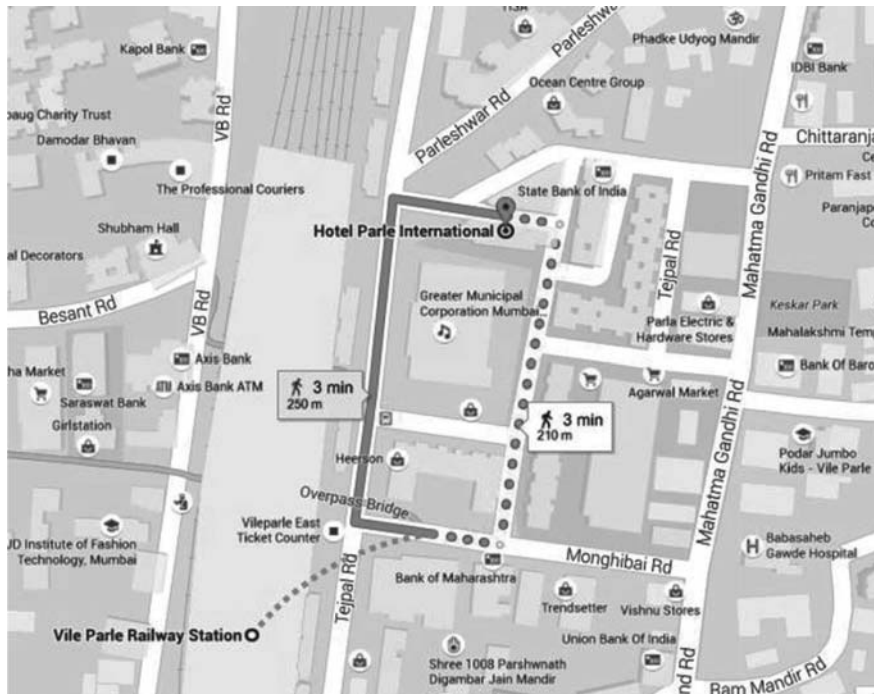
Registered Office  
301, E Square Subhash Road,  
Vile Parle (East), Mumbai - 400 057.

sd/-

Place: Mumbai  
Date: May 18, 2018.

Esha Kulkarni  
Company Secretary

#### ROUTE MAP OF ANNUAL GENERAL MEETING



**Landmark:** Vile Parle Station (East)

**Distance from Vile Parle Railway Station:** 250 meters





## DIRECTORS' REPORT TO THE MEMBERS

Your Directors have pleasure in presenting the Thirty-Seventh Annual Report with the Audited Balance Sheet as on 31<sup>st</sup> March, 2018 together with the Statement of Profit & Loss, Cash Flow Statement and the notes and schedules thereon for the year ended 31<sup>st</sup> March 2018.

### 1. OPERATING RESULTS

The operating results of the Company for the year ended 31<sup>st</sup> March 2018 are as follows:

	(In Lakhs)	
	Year ended on 31.03.2018 Rupees	Year ended on 31.03.2017 Rupees
Revenue from Operations	11,567.81	10,647.53
Profit before tax from continuing operations	1780.28	2281.40
Tax Expenses (Including Deferred Tax)	520.98	792.83
Profit after Tax	1259.29	1488.56
Other Comprehensive income/(loss) (net of tax)	3.90	(7.67)
Total Comprehensive income for the year	1263.19	1480.88

\*Figures for year ended 31<sup>st</sup> March, 2017 are as per IND-AS

### 2. TRANSFER TO RESERVES

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

### 3. THE STATE OF THE COMPANY'S AFFAIRS

During the year under review your company achieved a sale of Rs. 11,567.81 lakhs (previous year Rs. 10,647.53 lakhs) resulting in an increase of 8.64% over the previous year. The profit before tax is at Rs. 1780.28 lakhs (previous year Rs. 2281.40 lakhs) resulting in a decrease of 21.96%

### 4. DIVIDEND

In order to conserve resources, your directors do not recommend dividend for the year ended 31<sup>st</sup> March 2018.

### 5. FUTURE PROSPECTS

The company's expansion project in Tarapur has been completed and trial runs have been undertaken successfully. Capacity ramp up are expected in Q2 of the current financial year. We expect to have double digit growth in sales from the new capacity roll out.

### 6. THE CHANGE IN THE NATURE OF BUSINESS, IF ANY;

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

### 7. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND.

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

### 8. CONSERVATION OF ENERGY-TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE ETC.

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

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

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed also discussed at the meetings of the Audit Committee and the Board of Directors of the Company. The Company has voluntarily constituted Risk Management Committee and risk management policy is available on the website of the company: [www.nglfinechem.com](http://www.nglfinechem.com)

### 10. INTERNAL CONTROL SYSTEM

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

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

The Company has constituted a Corporate Social Responsibility (CSR) Committee in accordance with Section 135 of the Companies Act, 2013 read with Companies Corporate Social Responsibility (Policy) Rules, 2014. The Committee consists of following Directors:

- Mr. Milind Shinde Chairman
- Mr. Rajesh Lawande Member
- Mrs. Ajita Nachane Member

As per provision of Section 135 of the Companies Act, 2013 read with Rule 8 of Companies Corporate Social Responsibility (Policy) Rules, 2014, the Board has approved CSR Policy and the Company has spent towards CSR activities, details provided in attached Annexure B to Director's Report.

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

The particulars of investment made under Section 186 of the Companies Act, 2013 has been disclosed in the financial statements in note 8 of the Balance Sheet.

The Company has not given any loans or given any guarantees.



### 13. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

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

All Related Party Transactions are presented to the Audit Committee and the Board. Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature. A statement of all related party transactions is presented before the Audit Committee on a quarterly basis, specifying the nature, value and terms and conditions of the transactions.

The Related Party Transactions Policy as approved by the Board is uploaded on the Company's website at [www.nglfinechem.com](http://www.nglfinechem.com)

### 14. POLICY ON SEXUAL HARASSMENT OF WOMEN AT WORKPLACE:

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

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

The Auditors' Report does not contain any qualifications, reservations or adverse remarks. Report of the Secretarial Auditor is given as an annexure which forms part of this report.

### 16. ANNUAL RETURN

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

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

During the financial year, the Board had met four times on 5<sup>th</sup> May, 2017, 28<sup>th</sup> August, 2017, 7<sup>th</sup> December, 2017 and 30<sup>th</sup> January, 2018.

### 18. DIRECTORS RESPONSIBILITY STATEMENT

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

- That in the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure.
- That the selected accounting policies were applied consistently and the directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2018, and that of the profit of the Company for the year ended on that date.
- That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- That the annual accounts have been prepared on a going concern basis.
- The Board has laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively. -
- The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### 19. DEPOSITS

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

### 20. PARTICULARS OF EMPLOYEES AND REMUNERATION

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

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

The Nomination and Remuneration Committee of the Company has affirmed at its meeting held on 5<sup>th</sup> May, 2017 that the remuneration is as per the remuneration policy of the Company. The policy is available on the company's website: [www.nglfinechem.com](http://www.nglfinechem.com)

### 21. DIRECTORS

During the year, Mr. Dhananjay Mungale (DIN: 00007563) was appointed as an Independent Director on 28<sup>th</sup> August, 2017, however, he resigned w.e.f 23<sup>rd</sup> February, 2018 due to his prior commitments.



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

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

The Nomination & Remuneration Committee of Directors have approved a Policy for Selection, Appointment and Remuneration of Directors which inter-alia requires that composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors, KMP and senior management employees and the Directors appointed shall be of high integrity with relevant expertise and experience so as to have diverse Board and the Policy also lays down the positive attributes/criteria while recommending the candidature for the appointment as Director.

## **23. DECLARATION OF INDEPENDENT DIRECTORS**

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

## **24. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS**

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

## **25. RATING**

The company has been rated by Crisil Ltd for SME and bank rating. The SME rating has been awarded "SME 1" u indicating Highest level of credit worthiness adjudged in relation to other SMEs. The long-term rating is Crisil BBB/Stable and short term rating is Crisil A3+. The company has also been rated by ICRA Ltd for bank borrowing and has been awarded BBB/Positive and short term rating is A3+ reaffirmed.

## **26. STATUTORY AUDITORS**

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

The company has not proposed an Ordinary Resolution for ratification of Statutory Auditor for the Financial Year 2018-2019 because, pursuant to the Companies (Amendment) Act, 2017, the same is omitted w.e.f 7<sup>th</sup> May, 2018.

## **27. INTERNAL AUDITORS**

The company has appointed M/s R Devarajan & Co, Chartered Accountants, Mumbai, (ICAI firm registration number 102415W) as Internal Auditors for financial year 2018-19.

## **28. SECRETARIAL AUDITORS**

The Company has appointed M/s HS Associates, Company Secretaries, as Secretarial Auditors of the Company to carry out the Secretarial Audit for the Financial Year 2018-19 and to issue Secretarial Audit Report as per the prescribed format under rules in terms of Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

## **29. COST AUDITORS**

During the financial year 2018-2019, cost audit is not applicable to the Company as the export turnover or the previous financial year is more than 75% of the total turnover. Hence the company has not appointed Cost Auditors.

## **30. MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

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

## **31. CORPORATE GOVERNANCE**

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

## **32. SUBSIDIARY JOINT VENTURES AND ASSOCIATE COMPANIES**

The company does not have any subsidiary, joint venture or associate company and therefore provision with respect to Section 129 of the Companies Act, 2013 are not applicable to the Company.

## **33. REPORT ON CORPORATE GOVERNANCE**

Corporate Governance Report prepared by HS Associates, Company Secretaries, is annexed hereto as Annexure G to this report.

## **34. DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM**

The Audit Committee consists of the following members



- Mr. Milind Shinde – Chairman
- Mr. Jayaram Sitaram – Member
- Mr. Rajesh N. Lawande – Member
- Mr. Dhananjay Mungale- Member [ From 28<sup>th</sup> August, 2017 till 23<sup>rd</sup> February, 2018.]

The above composition of the Audit Committee consists of Independent Directors, viz., Mr. Jayaram Sitaram and Mr. Milind Shinde, Mr. Dhananjay Mungale[From 28<sup>th</sup> August, 2017 till 23<sup>rd</sup> February, 2018] who form the majority.

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

#### 35. ANNUAL EVALUATION BY THE BOARD

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

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

There have being no material changes and commitments affecting the financial position of the Company occurred during the financial year.

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

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

#### 38. COMMITTEES OF THE BOARD

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

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

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

#### 39. 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.

#### 40. POLICIES

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

#### 41. ENHANCING SHAREHOLDER VALUE

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

#### 42. CAUTIONARY STATEMENT

Statements in the Board's Report and the Management Discussion & Analysis describing the Company's objectives, expectations or forecasts may be forward looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operation include global and domestic demand and supply conditions affecting selling prices of Raw Materials, Finished Goods, input availability and prices, changes in government regulations, tax laws, economic developments within and outside the country and various other factors.

#### 43. ACKNOWLEDGEMENTS

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

For and on behalf of the Board of Directors

Sd/-  
**Milind Shinde**  
Chairman

Mumbai, 18<sup>th</sup> May, 2018



## ANNEXURE A TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2018.

Information pursuant to the Companies (Accounts) Rules, 2014.

### A. CONSERVATION OF ENERGY

#### I. Steps taken or impact on conservation of energy

Following activities were taken to conserve Energy

1. Energy audits to identify key areas for improvement in energy efficiency of processes adopted and eliminating wastage.
2. Implementation of the energy conservation methods and improving input-output ratios.
3. Modernizing recovery systems to obtain higher recoveries with shorter cycle times.

#### II. Capital investment on energy conservation

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

### B. TECHNOLOGY ABSORPTION:

#### 1. Research & Development

##### I Efforts made towards technology absorption;

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

improvements and new product development. This also enables us to support our customers in their pharmaceutical research and development activities.

#### III Expenditure on R&D activity

	(Rupees in lakhs)	
	2018-19	2017-18
Capital	-	24.81
Revenue	78.52	93.44
Total	78.52	118.25
As percentage of turnover	0.66%	1.18%

The company has not acquired any technology during the year.

#### 2. Technology Absorption, Adaptation and Innovation

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

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

Total Foreign Exchange Earned	Rs. 8696.78 lakhs
Total Foreign Exchange Used	Rs. 986.35 lakhs

## ANNEXURE B TO THE DIRECTORS' REPORT

### CORPORATE SOCIAL RESPONSIBILITY POLICY

#### Introduction

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

#### ANNEXURE TO CSR POLICY

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.
  - Promoting Education, including special education and employment enhancing vocation skills especially among children and livelihood enhancement projects.
  - Empowerment of rural women by strengthening their financial capabilities
  - Promoting sanitation care by construction of toilets and awareness programs
  - Provide healthcare by organizing free medical camps, mobile clinics with doctors, free ambulance services, awareness programs and blood donation camps.
  - Sustainable livelihood by skill development and vocational training, vermi-composting, etc.

- Reduction in pollution and recycling of waste
- Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women
- Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups
- Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government

The CSR Policy is placed on the Company's website and the web link for the same is [www.nglfinechem.com](http://www.nglfinechem.com)

#### 2. The Composition of the CSR Committee.

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

- Mr. Milind Shinde - Chairman
- Mr. Rajesh Lawande - Member
- Mrs. Ajita Nachane - Member



3. Average net profit after tax of the company for previous three financial years.

Particulars	Amount in Rs.
2014-2015	8,33,00,726
2015-2016	11,39,82,536
2016-2017	14,68,43,919
Total	34,41,27,181
Average Profit for previous 3 years	11,47,09,060

4. Prescribed CSR Expenditure (two percent, of the amount as in item 3 above) : Rs. 22,94,181/-

5. Details of CSR spent during the financial year. Rs 8,69,926/-

6. Total amount to be spent for the financial year; Rs.22,94,181/-

7. Amount unspent if any: Rs.14,24,255/-. The Company scrutinizes various projects for which the money can be spent. Based on this scrutiny, the Company shall submit the relevant report in the ensuing year. The Company could not spend the money before finalizing this report as the company could not identify suitable projects.

8. Manner in which the amount spent during the financial year is detailed below :-

Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs 1) Local area or other 2) Specify the state and district where the programs and or projects are undertaken	Amount outlay (budget) project or program wise	Amount spent on the project or programs Sub heads: 1) Direct Expenditure 2) Overheads	Cumulative expenditure upto the reporting end	Amount spent: Direct or through Implementing agency
1)	Ekalavya Bal Shikshan & Arogya Nyasa	Promoting Health Care	Maharashtra	Rs. 60,000	Rs.60,000	Rs.60,000	Direct by the Company
2)	Dr M D Rana & Mrs K M Rana Charitable Trust	Promoting Health care (Charitable Hospital providing free eye care)	Maharashtra	Rs. 35,000	Rs.35,000	Rs.35,000	Direct by the Company
3)	ENT World LLP	Promoting Health care	Maharashtra	Rs.20,000	Rs.20,000	Rs.20,000	Direct by the Company
4)	Livesave Foundation	Promoting Health care	Maharashtra	Rs. 20,000	Rs.20,000	Rs.20,000	Direct by the Company
5)	Pheonix Foundation	Promoting Health care and Education	Maharashtra	Rs. 20,000	Rs.20,000	Rs.20,000	Direct by the Company
6)	Educational Scholarships	Promoting education amongst children of economically backward classes.	Maharashtra	Rs.7,14,926	Rs.7,14,926	Rs.7,14,926	Direct by the Company



## ANNEXURE C TO THE DIRECTORS' REPORT

### FORM NO. AOC - 2

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

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

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

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

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

(a) Name(s) of the related party and nature of relationship	Mr. Rajesh Lawande and Mr. Rahul Nachane (Jointly)	Nupur Remedies Pvt Ltd	Nupur Remedies Pvt Ltd	Nupur Remedies Pvt Ltd
(b) Nature of contracts/ arrangements/transactions	Leasing of property on leave and license basis	Leasing of property	Rendering of Services	Management Consultancy
(c) Duration of the contracts / arrangements/transactions	60 months (1st July, 2015 to 30th June, 2020)	12 Months	12 Months	12 Months
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	Rs. 4,30,000/- per month (Rupees Four Lakhs Thirty Thousand) from April'17- Jun'2017 and Rs.4,62,250/- per month (Rupees Four Lakhs Sixty-Two Thousand Two Hundred and Fifty from July, 2017- March'2018.	Rs. 1,50,000/- Per Month (Rupees One Lakh Fifty Thousand) for the period April'2017 –Dec'2017. Rs. 3,00,000/- per month (Rupees three Lakh) from Jan'2018 till Mar'2018	Rs. 5,50,000/- per month (Rupees Five Lakh Fifty Thousand) for the period April'2017 –Dec'2017.	Rs. 5,50,000/- per month (Rupees Five Lakh Fifty Thousand) or the period Jan'2018 till Mar' 2018
(e) Date(s) of approval by the Board, if any:	20th May, 2016	7th December, 2017	7th December, 2017	7th December, 2017
(f) Amount paid as advances, if any	NIL	NIL	NIL	NIL



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**ANNEXURE D TO THE DIRECTORS' REPORT**

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**FORM NO. MGT - 9**  
**EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED 31ST MARCH 2018**  
[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the  
Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

i	CIN	L24110MH1981PLC025884
ii	Registration Date	18/12/1981
iii	Name of the Company	NGL FINE-CHEM LIMITED
iv	Category/Sub-Category of the Company	Public company
v	Whether listed Company (Yes / No)	Yes
vi	Address of the Registered Office and contact details	301, E Square, Subhash Road, Vile Parle (East), Mumbai - 400 057, Maharashtra, India. Tel : 26636450; Fax – 26108030 Email – cs@nglfinechem.com Website – www.nglfinechem.com
vii	Name, Address and Contact details of Registrar and Transfer Agent, if any	Purva Sharegistry (India) Pvt. Ltd. 9, Shiv Shakti Industrial Estate, Sitaram Mills Compound, J. R. Boricha Marg, Opp. Kasturba Hospital, Lower Parel (East), Mumbai – 400 013.

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sr.No.	Name and Description of Main Product/Services	NIC Code of the Product	% to total turnover of the Company
i	Chemical substances used in the manufacture of pharmaceuticals	21001	13.53%
ii	Allopathic Medicines	21002	86.47%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

Sr.No.	Name and Address of the Company	CIN/GIN	Holding/Subsidiary of the Company	% of shares held	Applicable Section
NOT APPLICABLE					





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

##### (i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (1st April, 2017)				No. of Shares held at the end of the year (31st March, 2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian	--	--	--	--	--	--	--	--	--
a) Individual/ HUF	--	--	--	--	--	--	--	--	--
b) Central Govt.	--	--	--	--	--	--	--	--	--
c) State Govt(s).	--	--	--	--	--	--	--	--	--
d) Bodies Corp.	--	--	--	--	--	--	--	--	--
e) Bank/ FI	--	--	--	--	--	--	--	--	--
f) Any Other	--	--	--	--	--	--	--	--	--
1. Directors	29,40,710	--	29,40,710	47.60	29,40,710	--	29,40,710	47.60	--
2. Directors Relative	11,02,512	--	11,02,512	17.85	11,02,512	--	11,02,512	17.85	--
Sub-Total (A)(1)	40,43,222	--	40,43,222	65.45	40,43,222	--	40,43,222	65.45	--
(2) Foreign	--	--	--	--	--	--	--	--	--
a) NRIs-Individuals	--	--	--	--	--	--	--	--	--
b) Other-Individuals	--	--	--	--	--	--	--	--	--
c) Bodies Corp.	--	--	--	--	--	--	--	--	--
d) Bank/ FI	--	--	--	--	--	--	--	--	--
e) Any Other	--	--	--	--	--	--	--	--	--
Sub-Total (A)(2)	--	--	--	--	--	--	--	--	--
Total shareholding of Promoter (A) (A)(1) + (A)(2)	40,43,222	--	40,43,222	65.45	40,43,222	--	40,43,222	65.45	--
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	--	--	--	--	--	--	--	--	--
b) Bank/ FI	--	--	--	--	--	--	--	--	--
c) Central Govt.	--	--	--	--	--	--	--	--	--
d) State Govt(s).	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) FIs	--	--	--	--	--	--	--	--	--
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Others (specify)	--	--	--	--	--	--	--	--	--
Sub-Total (B)(1)	--	--	--	--	--	--	--	--	--
2. Non- Institutions									
a) Bodies Corp.									
i) Indian	97074	527971	625045	10.12	82744	527771	610515	9.88	-0.24
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
a) Individual shareholders holding nominal share capital upto Rs. 1 lakh	892918	282947	1175865	19.03	904014	273447	1177461	19.06	0.03
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	124708	0	124708	2.02	153973	0	153973	2.49	0.47
c) Others (specify)									
(c-i) NON RESIDENT INDIANS (REPAT & NON-REPAT)	51301	0	51301	0.83	61887	0	61887	1.00	0.17
(c-ii) HUF	71654	0	71654	1.16	90421	0	90421	1.46	0.30
(c-iii) CLEARING MEMBER	74415	0	74415	1.20	40525	0	40525	0.66	-0.54
Total Public shareholding (B) (B)(1) + (B)(2)	1312070	810918	2122988	34.36	1333584	801218	2134802	34.55	0.19
C. Shares held by Custodian for GDRs & ADRs: NIL									
<b>Grand Total (A+B+C)</b>	<b>5367106</b>	<b>810918</b>	<b>61,78,024</b>	<b>100</b>	<b>5376806</b>	<b>801218</b>	<b>61,78,024</b>	<b>100</b>	<b>----</b>



(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 1st April, 2017)			Shareholding at the end of the year (As on 31st March, 2018)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Rahul Jayant Nachane	10,83,450	17.54	—	10,83,450	17.54	—	—
2.	Rajesh Narayan Lawande	11,43,811	18.51	—	11,43,811	18.51	—	—
3.	Sunita Sandeep Potdar	8,92,957	14.45	—	8,92,957	14.45	—	—
4.	Ajita Rahul Nachane	7,13,449	11.55	—	7,13,449	11.55	—	—
5.	Pushpa Narayan Lawande	2,09,555	3.40	—	2,09,555	3.40	—	—
	<b>TOTAL</b>	<b>40,43,222</b>	<b>65.45</b>	<b>—</b>	<b>40,43,222</b>	<b>65.45</b>	<b>—</b>	<b>—</b>

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

Sr. No.		Shareholding at the beginning of the year (1st April, 2017)		Cumulative Shareholding during the year (31st March, 2018)	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	There is no change in the Promoter's Shareholding during the financial year 2017-2018.				

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

Sr. No.	Top 10 Shareholders	Shareholding at the beginning of the year (1st April, 2017)		Shareholding at the end of the year (31st March, 2018)	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	PCI Ferrmone Chemicals (India) Limited	5,18,971	8.40	5,18,971	8.40
2.	India Nivesh Securitites Limited	53,010	0.85	43,506	0.70
3.	Sanjay J Poddar	38,000	0.62	38,000	0.62
4.	Namita Bhandare	37,902	0.61	37,902	0.61
5.	Snehlata Rajesh Nuwal	--	--	24,606	0.40
6.	Radhey Shyam Mittal	24,200	0.39	24,200	0.39
7.	Ganesh Babu Pandurangan	20,000	0.32	20,000	0.32
8.	Shrikrishna Sadanand Lawande	19,428	0.31	19,428	0.31
9.	Paresh Arvindkumar Shah	19,500	0.32	18,000	0.29
10.	Rita Bharat Gandhi	18,000	0.29	18,000	0.29

- Figures are as compared to 31st March, 2018.



(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year (1st April, 2017)		Shareholding at the end of the year (31st March, 2018)	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	Rahul Jayant Nachane	10,83,450	17.54	10,83,450	17.54
2.	Rajesh Narayan Lawande	11,43,811	18.51	11,43,811	18.51
3.	Ajita Rahul Nachane	7,13,449	11.55	7,13,449	11.55
3.	Jayram Sitaram	NIL	NIL	NIL	NIL
5.	Milind Vasant Shinde	NIL	NIL	NIL	NIL

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	20,36,52,967	2,87,175	—	20,39,40,142
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
<b>Total (i+ii+iii)</b>	<b>20,36,52,967</b>	<b>2,87,175</b>	<b>—</b>	<b>20,39,40,142</b>
Change in Indebtedness during the financial year				
• Addition	6,13,65,022	—	—	—
• Reduction	-2,87,71,521	-2,87,175	—	—
<b>Net Change</b>	<b>3,25,93,501</b>	<b>-2,87,175</b>	<b>—</b>	<b>3,23,06,326</b>
Indebtedness at the end of the financial year				
i) Principal Amount	23,62,46,468	—	—	23,62,46,468
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
<b>Total (i+ii+iii)</b>	<b>23,62,46,468</b>	<b>—</b>	<b>—</b>	<b>23,62,46,468</b>

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-Time Directors and/or Manager/CFO/Company Secretary (Rs. In Lakhs)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager			
		Rahul Nachane Managing Director	Rajesh Lawande Executive Director	Esha Kulkarni Company Secretary	Total
1.	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act	85.66	84.22	2.99	172.87
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	-	-	-	
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-	
2.	Stock Option	-	-	-	
3.	Sweat Equity				
4.	Commission - As % of Profit - Others, specify	45.25	45.25	0	90.50
5.	Others, please specify				
	Total (A)	130.91	129.47	2.99	263.37
	Ceiling as per the Act	168.00	168.00	Nil	Nil

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



**B. Remuneration of other Directors:**

(Rs. in Lakhs)

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount in Rs.
		Milind Shinde Independent Director	Jayaram Sitaram Independent Director	Ajita Nachane Non-Executive Director	Dhananjay Mungale [28th August, 2017 to 23rd February, 2018]	
	Independent Directors					
	• Fee for attending board committee meetings	0.80	0.80	0.80	0.20	2.60
	• Commission	--	--	--	--	--
	• Others, please specify	--	--	--	--	--
	Total (1)	0.80	0.80	0.80	0.20	2.60
	Total Managerial Remuneration	N.A	N.A	N.A	N.A	N.A
	Overall Ceiling as per the Act	N.A	N.A	N.A	N.A	N.A

**VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES**

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



## ANNEXURE E TO THE DIRECTORS' REPORT

### MEDIAN REMUNERATION

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

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

Name of the directors	Ratio to median Remuneration
<b>Non-executive directors</b>	
Mr. Jayaram Sitaram	--
Mr. Milind Vasant Shinde	--
Mrs. Ajita Rahul Nachane	--
<b>Executive directors</b>	
Mr. Rahul Jayant Nachane	28.16
Mr. Rajesh Narayan Lawande	27.85

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

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase in remuneration in the financial year
Mr. Rahul Jayant Nachane	77.73%
Mr. Rajesh Narayan Lawande	79.28%
Mr. Jayaram Sitaram	NIL
Mr. Milind Vasant Shinde	NIL
Mrs. Ajita Rahul Nachane	NIL

- c. The percentage increase in the median remuneration of employees in the financial year: **1.4%**
- d. The number of permanent employees on the rolls of Company : **236**
- e. The explanation on the relationship between average increase in remuneration and Company Performance:

On an average, employees received an annual increase of 1.4%. The increase in remuneration is in line with the market trends prevalent in the Economy. In order to ensure that remuneration reflects Company performance, the performance pay is also linked to organisation performance, apart from an individual's performance.

- f. Comparison of the remuneration of the key managerial personnel against the performance of the Company:

Aggregate remuneration of key managerial personnel (KMP) in FY 17-18	Rs. 2,63,37,058
Revenue	Rs. 118,24,95,418
Remuneration of KMPs (as a % of revenue)	2.23%
Profit before Tax (PBT)	Rs. 17,80,27,673
Remuneration of KMP (as a % of PBT)	14.80%

- g. Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:

Particulars	March 31, 2018	March 31, 2017	% Change
Market Capitalization	Rs. 253.67 crores	Rs.237.11 crores	6.98%
Price Earnings Ratio	25.15	16.65	21.02 %

- h. Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

Particulars	March 31, 2018	IPO	% Change
Market Price (BSE)	<b>Rs. 410.60</b>	<b>Rs. 30.00</b> (face value of Rs. 10/- share)	<b>1268.67</b>

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

The average annual increase was around **19.66%**

Increase in the managerial remuneration for the year was **78.49%**

- j. Comparison of each remuneration of the key managerial personnel against the performance of the Company:

For FY 2017	Rahul Nachane [Managing Director]	Rajesh Lawande [Executive Director]	Esha Kulkarni [Company Secretary]
Remuneration	Rs.1,30,90,600	Rs. 1,29,46,600	Rs. 2,99,858
Revenue	Rs. 1,18,24,95,418		
Remuneration as % of Revenue	1.10%	1.09%	0.02%
Profit before tax	Rs. 17,80,27,673		
Remuneration as % of PBT	7.35%	7.27%	0.17%

- k. The key parameters for any variable component of remuneration availed by the directors:

There are no variable components of remuneration provided to the Directors

- l. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: **None**.

- m. Affirmation that the remuneration is as per the remuneration policy of the Company: The Nomination and Remuneration Committee of the company has affirmed at its meeting held on 28th August, 2017 that the remuneration paid is as per the remuneration policy of the Company. The Policy is available on the Company's Website: [www.nglfinechem.com](http://www.nglfinechem.com)

- n. There are no employees drawing salary in excess of 120 lakhs as stipulated under section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**\*Currently the shares are at a face value of Rs.5/- per share.**



## ANNEXURE F TO THE DIRECTORS' REPORT Secretarial Audit Report

### Form No. MR-3 FOR FINANCIAL YEAR ENDED ON 31ST MARCH, 2018.

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

To,  
The Members,  
NGL Fine-Chem Ltd.

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period ended on **31st March, 2018**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, Forms and returns filed and other records maintained by NGL Fine-Chem Ltd ("The Company"), for the year ended on 31st March, 2018 to the extent applicable to the provisions of:

- I. The Companies Act, 2013 (the Act) and the rules made there under to the extent applicable;
- II. The Securities Contracts (Regulation) Act, 1956 ("**SCRA**") and the Rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("**SEBI Act**") to the extent applicable to the Company: -
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 upto 14th May, 2015) and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (effective from 15th May, 2015);
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
  - e. The Company has complied with the requirements under the Equity Listing Agreement entered into with BSE Limited.
- VI. The Management has identified and confirmed the applicable Acts, Laws and Regulations specifically applicable to the Company being in Drugs and Pharmaceuticals Sector as given in Annexure-1.

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

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

- b) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 (with effect from 1st December, 2015);
- c) The Listing Agreements entered into by the Company with the BSE Limited.

During the year under review, the company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards as mentioned above.

#### We further report that:

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

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

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

We further report that during the audit period the company has:

1. Ratified the remuneration payable to M/s. Sanghvi Randeria & Associates, appointed as Cost Auditors of the Company for FY 2017-2018.
2. Revised the Un-audited results for December' 2017 quarter. The results were revised due to an inadvertent error in calculating depreciation for Q2 & Q3 for FY 2017-2018. The revised results were intimated to BSE suo-moto.
3. The Company has allocated and spent funds on CSR initiatives during the year, however the company has not spent the entire amount as per the calculation stated under section 135 of the Companies, Act, 2013 and hence there is balance of unspent CSR money yet to be utilized. The reason for the same is given in the Director's Report.

For **HS Associates**  
Company Secretaries

sd/-

**Hemant S. Shetye**  
Partner  
**FCS No.: 2827**  
**CP No.: 1483**

Date: May 18, 2018  
Place: Mumbai.

#### Annexure-1 (A)

Sector Specific Laws as Applicable to the Company.

1. Drugs and Cosmetics Act, 1940.
2. The Environment (Protection) Act, 1986.
3. Air (Prevention and Control of Pollution) Act, 1981 and Rules issued by the State Pollution Control Boards.
4. Water (Prevention and Control of Pollution) Act, 1974 and Rules issued by the State Pollution Control Boards,
5. Factories Act, 1948.



### Annexure-1 (B)

To,  
The Members,  
NGL Fine-Chem Limited.

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

- Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these Secretarial records based on our audit.
- We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices we followed, provide a reasonable basis for our opinion.
- We have not verified the correctness, appropriateness of financial records and books of accounts of the Company.

- The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
- The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the Company or of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **HS Associates**  
Company Secretaries  
sd/-

**Hemant S. Shetye**  
Partner  
FCS No.: 2827  
CP No.: 1483

Date: May 18, 2018  
Place: Mumbai.

## ANNEXURE G TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2018

### CORPORATE GOVERNANCE REPORT

#### 1. Company's philosophy

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

#### 2. Board of Directors

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

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

During the year there were in total four board meetings held on 5th May, 2017, 28th August, 2017, 7th December, 2017 and 30th January, 2018. The time gap between the two meetings was not more than 120 days. All the information required to be furnished to the Board was made available to them along with detailed Agenda notes.

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

Name of Director	Category of 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	--	--
R. N. Lawande	ED	4	Yes	--	--
M. V. Shinde	NED	4	Yes	--	--
J. Sitaram	NED	4	Yes	--	--
A.R.Nachane	NED	4	Yes	--	--
D.N.Mungale	NED	1	NA	5	3

[28th August, 2017 to 23rd February, 2018.]

- Directorship only of public Limited Company is Considered
- MD – Managing Director, ED – Executive Director, NED – Non Executive Director

Profile of Director seeking appointment/re-appointment at the forthcoming Annual General Meeting

Name of the Director	Mr. Rajesh Lawande
Brief Resume of the Director	Rajesh Lawande is M.Sc (Chemistry) from IIT Mumbai and PGDBA from IIM Lucknow. He has over 17 years of experience in the pharmaceutical sector.
Nature of Expertise	Chemistry, Research and Development, Finance and Marketing.
Disclosure of relationship inter-se	Mr. Rajesh Lawande is brother of Non-Executive Director, Mrs. Ajita Nachane and brother-in-law of Managing Director, Mr. Rahul Nachane.
Names of listed companies in which the person also holds the Directorship and the membership of committees of the Board.	NIL
Shareholding	11,43,811 Equity shares

Mrs. Ajita Nachane, Mr. Rahul Nachane and Mr. Rajesh Lawande are relatives and inter-se related to each other. Mrs. Ajita Nachane, Non-Executive Director of the Company is the spouse of Mr. Rahul Nachane, Managing Director of the Company and sister of Mr. Rajesh Lawande, Whole-Time Director of the Company. Mr. Rahul Nachane and Mr. Rajesh Lawande are brothers-in-law.

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

Sr. No.	Name of Non-Executive Director	Shares held
1	Mr. Milind Shinde	Nil
2	Mrs. Ajita Nachane	7,13,449
3	Mr. Jayaram Sitaram	Nil



### Induction and Familiarization Program for Directors:

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

The details of familiarization program can be accessed from the website: [www.nglfinechem.com](http://www.nglfinechem.com)

### Board Evaluation:

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

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

### Meeting of Independent Directors

The Company's Independent Directors met on 30th January, 2018 without the presence of the Managing Director & CEO, Non-Independent Directors and the Management Team. The meeting was attended by all the Independent Directors and was conducted informally to enable the Independent Directors to discuss matters pertaining to the Company's affairs and put forth their combined views to the Board of Directors of the Company.

### 3. Committees of the Board:

#### a. Audit Committee

The Audit Committee of the Company is constituted in line with the provisions of Section 177 of the Companies Act, 2013 read with regulation 18 Listing Obligation and Disclosure Requirement, 2015. The Audit Committee as on the date of the report comprises of 2 Non-Executive Independent Directors & 1 Executive Director.

Following are the members of the Committee.

- Mr. Milind V. Shinde – Chairman
- Mr. Jayaram Sitaram – Member
- Mr. Rajesh N. Lawande – Member
- Mr. Dhananjay Mungale – Member [From 28th August, 2017 - 23rd February, 2018.]

During the year there were in total four Audit committee meetings held on 5th May, 2017, 28th August, 2017, 7th December, 2017 and 30th January, 2018. The attendance of the meetings is given below.

Name of Director	Category of Directorship	No. of Committee Meetings attended
M. V. Shinde	NED	4
J. Sitaram	NED	4
R. N. Lawande	ED	4
D. N. Mungale	NED	1

The Chairperson of Audit Committee was present in previous AGM held on Friday, 11th August, 2017 to answer shareholder's queries.

### Invitees / Participants: -

1. The Managing Director - Rahul Nachane and the Statutory Auditor - Mr. Shailesh Manek are permanent invitees to all Audit Committee meetings.
2. Internal Auditor, M/s Devarajan & Co attends all the Audit Committee Meetings as far as possible and briefs the Committee on all the points covered in the Internal Audit Report as well as the other issues that come up during discussions.

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

The role of the audit committee shall include the following:

1. Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - (a) matters required to be included in the director's responsibility statement to be included in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - (b) Changes, if any, in accounting policies and practices and reasons for the same;
  - (c) Major accounting entries involving estimates based on the exercise of judgment by management;
  - (d) significant adjustments made in the financial statements arising out of audit findings;
  - (e) compliance with listing and other legal requirements relating to financial statements;
  - (f) disclosure of any related party transactions;
  - (g) modified opinion(s) in the draft audit report;
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency, monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the listed entity with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the listed entity, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. reviewing, with the management, performance of statutory and Internal Auditors, adequacy of the internal control systems;





- 13 Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- 14 Discussion with internal auditors of any significant findings and follow up there on;
- 15 Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- 16 Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- 17 To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends and creditors);
- 18 To review the functioning of the whistle blower mechanism;
- 19 Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- 20 Carrying out any other function as is mentioned in the terms of reference of the audit committee.

The Audit Committee shall mandatorily review the following information:

- a. management discussion and analysis of financial condition and results of operations;
- b. statement of significant related party transactions (as defined by the audit committee, submitted by management);
- c. management letters / letters of internal control weaknesses issued by the Statutory Auditors;
- d. internal audit reports relating to internal control weaknesses; and
- e. the appointment, removal and terms of remuneration of the chief Internal auditor shall be subject to review by the audit committee.
- f. statement of deviations:
  - (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - (b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

#### b. Nomination and Remuneration Committee

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

The Nomination and Remuneration Committee met twice in the financial year 2017-18 on 5<sup>th</sup> May, 2017 and 28<sup>th</sup> August, 2017. The necessary quorum was present in the said meetings. The Chairman of the Nomination and Remuneration Committee was present at the last Annual General Meeting of the Company held on August 11, 2017. The composition of the Committee and the details of meetings held and attended by the Directors are as under:

Name of Director	Category of Directorship	No. of Committee Meetings attended
Jayaram Sitaram	Chairman & NED	2
M. V. Shinde	Member & NED	2
A. R. Nachane	Member & NED	2

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

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

- (1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- (2) Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- (3) Devising a policy on diversity of board of directors;
- (4) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal.
- (5) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

#### Remuneration Policy

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

#### Remuneration of Directors

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

Details of remuneration paid to Executive Directors: (Rs. In Lakhs)

Name of Director	Mr. Rahul Nachane	Mr. Rajesh Lawande
<b>Designation</b>	Managing Director	Whole-Time Director
<b>Salary</b>	85.44	84.00
<b>Commission</b>	45.25	45.25
<b>Provident Fund &amp; Gratuity Fund</b>	0.22	0.22

Mr. Rahul Nachane was appointed as Managing Director with effect from 1st June 2017 for a period of 3 years based on the approval of shareholders in the last Annual General Meeting held on 31<sup>st</sup> August, 2016.

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

The Non-Executive Directors are paid sitting fees on uniform basis. No other payment is made to Non-Executive Directors other than sitting fees as mentioned below:-



**Sitting Fees :** (Rs. In Lakhs)

Name	Mr. Milind Shinde	Mr. Jayaram Sitaram	Mrs. Ajita Nachane	Mr. Dhananjay Mungale
Sitting fees	0.80	0.80	0.80	0.20
Remuneration	NIL	NIL	NIL	NIL
No. of equity shares	NIL	NIL	7,13,449	NIL
Commission	NIL	NIL	NIL	NIL
Non-convertible instruments	NIL	NIL	NIL	NIL

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

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

**c. Stakeholder Relationship Committee**

The Stakeholder Relationship Committee of the Company is constituted in line with Regulation 20 Listing Obligation and Disclosure Requirement, 2015. The Committee comprises of 2 Non-Executive Independent Directors, 1 Non-Executive Director & 1 Executive Director.

The committee looks into the shareholders and investors grievances that are not settled at the level of Compliance Officer and helps to expedite the share transfers and related matters. The Committee periodically reviews the status of stakeholders' grievances and redressal of the same. The Committee met four times in FY 2017-18 on 5<sup>th</sup> May, 2017, 28<sup>th</sup> August, 2017, 7<sup>th</sup> December, 2017 and 30<sup>th</sup> January, 2018. The necessary quorum was present for all the meetings. The Chairman of the Committee was present at the last Annual General Meeting of the Company held on August, 11<sup>th</sup>, 2017.

The composition of the Committee during 2017-2018 and the details of meetings held and attended by the Directors are as under:

Following are the members of the Committee.

1. Mr. Milind Shinde – Chairman
2. Mr. Jayaram Sitaram – Member
3. Mrs. Ajita Nachane – Member
4. Mr. Rahul Nachane – Member
5. Ms. Esha Kulkarni – Company Secretary and 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
M. V. Shinde	NED	4
J. Sitaram	NED	4
A. R. Nachane	NED	4
R. J. Nachane	MD	4

The company did not receive any complaint from shareholders during the year. Further, during the year ended on 31st March 2018 the Company approved transfer of 1,600 physical equity shares of Rs.5/- each and transmission of Rs. 200 physical equity shares of Rs. 5/.

Company has not received any complaint for the FY 2017-2018 from shareholders.

**d. Corporate Social Responsibility Committee**

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

The Terms of Reference of the Committee are to :-

- a. Frame the CSR Policy and its review from time-to-time.
- b. Ensure effective implementation and monitoring of the CSR activities as per the approved policy, plans and budget.
- c. Ensure compliance with the laws, rules & regulations governing the CSR and to periodically report to the Board of Directors.

The Committee met once in the FY 2017-18 on 30th January, 2018. The necessary quorum was present for the said meeting. The composition of the Committee during the financial year and the details of meetings held and attended by the Directors are as under:

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

**e. Risk Management Committee**

Company has voluntarily complied with regulation 21 of SEBI (Listing Obligation and Disclosure requirement) Regulation 2015 and constituted risk management committee on 8th May, 2015. Under the Chairmanship of Mr. Rahul Nachane and consists of the members as stated below.

During the year ended on 31st March, 2018, no meeting was held.

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

**f) Administrative Committee**

The Company has constituted an Administrative Committee in its Board meeting held on 3<sup>rd</sup> February, 2017. The composition of the committee is as under:

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

During the year there were in total four Administrative committee meetings held on 4<sup>th</sup> April, 2017, 1<sup>st</sup> July, 2017, 25<sup>th</sup> July, 2017 and 27<sup>th</sup> September, 2017. The attendance of the meetings is given below.

Name of Director	Category of Directorship	No. of Committee Meetings attended
Rahul Nachane	MD	4
Ajita Nachane	NED	4
Rahul Nachane	ED	4



#### 4. General Body Meetings:

Financial Year	Date	Time	Venue	Special Resolution(s)
2014-15 AGM	Sept. 11, 2015	11.30 a.m.	Lion's Club Hall, Sector 10, Plot No. 12, Near Dmart Mall, Kopar Khairane, Navi Mumbai - 400 709.	a) Adopted New set of Articles of Association b) Appointment of Mr. Rajesh Lawande as Executive Director w.e.f 1st June, 2015 till 31st May, 2018 for a period of three years. c) To increase the remuneration of Mr. Rahul Nachane the Managing Director of the Company d) To shift the registered office outside the city limites but within the same ROC.
2015-16 AGM	August 31, 2016	11.00 a.m.	Hotel Parle International, B.N. Agarwal Commercial Complex, Vile Parle (East), Mumbai - 400 057.	Re-appointment of Mr. Rahul Nachane as the Managing Director of the Company, with effect from 1st June, 2017 for a period of 3 years.
2016-17 AGM	August 11, 2017	11.00 a.m.	Hotel Parle International, B.N. Agarwal Commercial Complex, Vile Parle (East), Mumbai - 400 057.	a) Revision in remuneration payable to Mr. Rahul Nachane b) Revision in remuneration payable to Mr. Rajesh Lawande

No special resolutions were proposed through postal ballot as all the above special resolutions were passed at the Annual General Meetings.

#### 5. 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](http://www.nglfinechem.com). Matters of material nature are communicated to the stock exchanges.

There are no official news releases.

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

#### 6. General Shareholder Information

a. The 37th Annual General Meeting is proposed to be held on Friday, the 24th August, 2018 at 11.00 a.m at Hotel Parle International, B. N. Agarwal Commercial Complex, Vile Parle East, Mumbai 400057.

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

#### Financial calendar

- Audited annual results of the year On or before 30th May
- First Quarter results On or before 14th August

- Second Quarter & Half year results On or before 14th Nov
- Third Quarter results On or before 14th February

#### c. Dividend

The Board of Directors have not proposed any dividend for the year ended 31st March 2018 with a view to conserve resources.

#### d. Listing of equity shares on Stock Exchanges

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

#### Listing Fees:

The Company has paid listing fees up to 31st March, 2018 to the BSE Ltd. where Company's shares are listed.

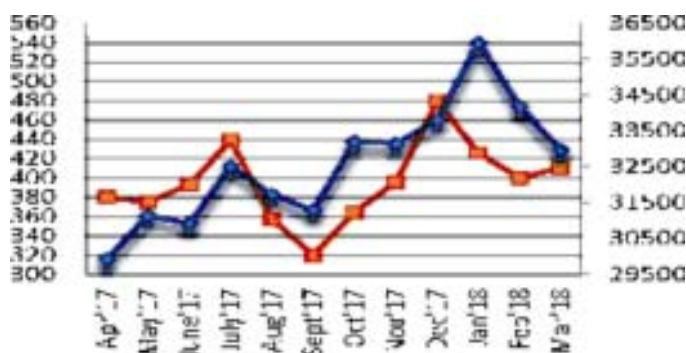
e. The Scrip code of the Company is **524774**.

#### f. Stock market price data for the year 2017-18 (BSE)

Month	BSE		
	High	Low	Volume of shares traded (Nos)
April 2017	420.00	372.00	73,570
May 2017	405.00	367.00	1,19,727
June 2017	409.00	369.00	44,611
July 2017	461.00	380.25	81,286
August 2017	470.00	301.05	1,31,351
September 2017	368.50	307.30	86,437
October 2017	388.00	311.05	62,661
November 2017	404.10	355.05	49,207
December 2017	535.25	380.00	74,182
January 2018	557.90	420.00	84,408
February 2018	449.85	367.00	34,832
March 2018	449.00	380.00	54,523

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

Months	NGL'S Share Price (Rs.)	BSE Sensex (Rs.)
April'2017	380.00	29918.00
May'2017	375.00	31145.80
June' 2017	393.50	30921.61
July'2017	438.75	32514.94
August' 2017	357.30	31730.49
September' 2017	319.80	31283.72
October' 2017	364.65	33213.13
November' 2017	395.65	33149.35
December' 2017	478.80	33812.75
January' 2018	425.45	35965.02
February' 2018	400.10	34184.04
March' 2018	410.60	32968.68



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

i. Registrar to an issue and Share Transfer Agent:

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

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

j. 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.

k. Distribution of Shareholding as at 31st March, 2018.

No. of shares	No. of Shareholders	% of Shareholders	Shareholding (Rs.)	% of Shareholding
Up to 5000	4189	94.92	31,34,300	10.15
5001 – 10000	116	2.63	8,83,325	2.86
10001 – 20000	48	1.09	6,52,830	2.11
20001 – 30000	16	0.36	3,93,465	1.27
30001 – 40000	7	0.16	2,40,390	0.78
40001 – 50000	7	0.16	3,07,295	0.99
50001– 100000	15	0.34	11,26,095	3.65
100001 & above	15	0.34	2,41,52,420	78.19
	<b>4413</b>	<b>100.00</b>	<b>3,08,90,120</b>	<b>100.00</b>

l. De-materialization of shares

As on 31.03.2018, 87.03% of the Company's total shares representing 53,76,806 shares were held in dematerialized form & the balance 12.97% representing 8,01,218 shares in paper form. The details are given below:

Type	No. of Shares	% Shareholding
De-materialized shares		
With N.S.D.L	34,02,900	55.08
With C.D.S.L	19,73,906	31.95
Total demat shares	53,76,806	87.03
Physical shares	8,01,218	12.97
	61,78,024	100.00

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

n. Commodity Price Risk or Foreign Exchange Risk and Hedging Activities.- The company has not entered into any commodity contracts or hedging contracts as on 31<sup>st</sup> March 2018. Foreign Exchange receivables and payables are re-stated at the exchange rate prevailing on the Balance Sheet date to reflect mark to market valuation.

o. **Plant Location**

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

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

Unit Alpha: W41C & W42C, MIDC Tarapur, Boisar, District Thane 401 506.

Unit Konarak: F11 MIDC Tarapur, Boisar, District Thane 401 506.

p. **Address for correspondence**

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

7. **Other Disclosures:**

a. **Material related Party Transaction**

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

b. **Details of Non-Compliance:**

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

c. **Vigil Mechanism and Whistle-Blower Policy**

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

Compliance of Mandatory and Non-Mandatory Requirements:

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

d. **Discretionary Requirements as per Part E of Schedule II of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015.**



**A The Board:**

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

**B Shareholder Rights**

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

**C Modified Opinion in Audit Report**

The Company's Financial Statements are with unmodified opinion.

**D Separate Post of Chairman and Chief Executive Officer**

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

**E Reporting of Internal Auditor**

The Internal Auditor reports directly to the Audit Committee.

**e. Material Subsidiaries Policy:**

Material Subsidiaries Policy is not applicable to the company as the Company is not having any subsidiary.

**f. Material related Party Transaction**

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

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

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

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

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

We, Rahul Nachane, Managing Director and Rajesh Lawande, CFO of the Company, hereby certify that for the financial year, ending 31st March, 2018

- (a) (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
- (ii) these statements present a true and fair view of the Company's affairs and are in compliance with current accounting standards, applicable laws and regulations.
- (b) there are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- (c) we accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation

of such internal controls, if any, of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies.

- (d) we have indicated to the Auditors and the Audit Committee:
- (i) significant changes, if any, in the internal control over financial reporting during the year.
- (ii) significant changes, if any, in accounting policies made during the year and that the same have been disclosed in the notes to the financial statements; and
- (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

sd/-  
**Rahul Nachane**  
Managing Director

sd/-  
**Rajesh Lawande**  
Executive Director & CFO

Date: 18th May, 2018  
Place: Mumbai.

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

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

We have reviewed the implementation of Corporate Governance procedures by the Company during the year ended March 31, 2018, 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 Regulation 27 of the (Listing Obligations and Disclosure Requirements) Regulations, 2015 Listing Agreement with the Stock Exchanges.

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

**For HS Associates**  
Company Secretaries

Sd/-  
**Hemant Shetye**  
Partner

FCS – 2827  
COP – 1483

Mumbai, May 18, 2018



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## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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### Industry Structure & Developments

Indian pharma industry enjoys an important position in the global pharmaceuticals industry. The Indian pharmaceuticals market is the third-largest in terms of volume and thirteenth-largest in terms of value. It has highest number of USFDA plants outside the USA. It's amongst the global leaders in providing quality generics to the world.

Industry is gearing up for the next level of growth driven by shift towards specialty products, customer centricity, focus on improving quality, operational efficiency and productivity and selective mergers & acquisitions. Even though growth has slowed down recently in the event of GST and demonetisation it is believed it will be in the top 10 global markets by 2020.

At the same time, an equal opportunity is available in the under-developed markets. The rate of growth in these markets is remarkable with the make locally campaigns running in different countries. While countries encourage the make local idea, the make local is restricted to the finished dosage markets. The technology to manufacture the APIs is still restricted to India and China thereby making this an unique opportunity for API producers. With the low cost manufacturing advantage that India offers, Indian firms are remarkably suited to take advantage of this situation for the next decade. The growth in sales will be fueled by the developing countries in Latin America, Africa and Asia.

With a distinct niche of a wide range of products in the veterinary markets, we are poised to take advantage of this unique opportunity available to API producers in India. Our focus is not the developed markets of America, Europe and Japan but the developing markets in rest of the world. While these are price sensitive, the opportunity exists to enlarge market presence and deepen the reach. We plan to extend our reach in these markets and improve our performance by being one of the most cost competitive producers.

### Opportunities and Threats

#### Market Trends & Outlook

The Indian pharmaceuticals market witnessed growth at a CAGR of 5.64 per cent, during FY11-16, with the market increasing from US\$ 20.95 billion in FY11 to US\$ 27.57 billion in FY16. The industry's revenues are estimated to have grown by 7.4 per cent in FY17. Indian pharmaceutical market grew 5.5 per cent in CY2017 in terms of moving annual turnover. In March 2018, the market grew at 9.5 per cent year-on-year with sales of Rs 10,029 crore (US\$ 1.56 billion). By 2020, India is likely to be among the top three pharmaceutical markets by incremental growth and 6th largest market globally in absolute size. Increase in the size of middle class households coupled with the improvement in medical infrastructure and increase in the penetration of health insurance in the country will also influence in the growth of pharmaceuticals sector.

### 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 are;

**Product portfolio risk:** Too much dependence on a single product or single therapeutic segments can translate into fluctuating fortunes for any company. NGL has strived to de-risk the product portfolio risk by increasing the range of products manufactured and also by manufacturing products in different therapeutic segments.

**Geographical risk:** Exports constitute a significant portion of the company's sales. Interruptions in international markets, either due to political or natural occurrences can impact the sales.

**Competition risk:** We face competition from other Indian and Chinese companies. The potential competition can displace the company from the market. To ensure competitiveness the company strives to improve its cost competitiveness through continuous innovation in manufacturing and marketing.

**Environment, safety and health risk:** With increased environment awareness and stricter implementation of environment laws, the risk associated with compliance has increased. The company has upgraded the effluent treatment to "zero liquid discharge" at one of its units. With this the entire liquid effluent is treated and re-used within the factory thus, minimizing the impact on environment.

### Product-wise performance

The company now manufactures 18 APIs in the veterinary range and 3 APIs for human health. These products belong to different therapeutic categories such as anthelmintics, endo paraciticides, ecto paraciticides, growth nutrients, etc in the veterinary range and angina, anti malarial and anti diarrheal in the human range. We expect to have continued growth with better market penetration.

### 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 8.6% over the previous year to Rs 11567 lakhs. Profit has decreased to Rs 1263 lakhs which is an decrease of 14.7% 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.



## INDEPENDENT AUDITOR'S REPORT

To,  
The Members,  
NGL FINE-CHEM LIMITED

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **NGL FINE-CHEM LIMITED** ('the Company'), which comprise the balance sheet as at 31 March, 2018, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Financial Statements

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

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

### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the order issued under section 143(11) of the Act.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements

give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2018 and its profit and loss, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
- As required by Section 143 (3) of the Act, we report that:
  - We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - The balance sheet, the statement of profit and loss including other comprehensive income, statement of changes in equity and the cash flow statement dealt with by this Report are in agreement with the books of account;
  - In our opinion, the aforesaid Ind As standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act;
  - On the basis of the written representations received from the directors as on 31 March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
  - With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
  - With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - The Company has disclosed impact of pending litigations on its financial position in its standalone financial statements – Refer Note 32 to the standalone financial statements.
    - The Company did not have any long-term contract including derivative contract for which there are any material foreseeable losses.
    - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

### For MANEK & ASSOCIATES

Chartered Accountants  
Firm's Registration Number : 0126679W

sd/-  
**Shailesh Manek**  
Proprietor  
Membership No: 034925

Place : Mumbai  
Dated : 18th May, 2018



## Annexure - A to the Auditor's Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2018, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over three years. In accordance with this programme, certain fixed assets were verified during the year and the material discrepancies which were noticed have been properly dealt with in the books of account. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except the following

Type of Asset	Total No of cases	Leasehold/ Freehold	Gross Block as on 31st March,2018	Net Block as on 31st March,2018	Remarks
Land- FS/5 MIDC Additional Mahad Industrial Area	1	Leasehold	36,94,875	33,24,850	Conveyance deed pending to be executed. The Managing Director of the company is holding power of attorney in respect thereof.

- (ii) The inventories have been physically verified by the management at reasonable intervals during the year.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013, ('the Act'). Therefore, the provisions of Clause 3(iii), (iii) (a), (iii) (b) and (iii) (c) of the said Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has neither made any Investments nor has not granted any loans, or provided any guarantees or security in respect of any loans to any party covered under section 185 and 186 of the Companies Act, 2013 and therefore, the provisions of clause 3(iv) of the order is not applicable.
- (v) The Company has not accepted any deposits from the public and consequently the directives issued by the Reserve Bank of India, the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, and the Rules framed there under are not applicable and also no orders were passed by National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal and therefore clause 3(v) of the order is not applicable.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and audit) Rules, 2014 for the maintenance of cost records under Section 148 (1) of the Act in respect of the Company's products and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the said records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, sales tax, goods and service tax, value added tax, duty of customs, goods and service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, wealth tax, value added tax, duty of customs, service tax, goods and service tax, cess and other material statutory dues

Particulars	Amount
Goods & Service Tax under Reverse Charge Mechanism	Rs.2,14,836/-

were in arrears as at 31 March,2018 for a period of more than six months from the date they became payable except the following, which has since been paid. :-

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

Name of the Statute	Nature of the dues	Forum where Dispute is pending	Period for which the amount relates	Amount Involved	Unpaid Amount
Income Tax	Demand arising out of Regular Assessment	ITAT	2008-09	Rs.33,24,850	Rs.4,42,303





- (viii) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a bank and financial institution.
- (ix) During the financial year, the company has not raised any money by way of initial public offer or further public offer (including debt instruments) However the terms loan raised during the year were applied for the purposes for which those were raised.
- (x) According to information and explanations given to us there were no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year and therefore, the provision of clause 3 (x) of the Order is not applicable.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion, the company is not a chit fund or a nidhi Company and therefore, the provisions of clause 3(xii) of the Order are not applicable to the company.
- (xiii) According to information and explanation given to us, all the transactions with related parties are in compliance with the provisions of sections 177 and 188 of Companies Act, 2013 where applicable. The details of related party transactions have been disclosed in the Ind As financial statements, as required under the applicable Accounting Standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review, therefore, the provisions of clause 3(xiv) of the Order are not applicable to the company.
- (xv) During the financial year, the Company has not entered into any non-cash transactions with directors or persons connected with him and therefore, the provisions of clause 3(xv) of the Order are not applicable to the company.
- (xvi) In our opinion, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and therefore, the provisions of clause 3(xvi) of the Order are not applicable to the company.

For **MANEK & ASSOCIATES**

*Chartered Accountants*

Firm's Registration Number : 0126679W

sd/-

**Shailesh Manek**

Proprietor

Membership No: 034925

Place : Mumbai

Dated : 18th May, 2018

## **Annexure - B to the Auditor's Report**

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

We have audited the internal financial controls over financial reporting of **NGL FINE-CHEM LIMITED** ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

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

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit



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to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

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

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **MANEK & ASSOCIATES**

*Chartered Accountants*

Firm's Registration Number : 0126679W

sd/-

**Shailesh Manek**

Proprietor

Membership No: 034925

Place : Mumbai

Dated : 18th May, 2018


**BALANCE SHEET AS AT 31st MARCH 2018**

Particulars	Note	As at 31st March 2018 Amount (₹)	As at 31st March 2017 Amount (₹)	As at 1st April 2016 Amount (₹)
<b>ASSETS</b>				
<b>(1) Non-current assets</b>				
(a) Property, plant and equipment	3	561,448,969	247,275,733	239,717,039
(b) Capital work-in-progress	3	32,922,021	158,456,930	15,858,113
(c) Intangible assets	4	1,798,976	1,719,685	1,636,952
(d) Financial assets				
(i) Others	5	131,487,683	87,791,456	60,798,097
(e) Other non-current assets	6	3,840,410	21,174,514	1,981,346
<b>Total non-current assets</b>		<b>731,498,059</b>	<b>516,418,318</b>	<b>319,991,547</b>
<b>(2) Current assets</b>				
(a) Inventories	7	168,105,324	118,118,619	100,216,069
(b) Financial assets				
(i) Investments	8	64,774,989	60,030,467	34,338,335
(ii) Trade receivables	9	276,672,590	301,290,393	296,203,997
(iii) Cash and cash equivalents	10	14,863,160	2,084,872	4,154,976
(iv) Bank balances other than (iii) above	11	22,336,370	17,939,429	17,001,590
(v) Others	12	9,523,846	1,101,794	690,124
(c) Other current assets	13	5,134,397	4,602,778	4,089,027
<b>Total current assets</b>		<b>561,410,676</b>	<b>505,168,352</b>	<b>456,694,118</b>
<b>TOTAL ASSETS</b>		<b>1,292,908,734</b>	<b>1,021,586,670</b>	<b>776,685,665</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity share capital	14	30,890,120	30,890,120	30,890,120
(b) Other equity				
(i) Reserves and surplus	15	689,528,276	563,208,532	414,538,412
Share application money pending allotment		-	-	-
<b>TOTAL EQUITY</b>		<b>720,418,396</b>	<b>594,098,652</b>	<b>445,428,532</b>
<b>Non-current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	16	123,600,565	94,581,327	3,083,397
(b) Provisions	17	14,885,953	21,450,017	18,412,767
(c) Deferred tax liabilities	18	28,322,531	7,966,563	5,614,912
(d) Other non-current liabilities	19	1,232,867	1,097,348	774,042
<b>Total non-current liabilities</b>		<b>168,041,916</b>	<b>125,095,255</b>	<b>27,885,118</b>
<b>(2) Current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	20	112,645,903	109,358,815	124,452,901
(ii) Trade payables	21	235,346,835	144,552,454	136,537,999
(iii) Other financial liabilities	22	53,560,074	43,539,506	25,720,842
(b) Provisions	17	2,429,163	2,999,717	2,542,746
(c) Current Tax Liabilities (Net)	23	458,490	1,935,980	14,112,122
(d) Other Current Liabilities	24	7,957	6,292	5,405
<b>Total current liabilities</b>		<b>404,448,422</b>	<b>302,392,764</b>	<b>303,372,015</b>
<b>TOTAL LIABILITIES</b>		<b>572,490,338</b>	<b>427,488,019</b>	<b>331,257,133</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,292,908,734</b>	<b>1,021,586,670</b>	<b>776,685,665</b>

(The accompanying notes 1 to 50 are an integral part of the financial statements)

As per our report of even date attached

For Manek & Associates

Chartered Accountants

Firm Registration No: 126679W

Shailesh Manek

Proprietor

Membership Number: 034925

Place : Mumbai

Date : May 18th, 2018

For and on behalf of the Board of Directors

Milind Shinde  
Chairman

Rahul Nachane  
Managing Director

Rajesh Lawande  
Executive Director

Esha Kulkarni  
Company Secretary

Jayram Sitaram  
Director

Ajita Nachane  
Director

Place : Mumbai

Date : May 18th, 2018


**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2018**

Particulars	Note	For the year ended	For the year ended
		31st March 2018	31st March 2017
		Amount (₹)	Amount (₹)
<b>Income</b>			
Revenue from Operations	25	1,156,780,897	1,064,753,498
Other income	26	25,714,521	14,214,679
<b>Total income</b>		<b>1,182,495,418</b>	<b>1,078,968,177</b>
<b>Expenses</b>			
Cost of materials consumed	27	503,807,040	382,832,192
Changes in inventories of finished goods and work in progress	28	(45,137,895)	(3,838,385)
Excise duty on sale of goods		20,192,988	67,517,581
Employee benefits expense	29	183,717,301	138,504,288
Other expenses	30	280,731,848	227,820,239
Finance Cost	31	15,549,936	7,197,826
Depreciation expense	3	45,606,527	30,794,917
<b>Total expenses</b>		<b>1,004,467,745</b>	<b>850,828,658</b>
<b>Profit before tax from continuing operations</b>		<b>178,027,673</b>	<b>228,139,519</b>
Current tax	42	(38,100,000)	(76,500,000)
Less: MAT Credit	42	5,700,000	-
Current tax expense relating to prior years		507,680	(25,528)
Deferred tax		(20,205,640)	(2,757,883)
<b>Income tax expense</b>		<b>(52,097,960)</b>	<b>(79,283,411)</b>
<b>Profit for the year from continuing operations</b>		<b>125,929,713</b>	<b>148,856,108</b>
<b>Other comprehensive income (OCI)</b>			
<b>Other comprehensive income not to be reclassified to profit and loss in subsequent periods:</b>			
Profit/(Loss) on actuarial valuation of post employment benefits		540,359	(1,173,810)
Add/(Less): Income tax expense		(150,328)	406,232
<b>Other comprehensive income for the year, net of tax</b>		<b>390,031</b>	<b>(767,577)</b>
<b>Total comprehensive income for the year</b>		<b>126,319,744</b>	<b>148,088,531</b>
<b>Earnings per equity share (for continuing operations)</b>			
Basic		20.38	24.09
Diluted		20.38	24.09

(The accompanying notes 1 to 50 are an integral part of the financial statements)

As per our report of even date attached

**For Manek & Associates**

Chartered Accountants

Firm Registration No: 126679W

**Shailesh Manek**

Proprietor

Membership Number: 034925

Place : Mumbai

Date : May 18th, 2018

**For and on behalf of the Board of Directors**

**Milind Shinde**

Chairman

**Rahul Nachane**

Managing Director

**Rajesh Lawande**

Executive Director

**Esha Kulkarni**

Company Secretary

**Jayram Sitaram**

Director

**Ajita Nachane**

Director

Place : Mumbai

Date : May 18th, 2018


**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2018**

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
<b>A. Cash flow from operating activities</b>		
<b>Profit before extraordinary items and tax</b>	<b>178,027,673</b>	<b>228,139,519</b>
Adjustments for:		
Depreciation and amortisation expense	45,606,527	30,794,917
Finance costs	15,549,936	7,197,826
Dividend income	(237,355)	(170,557)
Interest income	(1,769,954)	(1,693,757)
Gain on sale of investments	(4,690,524)	(7,888,217)
Other Comprehensive Income	390,031	(767,577)
<b>Operating profit before working capital changes</b>	<b>232,876,334</b>	<b>255,612,154</b>
Changes in working capital:		
Adjustments for (increase)/ decrease in operating assets:		
Inventories	(49,986,705)	(17,902,551)
Other non current financial assets	(43,696,227)	(26,993,359)
Other non-current assets	17,334,104	(19,193,168)
Trade receivables	24,617,803	(5,086,396)
Other current financial assets	(17,563,515)	(27,041,642)
Other current assets	(531,619)	(513,751)
	<b>(69,826,158)</b>	<b>(96,730,866)</b>
Adjustments for increase/ (decrease) in operating liabilities:		
Trade payables	90,794,381	8,014,455
Other current financial liabilities	10,020,568	17,818,664
Other current provisions	(570,554)	456,971
Other current liabilities	(1,475,825)	(12,175,255)
Other non current liabilities	20,491,487	2,674,957
Other non-current provisions	(6,564,064)	3,037,250
	<b>112,695,993</b>	<b>19,827,042</b>
<b>Cash generated from operations</b>	<b>275,746,169</b>	<b>178,708,329</b>
Net income tax paid	(52,097,960)	(79,283,411)
<b>Net cash flow from operating activities (A)</b>	<b>223,648,209</b>	<b>99,424,918</b>
<b>B. Cash flow from investing activities</b>		
Gain on sale of investments	4,690,524	7,888,217
Dividend income	237,355	170,557
Interest Income	1,769,954	1,693,757
Finance Cost	(15,549,936)	(7,197,826)
Long term borrowings	29,019,238	91,497,930
Short term borrowings	3,287,088	(15,094,086)
Purchases of Fixed assets	(238,600,407)	(200,792,656)
Disposal of fixed assets	4,276,262	20,339,085
<b>Net cash flow used in investing activities (B)</b>	<b>(210,869,922)</b>	<b>(101,495,022)</b>



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2018**

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
<b>C. Cash flow from financing activities</b>		
Issue of Share Capital	-	-
Share application money	-	-
Share Premium	-	-
<b>Net cash flow from/ (used in) financing activities (C)</b>	-	-
<b>Net increase/ (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>12,778,287</b>	<b>(2,070,104)</b>
<b>Add:</b> Cash and cash equivalents at the beginning of the year	2,084,872	4,154,976
<b>Cash and cash equivalents at the end of the year *</b>	<b>14,863,159</b>	<b>2,084,872</b>
<b>Cash and cash equivalents at the end of the year*</b>		
*Comprises of:		
(a) Cash on hand	1,269,531	316,109
(b) Balances with banks	13,593,628	1,768,763
(i) In current accounts	14,863,159	2,084,872

(The accompanying notes 1 to 50 are an integral part of the financial statements)

**As per our report of even date attached**

**For Manek & Associates**

Chartered Accountants

Firm Registration No: 126679W

**For and on behalf of the Board of Directors**

**Milind Shinde**

Chairman

**Rahul Nachane**

Managing Director

**Rajesh Lawande**

Executive Director

**Shailesh Manek**

Proprietor

Membership Number: 034925

**Esha Kulkarni**

Company Secretary

**Jayram Sitaram**

Director

**Ajita Nachane**

Director

Place : Mumbai

Date : May 18th, 2018

Place : Mumbai

Date : May 18th, 2018



**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018.**

**A. EQUITY SHARE CAPITAL**

Balance as at the end of the reporting year	Number of shares	Value
At April 1, 2016	6,178,024	30,890,120
Issue of share capital	-	-
<b>At March 31, 2017</b>	<b>6,178,024</b>	<b>30,890,120</b>
At April 01, 2017	6,178,024	30,890,120
Issue of share capital	-	-
<b>At March 31, 2018</b>	<b>6,178,024</b>	<b>30,890,120</b>

**B. OTHER EQUITY**

Particulars	Reserves and Surplus				Total	Items of OCI
	Equity share capital	Securities Premium	Retained Earnings	Other reserves		
At April 1, 2016	30,890,120	1,173,981	392,435,749	20,928,682	445,428,532	
Profit for the year	-	-	148,856,108	-	148,856,108	
Other comprehensive income for the year	-		(767,577)		(767,577)	767,577
Depreciation written back			581,589		581,589	
At March 31, 2017	30,890,120	1,173,981	541,105,869	20,928,682	593,517,063	767,577
At April 01, 2017	30,890,120	1,173,981	541,105,869	20,928,682	594,098,652	767,577
Profit for the year	-	-	125,929,713	-	125,929,713	-
Other comprehensive income for the year	-	-	390,031	-	390,031	(390,031)
At March 31, 2018	30,890,120	1,173,981	667,425,613	20,928,682	720,418,396	377,546

(The accompanying notes 1 to 50 are an integral part of the financial statements)

**As per our report of even date attached**

**For Manek & Associates**

Chartered Accountants

Firm Registration No: 126679W

**For and on behalf of the Board of Directors**

**Milind Shinde**  
Chairman

**Rahul Nachane**  
Managing Director

**Rajesh Lawande**  
Executive Director

**Shailesh Manek**

Proprietor

Membership Number: 034925

**Esha Kulkarni**  
Company Secretary

**Jayram Sitaram**  
Director

**Ajita Nachane**  
Director

Place : Mumbai  
Date : May 18th, 2018

Place : Mumbai  
Date : May 18th, 2018



## NOTES TO FINANCIAL STATEMENTS

(All amounts in Indian Rupees, unless otherwise stated)

### 1. CORPORATE INFORMATION

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

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### 2.01 Basis of preparation

Financial statements for the year ended March 31, 2018 are prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 together with comparative period data as at and for the year ended March 31, 2017. Further the company has prepared the opening balance sheet as at April 01, 2016 (the transition date) in accordance with Ind AS.

For periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with accounting standards notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('Indian GAAP')

These financial statements are the first financial statements of the Company under Ind AS. Refer note 45 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

#### 2.02 Functional currency and presentation currency

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

The financial statements are presented in Indian Rupees.

##### Transactions and balances

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

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

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

#### 2.03 Use of estimates

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

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

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

#### 2.04 Current versus non-current classification

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

- Expected to be realized or intended to be sold or consumed in normal operating cycle





- Held primarily for trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when

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

The Company classifies all other liabilities as non-current.

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

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

## **2.05 Fair value measurement**

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

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

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

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

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

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

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

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

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

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

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

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

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



## 2.06 Inventories

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

## 2.07 Revenue recognition

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

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

### Revenue from sale of goods

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

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

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

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

### Other income

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

## 2.08 Property, plant and equipment

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

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

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

### Subsequent cost

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

### Transition to Ind AS

The Company has implemented Ind AS reporting standard during the year and on transition, the management has elected to continue with the carrying value of all its property, plant and equipment recognized as at April 01, 2016 measured as per Indian GAAP and use that carrying value as the deemed cost of the property, plant and equipment.



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

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

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

## **2.09 Intangible assets**

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

All revenue expenses pertaining to research are charged to the profit and loss account in the year in which they are incurred.

Expenditure of capital nature is capitalized as fixed assets and depreciated as per the company's policy.

### **Subsequent expenditure**

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

### **Amortization of intangible assets with finite useful lives:**

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

## **2.10 Earning per share**

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

## **2.11 Taxes**

### **Current income tax**

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

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

Minimum Alternate Tax (MAT) is accounted as current tax when the Company is subjected to such provisions of the Income Tax Act. However, credit of such MAT paid is available when the Company is subjected to tax as per normal provisions in the future. Credit because of MAT is recognized as an asset based on the management's estimate of its recoverability in the future.



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## Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences, except:

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.
- Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.
- Deferred tax relating to items recognised outside the statement of profit and loss is recognised either in other comprehensive income or in equity. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.
- Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same tax authority.

### 2.12 Borrowing costs

Borrowing costs include interest, amortization of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds are charged to statement of profit and loss. Capitalization of borrowing costs is suspended and charged to statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

### 2.13 Provisions and contingent liabilities

The Company recognizes a provision when there is a present legal or constructive obligation as a result of a past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

### 2.14 Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

### 2.15 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### Financial asset

##### Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the assets.



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### **Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories;

- at amortised cost through profit or loss
- at amortised cost through other comprehensive income
- at fair value through other comprehensive income
- at fair value through profit or loss

### **Financial assets at amortized cost**

A financial asset is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. All the Loans and other receivables under financial assets (except investments) are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade receivables do not carry any interest and are stated at their nominal value as reduced by impairment amount.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

### **Financial assets at fair value through the statement of profit and loss/other comprehensive income**

Instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

If the Company decides to classify an instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the statement of OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

### **Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material lay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

### **Impairment of financials assets**

The Management has evaluated the impairment provision requirement under IND AS 109 and has listed below major facts for trade and other receivables impairment provisioning:

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

Expected Credit Loss (ECL) impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

Financial assets measured as at amortized cost and other contractual revenue receivables- ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.



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Financial assets measured at FVTOCI- Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

## **Financial liabilities**

### **Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through the statement of profit or loss, loans and borrowings, trade payables and other payables.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including other payables.

### **Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

#### **Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

This category generally applies to interest-bearing loans and borrowings.

#### **De-recognition**

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or it expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

#### **Embedded derivatives**

Embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract - with the effect that some of the cash flows of the combined instrument vary in a way like a stand-alone derivative. Embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through the statement of profit and loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

#### **Compound instruments**

##### **Reclassification of financial assets**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.



The following table shows various reclassification and how they are accounted for:

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in P&L.
FVTPL	Amortised cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.

#### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### 2.16 Cash and cash equivalents

For presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts and cash credits are shown within borrowings in current liabilities in the balance sheet.

#### 2.17 Employee benefits

##### i) Defined contribution plans (Provident Fund)

In accordance with Indian Law, eligible employees receive benefits from Provident Fund, which is defined contribution plan. Both the employee and employer make monthly contributions to the plan, which is administrated by the Government authorities, each equal to the specific percentage of employee's basic salary. The Company has no further obligation under the plan beyond its monthly contributions. Obligation for contributions to the plan is recognized as an employee benefit expense in the Statement of Profit and Loss when incurred.

##### ii) Defined benefit plans (Gratuity)

In accordance with applicable Indian Law, the Company provides for gratuity, a defined benefit retirement plan (the Gratuity Plan) covering eligible employees. The Gratuity Plan provides a lump sum payment to vested employees, at retirement or termination of employment, and amount based on respective last drawn salary and the years of employment with the Company. The Company's net obligation in respect of the Gratuity Plan is calculated by estimating the amount of future benefits that the employees have earned in return of their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service cost and the fair value of plan assets are deducted. The discount rate is the yield at reporting date on risk free government bonds that have maturity dates approximating the terms of the Company's obligation. The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognized asset is limited to the total of any unrecognized past service cost and the present value of the economic benefits available in the form of any future refunds from the plan or reduction in future contribution to the plan. The Company recognizes all remeasurements of net defined benefit liability/asset directly in other comprehensive income and presented within equity.

##### iii) Compensated absences

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilized accrued absence and utilize it in future periods or receive cash compensation at retirement or termination of employment for the unutilized accrued compensated absence. The Company recognizes an obligation for compensated absences in the period in which the employee



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renders the services. The Company provides for the expected cost of compensated absence in the statement of profit and loss as the additional amount that the company expects to pay as a result of the unused entitlement that has accumulated based on actuarial valuations carried out by an independent actuary at the balance sheet date.

#### **2.18 Segment reporting**

As the Company's business activities fall within a single primary business segment of pharmaceuticals, the disclosure requirements of Ind AS 108 in this regard are not applicable.

#### **2.19 Leases**

A lease that transfers substantially all the risks and rewards incidental to ownership to the lessee is classified as a finance lease. All other leases are classified as operating leases

##### **Company as a lessee**

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in profit or loss as finance costs, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are generally recognised as an expense in the profit or loss on a straight-line basis over the lease term. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.





### 3. PROPERTY, PLANT AND EQUIPMENT

Particulars	Leasehold land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipments	Total	Capital work-in-progress
<b>Gross Carrying Amount</b>								
<b>Deemed Cost as on April 1, 2016</b>	31,290,596	69,292,188	124,874,782	4,684,416	7,603,889	2,552,757	<b>240,298,628</b>	15,858,113
Additions			29,029,614	639,203	6,846,688		<b>36,515,505</b>	162,937,901
Adjustments/ disposals	-	-	-	-	-	-		(20,339,084)
<b>As on March 31, 2017</b>	<b>31,290,596</b>	<b>69,292,188</b>	<b>153,904,396</b>	<b>5,323,619</b>	<b>14,450,577</b>	<b>2,552,757</b>	<b>276,814,133</b>	<b>158,456,930</b>
Additions	-	67,712,006	292,946,498	1,323,029	-	1,186,515	<b>363,168,048</b>	<b>203,264,858</b>
Adjustments/ disposals	-	-	(5,180,781)	(2,694,177)	-	-	<b>(7,874,958)</b>	<b>(328,799,767)</b>
<b>As on March 31, 2018</b>	<b>31,290,596</b>	<b>137,004,194</b>	<b>441,670,113</b>	<b>3,952,471</b>	<b>14,450,577</b>	<b>3,739,272</b>	<b>632,107,223</b>	<b>32,922,021</b>
<b>Accumulated depreciation</b>								
<b>As on April 1, 2016</b>	581,589	-	-	-	-	-	<b>581,589</b>	-
Depreciation charge	338,748	2,654,621	23,566,249	818,665	1,477,632	682,485	<b>29,538,400</b>	-
Adjustments/ disposals	(581,589)	-	-	-	-	-	<b>(581,589)</b>	-
<b>As on March 31, 2017</b>	<b>338,748</b>	<b>2,654,621</b>	<b>23,566,249</b>	<b>818,665</b>	<b>1,477,632</b>	<b>682,485</b>	<b>29,538,400</b>	-
Depreciation charge	338,748	3,752,581	36,747,773	874,613	2,298,297	706,538	<b>44,718,550</b>	-
Adjustments/ disposals	-	-	(2,798,210)	(800,486)	-	-	<b>(3,598,696)</b>	-
<b>As on March 31, 2018</b>	<b>677,496</b>	<b>6,407,202</b>	<b>57,515,812</b>	<b>892,792</b>	<b>3,775,929</b>	<b>1,389,023</b>	<b>70,658,254</b>	-
<b>Net Carrying Amount</b>								
<b>As on April 1, 2016</b>	<b>30,709,007</b>	<b>69,292,188</b>	<b>124,874,782</b>	<b>4,684,416</b>	<b>7,603,889</b>	<b>2,552,757</b>	<b>239,717,039</b>	<b>15,858,113</b>
<b>As on March 31, 2017</b>	<b>30,951,848</b>	<b>66,637,567</b>	<b>130,338,147</b>	<b>4,504,954</b>	<b>12,972,945</b>	<b>1,870,272</b>	<b>247,275,733</b>	<b>158,456,930</b>
<b>As on March 31, 2018</b>	<b>30,613,100</b>	<b>130,596,992</b>	<b>384,154,301</b>	<b>3,059,679</b>	<b>10,674,648</b>	<b>2,350,249</b>	<b>561,448,969</b>	<b>32,922,021</b>

- a. Additions during the year and capital work in progress includes Rs. 69,24,515 (previous year Rs 18,51,023) being borrowing cost capitalized in accordance with Indian Accounting Standard (Ind AS) 23 on "Borrowing Costs". Asset wise break up of borrowing costs capitalized is as follows:

Class of assets	2017-18	2016-17
Buildings	1,610,527	430,517
Plant & Machinery	5,313,988	1,420,506

- b. Depreciation is provided based on useful life supported by the technical evaluation considering business specific usage, the consumption pattern of the assets and the past performance of similar assets.

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



#### 4 INTANGIBLE ASSETS

Particulars	Technical Knowhow Fees	Computer Software	Total
<b>Gross Carrying Amount</b>			
<b>Deemed Cost as on April 1, 2016</b>	-	1,636,952	<b>1,636,952</b>
Additions	-	1,339,250	<b>1,339,250</b>
Adjustments/ disposals	-	-	-
<b>As on March 31, 2017</b>	-	<b>2,976,202</b>	<b>2,976,202</b>
Additions	-	967,268	<b>967,268</b>
Adjustments/ disposals	-	-	-
<b>As on March 31, 2018</b>	-	<b>3,943,470</b>	<b>3,943,470</b>
<b>Accumulated depreciation</b>			
<b>As on April 1, 2016</b>	-	-	-
Depreciation charge	-	1,256,517	<b>1,256,517</b>
Adjustments/ disposals	-	-	-
<b>As on March 31, 2017</b>	-	<b>1,256,517</b>	<b>1,256,517</b>
Depreciation charge	-	887,977	<b>887,977</b>
Adjustments/ disposals	-	-	-
<b>As on March 31, 2018</b>	-	<b>2,144,494</b>	<b>2,144,494</b>
<b>Net Carrying Amount</b>			
<b>As on April 1, 2016</b>	-	<b>1,636,952</b>	<b>1,636,952</b>
<b>As on March 31, 2017</b>	-	<b>1,719,685</b>	<b>1,719,685</b>
<b>As on March 31, 2018</b>	-	<b>1,798,976</b>	<b>1,798,976</b>

Note: Depreciation is provided based on useful life supported by technical evaluation considering business specific usage, the consumption pattern of the assets and the past performance of similar assets

Asset Class	Estimated useful life (number of years)
Technical Knowhow Fees	3.00
Computer Software	3.00

#### 5. OTHER NON CURRENT FINANCIAL ASSETS

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Others			
Security deposits	9,376,602	9,952,722	7,765,005
Earnest money deposit	10,000,000	10,000,000	10,000,000
Advance income tax (net of provision)	8,582,547	5,811,763	5,811,763
Balance with government authorities	103,528,534	62,026,971	37,221,329
<b>Total</b>	<b>131,487,683</b>	<b>87,791,456</b>	<b>60,798,097</b>

#### 6. OTHER NON CURRENT ASSETS

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Capital advances	3,178,633	20,301,424	843,491
Prepaid lease rent	532,064	667,216	912,855
Deferred processing fees	129,713	205,874	225,000
<b>Total</b>	<b>3,840,410</b>	<b>21,174,514</b>	<b>1,981,346</b>



## 7. INVENTORIES

(At cost or realizable value whichever is lower)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Raw materials	42,712,031	37,903,728	24,573,827
Work-in-progress	89,481,200	60,654,945	54,907,362
Finished goods	33,863,468	17,551,828	19,461,026
Fuel & Oil	509,004	348,320	113,293
Consumables	993,616	943,971	645,549
Packing Materials	546,005	715,827	515,012
<b>Total</b>	<b>168,105,324</b>	<b>118,118,619</b>	<b>100,216,069</b>

## 8. CURRENT INVESTMENTS

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of units	Amount	No. of units	Amount	No. of units	Amount
<b>Investments in Equity Instruments</b>						
<b>Quoted</b>						
Tata Consultancy Services Ltd.	584	1,726,976	584	1,419,762	584	1,475,786
<b>Investment in mutual funds</b>						
<b>Quoted</b>						
Aditya Birla Sun Life Equity fund - Plan B Gr	10,666	7,342,123	6,522	4,084,759	4,315	2,001,704
Aditya Birla Sunlife Banking & Financial Services	160,338	4,223,293				
Aditya Birla Sun Life Frontline Equity Fund	20,483	4,285,760	15,741	3,039,598	-	-
Aditya Birla Sun Life MNC Fund Plan B Gr	-	-	6,147	3,882,493	2,076	1,164,716
Axis Focus 25 Fund	140,845	3,542,254	-	-	-	-
DSP Blackrock Opportunities Fund	9,431	1,995,108	9,431	1,798,677	-	-
Franklin India High Growth Company Fund	63,901	2,409,106	35,170	1,216,847	-	-
HDFC Equity Fund - Growth	2,300	1,360,876	2,300	1,250,909	9,880	4,117,002
HDFC Top 200 Fund - Div Reinvest	39,153	1,857,281	34,839	1,742,102	98,857	4,157,626
ICICI Prudential Discovery Fund	-	-	12,230	1,605,544	-	-
ICICI Dynamic Plan - Reg Plan Gr	14,350	3,618,001	-	-	8,253	1,448,523
ICICI Prudential Dynamic Plan - Cum.	-	-	29,295	6,744,887	24,389	4,280,822
ICICI Prudential Sav. fund - Reg Plan Gr	49,660	12,924,564	49,660	12,144,141	49,660	11,155,845
IDFC Infrastructure Fund - Growth	86,725	1,538,304				
IDFC Premier Equity Fund - Reg Plan Gr	16,460	1,485,687	69,993	5,733,636	37,877	2,581,599
Kotak Select Focus Fund	136,939	4,356,985	102,285	2,939,865	-	-
L&T Emerging Business Fund - Growth	121,334	3,251,259	-	-	-	-
L&T India Value Fund - Growth	62,918	2,262,076	-	-	-	-
Motilal Oswal Most Focused Multicap Fund - Gr	3,987	104,885	-	-	-	-
SBI Bluechip Fund	13,160	489,833	83,707	2,810,234	-	-
SBI Magnum Global Fund 94 Gr	-	-	21,100	3,079,959	8,031	1,017,331
SBI Magnum Multicap Fund	45,521	2,091,978	45,521	1,844,206	-	-
SBI MSFU Pharma Gr	-	-	19,232	2,649,064	6,217	937,381
Sundaram Rural India Fund Gr	95,187	3,908,640	55,312	2,043,784	-	-
<b>Total</b>		<b>64,774,989</b>		<b>60,030,467</b>		<b>34,338,335</b>



#### Details of quoted investments

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Book Value	54,572,809	50,435,721	31,099,104
Market Value	64,774,989	60,052,651	34,338,335

#### 9. TRADE RECEIVABLES

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Unsecured considered good	276,672,590	301,290,393	296,203,997
Unsecured considered doubtful	56,260	676,465	1,821,766
	276,728,850	301,966,858	298,025,763
Less: Allowance for doubtful doubts	(56,260)	(676,465)	(1,821,766)
<b>Total Receivables</b>	<b>276,672,590</b>	<b>301,290,393</b>	<b>296,203,997</b>
Current	276,672,590	301,290,393	296,203,997
Non-current	-	-	-

#### 10. CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Cash and cash equivalents			
- Cash on hand	1,269,532	316,109	906,611
- Balances with banks	13,593,628	1,768,763	3,248,365
<b>Total</b>	<b>14,863,160</b>	<b>2,084,872</b>	<b>4,154,976</b>

#### 11. BANK BALANCES OTHER THAN ABOVE

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Fixed deposits with bank	22,336,370	17,939,429	17,001,590
<b>Total</b>	<b>22,336,370</b>	<b>17,939,429</b>	<b>17,001,590</b>

(i) Deposits of Rs. 58,33,598 (previous year Rs. 59,13,459) with maturity of more than 12 months.

#### 12. OTHER CURRENT FINANCIAL ASSETS

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Unsecured, considered good			
Advance to vendors	1,021,337	1,058,658	645,185
Others	8,502,509	43,136	44,939
<b>Total</b>	<b>9,523,846</b>	<b>1,101,794</b>	<b>690,124</b>

#### 13. OTHER CURRENT ASSETS

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Interest accrued on FDR	822,103	1,257,244	749,959
Prepaid expenses	3,430,259	2,045,893	1,986,919
Advances to employees	882,035	1,299,641	1,352,149
<b>Total</b>	<b>5,134,397</b>	<b>4,602,778</b>	<b>4,089,027</b>



#### 14. SHARE CAPITAL

Particulars	Number	Amount
<b>Authorised share capital</b>		
At April 01, 2016	10,000,000	50,000,000
Increase/ (decrease) during the year	-	-
<b>At March 31, 2017</b>	<b>10,000,000</b>	<b>50,000,000</b>
Increase/ (decrease) during the year	-	-
<b>At March 31, 2018</b>	<b>10,000,000</b>	<b>50,000,000</b>
	<b>Number</b>	<b>Amount</b>
<b>Issued share capital</b>		
At April 01, 2016	6,178,024	30,890,120
Increase/ (decrease) during the year	-	-
<b>At March 31, 2017</b>	<b>6,178,024</b>	<b>30,890,120</b>
Increase/ (decrease) during the year	-	-
<b>At March 31, 2018</b>	<b>6,178,024</b>	<b>30,890,120</b>

- a) The company has one class of equity shares having a par value of Rs. 5 each. Each shareholder is eligible for one vote per share held. Dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.
- b) Details of Share holder holding more than 5% shares in the Company :

Name of the Shareholders	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Number	Holding	Number	Holding	Number	Holding
<b>Equity shares</b>						
Rahul J Nachane	1,083,450	17.54%	1,083,450	17.54%	1,083,450	17.54%
Rajesh N Lawande	1,143,811	18.51%	1,143,811	18.51%	1,143,811	18.51%
Sunita Sandip Potdar	892,957	14.45%	892,957	14.45%	892,957	14.45%
Ajita Rahul Nachane	713,449	11.55%	713,449	11.55%	713,449	11.55%
PCI Fermone Chemicals (I) Pvt. Ltd.	518,971	8.40%	518,971	8.40%	518,971	8.40%

- c) Reconciliation of the number of equity shares and share capital:

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Number	Holding	Number	Holding	Number	Holding
Outstanding at the beginning of the year	6,178,024	30,890,120	6,178,024	30,890,120	6,178,024	30,890,120
Issued during the year	-	-	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>6,178,024</b>	<b>30,890,120</b>	<b>6,178,024</b>	<b>30,890,120</b>	<b>6,178,024</b>	<b>30,890,120</b>



## 15. RESERVES AND SURPLUS

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Capital reserve</b>			
Balance at the beginning of the year	15,000,000	15,000,000	15,000,000
Add: Additions during the year	-	-	-
Balance at the end of the year	<b>15,000,000</b>	<b>15,000,000</b>	<b>15,000,000</b>
<b>Securities premium</b>			
Balance at the beginning of the year	1,173,981	1,173,981	1,173,981
Add: Additions during the year	-	-	-
Balance at the end of the year	<b>1,173,981</b>	<b>1,173,981</b>	<b>1,173,981</b>
<b>General reserve</b>			
Balance at the beginning of the year	1,923,714	1,923,714	1,923,714
Add: Additions during the year	-	-	-
Balance at the end of the year	<b>1,923,714</b>	<b>1,923,714</b>	<b>1,923,714</b>
<b>Amalgamation Reserve Account</b>			
Balance at the beginning of the year	4,004,968	4,004,968	4,004,968
Less: Transferred to General Reserve	-	-	-
Balance at the end of the year	<b>4,004,968</b>	<b>4,004,968</b>	<b>4,004,968</b>
<b>Retained earnings</b>			
Opening Balance	541,105,869	392,435,749	275,170,680
Add: Profit for the year	126,319,744	148,088,531	117,265,069
Depreciation of prior years written back	-	581,589	-
Closing Balance	<b>667,425,613</b>	<b>541,105,869</b>	<b>392,435,749</b>
<b>Total</b>	<b>689,528,276</b>	<b>563,208,532</b>	<b>414,538,412</b>

### Notes:

Capital Reserve: It represents the gains of capital nature which mainly includes the excess of value of net assets acquired over consideration paid by the Company for business amalgamation transaction in earlier years.

Share Premium: This is the difference between the face value of the equity shares and the consideration received in respect of shares issued.

General Reserve: The company created a General Reserve in earlier years pursuant to the provisions of the Companies Act wherein certain percentage of profits were required to be transferred to General Reserve before declaring dividends. As per Companies Act, 2013, the requirement to transfer profits to General Reserve is not mandatory. General Reserve is a free reserve available to the company.

Amalgamation Reserve was created when certain statutory reserves needed to be maintained by the transferee company during the scheme of amalgamation, which were previously maintained in the books of transferor company.

## 16. NON CURRENT BORROWINGS

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Secured</b>			
Term loans from banks:			
Term Loans from HDFC Bank	120,273,408	89,267,417	-
Vehicle Loan from Bank Of Maharashtra	-	461,770	977,081
Vehicle Loan from HDFC Bank	830,099	1,293,492	1,819,141
Vehicle Loan from Axis Bank	2,497,058	3,271,473	-
<b>Unsecured</b>			
Capital Subsidy Loan - Development Corporation of Konkan Ltd.	-	287,175	287,175
<b>Total</b>	<b>123,600,565</b>	<b>94,581,327</b>	<b>3,083,397</b>



## Terms and conditions of loans

1. Term Loans from HDFC Bank are @ 9.25% interest per annum and repayment to be made in 60 monthly instalments, 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 of the company.
2. For Vehicle Loans
  - (i) Bank of Maharashtra Vehicle loan is at 10.50% interest per annum and repayable in 36 instalments and secured by hypothecation of the vehicle
  - (ii) HDFC Bank loan is at 9.98% interest per annum and repayable in 60 instalments and secured by hypothecation of the vehicle.
  - (iii) Axis Bank loan is at 8.55% interest per annum and repayable in 48 instalments and secured by hypothecation of the vehicle.

## 17. PROVISIONS

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Non-current</b>			
Leave Encashment	10,582,040	18,284,581	16,514,925
Gratuity	4,303,913	3,165,436	1,897,842
	<b>14,885,953</b>	<b>21,450,017</b>	<b>18,412,767</b>
<b>Current</b>			
Leave Encashment	993,629	1,637,789	1,492,323
Gratuity	1,435,534	1,361,928	1,050,423
	<b>2,429,163</b>	<b>2,999,717</b>	<b>2,542,746</b>
<b>Total</b>	<b>17,315,116</b>	<b>24,449,734</b>	<b>20,955,513</b>

## 18. DEFERRED TAX LIABILITIES (NET)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Opening balance as at April 1	7,966,563	5,614,912	11,709,012
Tax (Income)/Expense during the period recognised in:			
(i) Statement of Profit and Loss in Profit or Loss section	20,205,640	2,757,883	396,565
(ii) Statement of Profit and Loss under OCI Section	150,328	(406,232)	-
(iii) Retained earnings		-	(6,490,665)
<b>Closing balance as at March 31</b>	<b>28,322,531</b>	<b>7,966,563</b>	<b>5,614,912</b>

## Movement of tax expenses during the year ended March 31, 2017

2016-17	Opening Balance	Recognised in profit & loss	Recognised in other comprehensive income	Closing Balance
Deferred tax (liability)/assets in relation to:				
Property, plant and equipment	4,161,451	1,496,439		5,657,890
Leave encashment	1,011,772	(662,786)		348,986
Defined benefit obligation	1,020,336	(140,262)	(406,232.16)	473,841
Creation of lease equalisation reserve	263,794	(107,030)		156,763
Fair valuation of investment	(1,103,930)	2,165,312		1,061,382
Borrowings as per effective interest rate	78,517	6,210		84,727
Provision for doubtful debts as per ECL	182,973	-		182,973
<b>Total</b>	<b>5,614,912</b>	<b>2,757,883</b>	<b>(406,232)</b>	<b>7,966,563</b>



## 19. OTHER NON CURRENT LIABILITIES

Particulars	As at March 31, 2018	As at 31 March, 2017	As at 1 April, 2016
Lease equalisation reserve	1,232,867	1,097,348	774,042
<b>Total</b>	<b>1,232,867</b>	<b>1,097,348</b>	<b>774,042</b>

## 20. CURRENT BORROWINGS

Particulars	As at March 31, 2018	As at 31 March, 2017	As at 1 April, 2016
<b>Secured</b>			
From banks for working capital	112,645,903	109,358,815	124,452,901
<b>Total</b>	<b>112,645,903</b>	<b>109,358,815</b>	<b>124,452,901</b>

- (a) Working capital loans are guaranteed by Mr. Rahul Nachane, Managing Director and Mr. Rajesh Lawande, Executive Director.
- (b) Working capital loans comprise of loans repayable on demand in the form of cash credit, pre shipment finance and post shipment finance. These are secured by hypothecation of inventories, trade receivables and book debts.

## 21. TRADE PAYABLES

Particulars	As at March 31, 2018	As at 31 March, 2017	As at 1 April, 2016
<b>Current</b>			
Trade payables			
Acceptances	9,984,833	4,810,442	20,480,550
Other than Acceptances	225,362,002	139,742,012	116,057,449
<b>Total</b>	<b>235,346,835</b>	<b>144,552,454</b>	<b>136,537,999</b>

### Notes

Particulars	As at March 31, 2018	As at 31 March, 2017	As at 1 April, 2016
Of the above, payables to Micro and Small Enterprises	88,271	57,178	-

There is no principal amount and interest amount overdue to Micro and Small industries. This information as required to be disclosed under the Micro, Small & Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the company. This information has been relied upon by the auditors.

Particulars	As at March 31, 2018	As at 31 March, 2017	As at 1 April, 2016
Principal amount due and remaining unpaid	-	-	-
Interest due on the above and unpaid interest	-	-	-
Interest paid	-	-	-
Payment made beyond the appointed date during the year	-	-	-
Interest due and payable for the period of delay	-	-	-
Interest accrued and remaining unpaid	-	-	-
Amount of further interest remaining due and payable in succeeding year	-	-	-





## 22. OTHER FINANCIAL LIABILITIES

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Current</b>			
Current Maturities of Long Term Debt	30,426,482	24,716,625	16,792,647
Payables for Capital Purchases	23,133,592	17,770,295	7,875,609
Interest accrued on DCK Loan	-	1,052,586	1,052,586
<b>Total</b>	<b>53,560,074</b>	<b>43,539,506</b>	<b>25,720,842</b>

Note: Current Maturities of Long Term debt comprise of secured borrowing listed in Note 16.

## 23. CURRENT TAX LIABILITIES

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Opening balance	1,935,980	14,112,122	-
Add: Current tax payable for the year	38,100,000	76,500,000	64,200,000
Less: Taxes paid	(39,577,490)	(88,676,142)	(50,087,878)
<b>Total</b>	<b>458,490</b>	<b>1,935,980</b>	<b>14,112,122</b>

## 24. OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Interest payable	7,957	6,292	5,405
<b>Total</b>	<b>7,957</b>	<b>6,292</b>	<b>5,405</b>

## 25. REVENUE FROM OPERATIONS

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Sale of products (including excise duty)	1,129,560,868	1,027,794,256
Other operating revenue	27,220,029	36,959,242
<b>Total revenue from operations</b>	<b>1,156,780,897</b>	<b>1,064,753,498</b>

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

## 26. OTHER INCOME

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest income	1,769,954	1,693,757
Dividend income		
- from current investments	237,355	170,557
Other non-operating income (net of expenses directly attributable to such income)	7,305,130	2,011,674
Net gain/(loss) on sale or fair valuation of investments	4,690,524	7,888,217
Gain on exchange fluctuations	11,711,558	2,450,474
<b>Total</b>	<b>25,714,521</b>	<b>14,214,679</b>



## 27. COST OF MATERIALS CONSUMED

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Raw materials at the beginning of the year	37,903,728	24,573,827
Add: Purchases	508,615,343	396,162,093
Less: Raw material at the end of the year	(42,712,031)	(37,903,728)
<b>Total cost of raw materials consumed</b>	<b>503,807,040</b>	<b>382,832,192</b>

Note: There is no single item with a value exceeding 10% of the material consumption.

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Inventories at the end of the year:		
Finished goods	33,863,468	17,551,828
Work-in-progress	89,481,200	60,654,945
	123,344,668	78,206,773
Inventories at the beginning of the year:		
Finished goods	17,551,828	19,461,026
Work-in-progress	60,654,945	54,907,362
	78,206,773	74,368,388
<b>Total changes in inventories of finished goods and work-in-progress</b>	<b>(45,137,895)</b>	<b>(3,838,385)</b>

## 29. EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries and wages	170,500,798	129,909,423
Contribution to provident fund and other funds	8,867,262	4,530,133
Staff welfare expense	4,349,241	4,064,732
<b>Total</b>	<b>183,717,301</b>	<b>138,504,288</b>

### Disclosure pursuant to Ind AS 19 - "Employee Benefits"

(i) Defined contribution plans: Note 2.17	March 31, 2018	March 31, 2017
Contribution to provident fund	5,297,325	4,436,519
(ii) Defined benefit plans: Note 2.17		

### Gratuity Plan

(a) Funded status of the plan

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
A) Present value of defined benefit obligation			
- Wholly funded	11,674,098	11,508,546	8,656,567
- Wholly unfunded	-	-	-
	11,674,098	11,508,546	8,656,567
Less: Fair value of plan assets	-5,934,651	-6,981,182	-5,708,302
Amount to be recognized as liability or (asset)	5,739,447	4,527,364	2,948,265



	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
B) Amounts reflected in Balance Sheet			
Liabilities	5,739,447	4,527,364	2,948,265
Assets	-	-	
Net liability/(asset)	5,739,447	4,527,364	2,948,265
Net liability/(asset) - current	1,435,534	1,361,928	1,050,423
Net liability/(asset) - non current	4,303,913	3,165,436	1,897,842

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
1. Current service cost	1,361,928	1,052,423
2. Past service cost and loss/(gain) on curtailments and settlements	852,228	-
3. Interest cost	273,095	186,576
<b>Total charge to Profit &amp; Loss</b>	<b>2,487,251</b>	<b>1,238,999</b>

(c) The amount recognized in Other Comprehensive Income

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Components of actuarial gain/(losses) on obligations		
Due to change in financial assumptions	-497,230	502,871
Due to change in demographic assumptions	-	-
Due to experience adjustments	-1,310,134	712,382
Return on plan assets excluding amount included in interest income	1,267,005	-41,443
<b>Amount recognized in Other Comprehensive Income</b>	<b>-540,359</b>	<b>1,173,810</b>

(d) Reconciliation of defined benefit obligation

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening defined benefit obligation	11,508,546	8,656,567
Transfer in/(out) obligation	-	-
Current service cost	1,361,928	1,050,423
Interest cost	750,157	615,566
Actuarial loss/(gain) due to change in financial assumptions	-497,230	502,871
Actuarial loss/(gain) due to change in demographic assumptions	-	-
Actuarial loss/(gain) due to experience adjustments	-1,310,134	712,382
Past service cost	852,228	-
Loss/(gain) on curtailments	-	-
Liabilities extinguished on settlements	-	-
Liabilities assumed in an amalgamation in the nature of purchase	-	-
Exchange differences on foreign plans	-	-
Benefits paid	-991,397	-29,263
<b>Closing defined benefit obligation</b>	<b>11,674,098</b>	<b>11,508,546</b>



(e) Reconciliation of plan assets

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening value of plan assets	6,981,182	5,708,302
Transfer in/(out) of plan assets	-	-
Interest income	477,062	428,990
Return on plan assets excluding amount included in interest income	-1,267,005	41,443
Assets distributed on settlements	-	-
Contributions by employer	734,809	831,710
Assets acquired in an amalgamation in the nature of purchase	-	-
Exchange differences on foreign plans	-	-
Benefits paid	-991,397	-29,263
<b>Closing balance of plan assets</b>	<b>5,934,651</b>	<b>6,981,182</b>

(f) Reconciliation of net defined benefit liability

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Net opening provision in books of account	4,527,364	2,948,265
Transfer in/(out) obligation	-	-
Transfer in/(out) plan assets	-	-
Employee benefit expense (from (b) above)	2,487,251	1,236,999
Amounts recognized in other comprehensive income (from (c) above)	-540,359	1,173,810
	<b>6,474,256</b>	<b>5,359,074</b>
Contribution to plan assets	-734,809	-831,710
<b>Closing provision in books of accounts</b>	<b>5,739,447</b>	<b>4,527,364</b>

(g) Composition of plan assets

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Policy of insurance	100%	100%

(h) Principal actuarial assumptions

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Discount rate	7.60%	7.10%
Salary growth rate	6.00%	6.00%
Withdrawal rates	10% at younger ages reducing to 2% at older ages	10% at younger ages reducing to 2% at older ages

(i) Expected cash flows based on past service liability

	As at March 31, 2018		As at March 31, 2017	
	Rupees	%	Rupees	%
2017	695,530	2.70%	1,324,419	7.30%
2018	1,120,019	4.40%	949,252	5.20%
2019	727,986	2.90%	493,146	2.70%
2020	2,151,793	8.50%	849,144	4.70%
2021	1,790,473	7.10%	499,205	2.70%
2022-2026	3,961,524	15.70%	3,919,183	21.50%



(j) Sensitivity analysis of key assumptions

	As at March 31, 2018		As at March 31, 2017	
	DBO	Change in DBO %	DBO	Change in DBO %
Discount rate varied by 0.5%				
+ 0.5%	11,210,978	-3.97%	11,086,539	-3.67%
- 0.5%	12,171,328	4.26%	11,962,070	3.94%
Salary growth rate varied by 0.5%				
+ 0.5%	12,153,351	4.11%	11,892,812	3.34%
- 0.5%	11,216,309	-3.92%	11,119,351	-3.38%
Withdrawal rate (WR) varied by 10%				
WR x 110%	11,724,692	0.43%	11,555,423	0.41%
WR x 90%	11,619,288	-0.47%	11,419,326	-0.78%

(iii) Short term benefits (leave encashment)

The company has provided for accumulated compensation absences (leave encashment) as per Ind AS 19 "Employee Benefits". The provision is made on the basis of actuarial evaluation carried out. The current years provision is charged under Salaries and Wages as given below. This liability is not funded.

	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries - leave encashment	-8,346,702	1,579,099

30. OTHER EXPENSES

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Power and Fuel	58,666,155	41,766,403
Consumable Stores	10,186,291	8,564,710
Packing Materials	17,831,185	9,716,976
Processing Charges	15,469,976	9,801,150
Factory Expenses	10,182,859	10,715,840
Water Charges	1,872,441	1,828,132
Repairs to		
Plant & Machinery	40,681,714	36,615,571
Factory Buildings	5,138,778	4,783,930
Other Assets	2,119,986	3,862,600
Insurance	4,530,838	4,599,643
Laboratory Expenses	16,559,820	18,589,176
Payment to Auditors (See note below)	1,397,000	1,354,750
Postage & Telephone Expenses	2,253,390	2,353,815
Legal and Professional Fees	10,086,476	7,157,425
Bank Charges and Commission	2,112,523	2,841,201
Rent, Rates and Taxes	9,703,680	9,125,765
Printing & Stationery	3,835,073	2,797,542
Vehicle Expenses	1,826,715	1,298,377
Advertisement & Business Promotion	10,800,225	8,965,099
Commission on Sales	4,582,573	3,368,454
Travelling Expenses	8,061,449	7,751,903
Freight, Coolie & Cartage	26,170,570	17,890,159
Miscellaneous Expenses	16,662,131	12,071,618
<b>Total</b>	<b>280,731,848</b>	<b>227,820,239</b>



(a) Details about payment to auditors

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(i) Payment to statutory auditors (net of service tax/GST input)		
As auditors - statutory audit & tax audit	625,000	700,000
As auditors - other services	75,000	-
<b>sub total (i)</b>	<b>700,000</b>	<b>700,000</b>
(ii) Payment to internal auditors and cost auditors (net of service tax/GST input)		
Internal Audit Fees	360,000	552,750
Cost Audit Fees	337,000	102,000
<b>sub total (ii)</b>	<b>697,000</b>	<b>654,750</b>
<b>Total (I + ii)</b>	<b>1,397,000</b>	<b>1,354,750</b>

**31. FINANCE COSTS**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest expense on:		
- Long term borrowings	7,364,241	1,301,709
- Short term borrowings	8,185,695	5,896,117
<b>Total</b>	<b>15,549,936</b>	<b>7,197,826</b>

**32. Contingent liability**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Disputed direct tax Total demand from the Income Tax Department amounts to Rs. 33,24,850 (previous year Rs. 33,24,850) of which the company has paid Rs. 28,82,547 (previous year Rs. 58,11,763) under protest. This matter is under appeal	3,324,850	3,324,850

**33. Commitments**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for		
Tangible assets	17,772,116	46,513,546
(ii) Other commitments (specify nature)		
Guarantees issued by banks on behalf of the company	300,000	100,000
Letters of credit established for which goods are yet to be received and provided for	-	3,190,059

**34 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

(i) Associates Companies/Firms in which Directors or their relatives are interested  
Nupur Remedies Private Limited

(ii) Key management personnel and their relatives with whom the company has transacted

Name	Designation	Relatives
Rahul Nachane	Managing Director	Ajita Nachane
Rajesh Lawande	Executive Director	Ajita Nachane
Ajita Nachane	Non Independent Director	Rahul Nachane



(b) Nature of transaction

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>(i) Expenses</b>		
Rent		
Nupur Remedies Private Limited	2,250,000	1,800,000
Rahul Nachane	2,725,125	2,535,000
Rajesh Lawande	2,725,125	2,535,000
<u>Laboratory Contract Charges</u>		
Nupur Remedies Private Limited	4,950,000	6,600,000
<u>Managerial Remuneration</u>		
Rahul Nachane	8,565,600	7,365,600
Rajesh Lawande	8,421,600	7,221,600
<u>Commission on profits</u>		
Rahul Nachane	4,525,000	-
Rajesh Lawande	4,525,000	-
<u>Legal &amp; Professional Fee</u>		
Nupur Remedies Private Limited	1,650,000	-
<u>Director's Sitting Fee</u>		
Ajita Nachane	93,750	70,000
<b>(ii) Deposits</b>		
Nupur Remedies Private Limited	350,000	350,000
Rahul Nachane - Office Deposit	2,000,000	2,000,000
Rajesh Lawande - Office Deposit	2,000,000	2,000,000
<b>(iii) Outstanding balances</b>		
	<b>Payables</b>	<b>Payables</b>
Nupur Remedies Private Limited	-	-
Rahul Nachane - Office Deposit	41,604	-
Rajesh Lawande - Office Deposit	41,604	-

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

**35. Fair values**

Fair value measurement includes both the significant financial instruments stated at amortised cost and at fair value in the statement of financial position. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The carrying values of the long-term financial instruments approximates the fair values as the management has considered the fair value measurement techniques using the observable data i.e. the discounting rate which was similar as to rates, tenure and the credit rating of the other instruments of the Company. The management has also considered the effect of time value of money with respect to other long term financial instruments by taking the Company's fixed deposit rate of the Company.

**36. Financial risk management objectives and policies**

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's risk management assessment and policies and processes are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same.

The Company has constituted a Risk Management Committee consisting of majority of directors and senior managerial personnel. The Company has a robust risk management policy to identify, evaluate business risks and opportunities. This policy seeks to create transparency, minimise adverse impact on the business objectives and enhance the Company's competitive advantage.



Carrying amount of financial assets and liabilities:

The following table summaries the carrying amount of financial assets and liabilities recorded at the end of the year by categories:

Particulars	As at March 31, 2018	As at March 31, 2017
Financial assets		
Investments	64,774,989	60,030,467
Cash and cash equivalents	14,863,160	2,084,872
Bank balances other than above	22,336,370	17,939,429
Trade receivables	276,672,590	301,290,393
Other financial assets	9,523,846	1,101,794
<b>At end of the year</b>	<b>388,170,955</b>	<b>382,446,955</b>
Financial liabilities		
Borrowings	112,645,903	109,358,815
Trade payables	235,346,835	144,552,454
Other current financial liabilities	53,560,074	43,539,506
<b>At end of the year</b>	<b>401,552,812</b>	<b>297,450,775</b>

The sensitivity analysis in the preceding sections relate to the position as at March 31, 2018 and March 31, 2017.

The following assumption have been made in calculating the sensitivity analysis:

The sensitivity of the relevant profit or loss items is the effect of the assumed changes in respective market risks.

### 37. Credit risk

Credit risk arises from the possibility that customers may not be able to settle their obligations as agreed and arises principally from the Company's receivables from customers, loans and investments. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of counterparty to which the Company grants credit terms in the normal course of business.

#### Investments

The Company limits its exposure to credit risk by investing in liquid securities which primarily include mutual fund units. The Company does not expect any losses from non-performance of these securities and does not have any significant concentration of exposures to specific industry sectors or specific country risks.

#### Trade receivables

Trade receivables are typically unsecured and derived from revenue earned from customers. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain, however this is modified if in the past experience of the company, there is likely mitigation of the credit risk.

#### Ageing of trade receivable

Particulars	Days			Total
	0-180	180-365	Above 365	
As on March 31, 2018	272,604,413	3,310,729	813,708	276,728,850
As on March 31, 2017	300,689,052	601,341	676,465	301,966,858
As on April 1, 2016	295,693,525	474,764	1,857,474	298,025,763

### 38 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk, such as equity price risk and commodity risk. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Financial instruments affected by market risk include loans and borrowings, deposits and investments.

### 39 Foreign currency risk

Foreign exchange risk arises on future commercial transactions and on all recognised monetary assets and liabilities, which are denominated in a currency other than the functional currency of the Company. The Company's management has set policy wherein exposure is identified, benchmark is set and monitored closely, and accordingly suitable hedges are undertaken. The Company's foreign currency exposure arises mainly from foreign exchange imports and exports, primarily with respect to USD.





Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	USD	INR	USD	INR	USD	INR
<b>Payables</b>						
Advances from customers	85,559	5,551,351	58,119	3,796,474	336	22,317
Trade Payables	329,778	21,450,113	255,513	16,567,105	297,238	19,674,150
<b>Receivables</b>						
Trade Receivables	2,653,801	172,614,098	3,259,347	183,223,963	3,076,067	203,174,266
	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Euro	INR	Euro	INR	Euro	INR
Payables						
Advances from customers	13,650	1,095,276	13,900	973,055	-	-

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

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	USD	INR	USD	INR	USD	INR
Net foreign currency assets USD	2,238,464	145,612,634	2,945,715	162,860,384	2,778,493	183,477,799
Impact on profit or loss: Income/(Expense)						
USD - Increase by 5%		7,280,632		8,143,019		9,173,890
USD - Decrease by 5%		-7,280,632		-8,143,019		-9,173,890
Net foreign currency liabilities Euro	13,650	1,095,276	13,900	973,055	-	-
Impact on profit or loss: Income/(Expense)						
Euro - Increase by 5%		-54,764		-48,653		-
Euro - Decrease by 5%		54,764		48,653		-
Net Impact - increase by 5%		7,225,868		8,094,366		9,173,890
Net Impact - decrease by 5%		-7,225,868		-8,094,366		-9,173,890

#### 40. Interest rate risk

Company's interest rate risk arises from borrowings. The Company adopts a policy of ensuring that maximum of its interest rate risk exposure is at a fixed rate. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Fixed rate instruments</b>			
Financial Assets	22,336,370	17,939,429	17,001,590
Financial liabilities	3,327,157	5,026,735	2,796,222
<b>Variable rate instruments</b>			
Financial Assets	64,774,989	60,030,467	34,338,335
Financial liabilities	232,919,311	198,913,407	124,740,076

#### Interest rate sensitivity

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates. The Company's exposure to the risk of changes in market rates relates primarily to the Company's debt obligations with floating interest rates.

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Long term variable interest rate borrowings	120,273,408	89,554,592	287,175
Short term variable interest rate borrowings	112,645,903	109,358,815	124,452,901
	<b>232,919,311</b>	<b>198,913,407</b>	<b>124,740,076</b>



Cash flow sensitivity analysis for variable-rate instruments:

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss before tax by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant:

Year ended	Increase/ (decrease) in basis points	Effect on profit before tax increase/ (decrease)
March 31, 2018	100 (100)	(2,329,193) 2,329,193
March 31, 2017	100 (100)	(1,989,134) 1,989,13

#### 41. Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Group manages the liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The Group invests its surplus funds in bank fixed deposits and liquid schemes of mutual funds which carry limited mark to market risks. The Company also invests in equity schemes of mutual funds which carry liquidity and rate return risks.

Particulars	On demand	Upto 1 year	1 to 5 years	More than 5 years	Total
	₹	₹	₹	₹	₹
Year ended March 31, 2018					
Trade payables	-	235,346,835	-	-	235,346,835
Other financial liabilities	-	53,560,074	-	-	53,560,074
	-	288,906,909	-	-	288,906,909
Year ended March 31, 2017					
Trade payables	-	144,552,454	-	-	144,552,454
Other financial liabilities	-	43,539,506	-	-	43,539,506
	-	188,091,960	-	-	188,091,960

At present, the Company expects to repay all liabilities at their contractual maturity. In order to meet such cash commitments, the operating activity is expected to generate sufficient cash inflows

#### 42. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the company. The primary objective of the Company's capital management is to maximise the value of shareholder.

The Company monitors capital using Capital Gearing Ratio, which is net debt divided by total capital plus net debt. Net debt includes loans and borrowings, trade and other payables, less cash and cash equivalents.

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Loans and borrowings	236,246,468	203,940,142	127,536,298
Trade payables	235,346,835	144,552,454	136,537,999
Other payables	56,455,684	48,481,495	42,381,115
Less: Cash and cash equivalents	(14,863,160)	(2,084,872)	(4,154,976)
<b>Net debt (A)</b>	<b>513,185,827</b>	<b>394,889,219</b>	<b>302,300,436</b>
Equity	720,418,396	594,098,652	445,428,532
<b>Capital and net debt (B)</b>	<b>720,418,396</b>	<b>594,098,652</b>	<b>445,428,532</b>
<b>Capital gearing ratio (A/B)</b>	<b>0.71</b>	<b>0.66</b>	<b>0.68</b>



To achieve the overall objective, the Company's capital management aims to ensure that it meets the financial covenants attached to loans and borrowings. Breaches in meeting the covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any loans and borrowings in the current year.

#### 43. Income tax

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

##### Income statement

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Current income tax:</b>		
Current income tax charge	-38,100,000	-76,500,000
Less: MAT credit	5,700,000	-
Adjustments in respect of current income tax of previous year	507,680	(25,528)
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	(20,205,640)	(2,757,883)
Relating to origination and reversal of temporary differences through OCI	(150,328)	406,232
<b>Income tax expense reported in the income statement</b>	<b>(52,248,288)</b>	<b>(78,877,179)</b>

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

Particulars	As at March 31, 2018	As at March 31, 2017
Profit before tax	178,027,673	228,139,519
Income tax expense calculated at 33.063%	(58,861,290)	(82,273,955)
Effect of income tax that is exempt from taxation	2,383,349	560,567
Effect of expenses that are not deductible in determining taxable profits	(4,229,652)	(2,836,209)
<b>Total tax expense</b>	<b>(52,248,288)</b>	<b>(78,877,179)</b>

The tax rate used for the reconciliations above is the corporate tax rate of 33.063% payable by corporate entities in India on taxable profits under tax law in the Indian jurisdiction.

#### 44. Additional information

##### (a) Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding at the end of the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding at the end the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

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

Particulars	As at March 31, 2018	As at March 31, 2017
Profit after tax as per accounts	125,929,713	148,856,108
Weighted average number of equity shares for basic EPS*	6,178,024	6,178,024
Weighted average number of equity shares adjusted for the effect of dilution*	6,178,024	6,178,024
Face value per share	5	5
Basic earning per share	20.38	24.09
Diluted earning per share	20.38	24.09

\* There have been no other transactions involving equity shares or potential equity shares between the reporting date and the date of authorisation of the financial statements.



Particulars	As at March 31, 2018	As at March 31, 2017
Profit after tax as per accounts	125,929,713	148,856,108
Weighted average number of equity shares for basic EPS*	6,178,024	6,178,024
Weighted average number of equity shares adjusted for the effect of dilution*	6,178,024	6,178,024
Face value per share	5	5
Basic earning per share	20.38	24.09
Diluted earning per share	20.38	24.09

\* There have been no other transactions involving equity shares or potential equity shares between the reporting date and the date of authorisation of the financial statements.

	As at March 31, 2018		As at March 31, 2017	
<b>(b) Value of imports calculated on CIF basis:</b>				
Raw materials		79,625,096		71,705,995
Capital goods		4,187,640		2,210,302
Total		83,812,736		73,916,297
<b>(c) Expenditure in foreign currency:</b>				
Professional and consultation fees		-		-
Other matters		14,821,989		15,073,258
Total		14,821,989		15,073,258
<b>(d) Details of consumption of imported and indigenous items</b>				
(i) <u>Raw materials Consumed</u>				
Indigenous	83.0%	418,177,719	82.2%	316,082,406
Imported	17.0%	85,629,321	17.8%	66,749,786
Total	100.0%	503,807,040	100.0%	384,684,542
(ii) <u>Stores and spares Consumed</u>				
Indigenous	100.0%	10,186,291	100.0%	8,564,710
Imported	0.0%	-	0.0%	-
Total	100.0%	10,186,291	100.0%	8,564,710
<b>(e) Earnings in foreign exchange :</b>				
Export of goods calculated on FOB basis		856,630,654		724,887,198
Other (Insurance & Freight)		13,047,005		7,298,293
<b>(f) Operating Lease</b>				
The company's significant leasing arrangements are in respect of office and laboratory in Mumbai and warehouses at Tarapur and Navi Mumbai. The leasing arrangements are usually renewed by consent on an agreeable basis. The aggregate lease rentals payable is charged as "Rent" under Other Expenses.				
Future minimum rentals(excluding taxes) payable under operating leases are as follows:				
Within one year		10,540,471		8,454,500
Later than one year but not later than five years		23,594,261		34,134,732
Later than five years		-		-
Rental expense relating to operating lease:				
Minimum lease payments		9,429,104		8,485,158
Total rental expense relating to operating lease		9,429,104		8,485,158



45. Reconciliation of Balance Sheet, Equity and Income Statement as under:

A. Reconciliation of Equity as perviously reported under IGAAP

Particulars	As at March 31, 2017 (IGAAP)	Effects of transition to Ind AS	As at March 31, 2017 (Ind AS)	As at April 1, 2016 (IGAAP)	Effects of transition to Ind AS	As at April 1, 2016 (Ind AS)
<b>ASSETS</b>						
<b>(1) Non-current assets</b>						
(a) Property, plant and equipment	247,275,733	-	247,275,733	239,717,039	-	239,717,039
(b) Capital work-in-progress	158,456,930	-	158,456,930	15,858,113	-	15,858,113
(c) Intangible assets	1,719,685	-	1,719,685	1,636,952	-	1,636,952
(d) Financial assets						
(i) Others	88,494,007	(702,551)	87,791,456	61,732,068	(933,971)	60,798,097
(e) Other non-current assets	20,301,424	873,090	21,174,514	843,491	1,137,855	1,981,346
<b>Total non-current assets</b>	<b>516,247,779</b>	<b>170,539</b>	<b>516,418,318</b>	<b>319,787,663</b>	<b>203,884</b>	<b>319,991,547</b>
<b>(2) Current assets</b>						
(a) Inventories	118,118,619	-	118,118,619	100,216,069	-	100,216,069
(b) Financial assets						
(i) Investments	50,435,721	9,594,746	60,030,467	31,099,104	3,239,230	34,338,334
(ii) Trade receivables	301,290,393	0	301,290,393	296,203,997	-	296,203,997
(iii) Cash and cash equivalents	2,084,872	-	2,084,872	4,154,976	-	4,154,976
(iv) Bank balances other than (iii) above	17,939,429	-	17,939,429	17,001,590	-	17,001,590
(v) Others	1,101,794	-	1,101,794	690,124	-	690,124
(c) Other current assets	4,602,808	(30)	4,602,778	4,089,042	(15)	4,089,028
<b>Total current assets</b>	<b>495,573,636</b>	<b>9,594,716</b>	<b>505,168,352</b>	<b>453,454,902</b>	<b>3,239,215</b>	<b>456,694,118</b>
<b>TOTAL ASSETS</b>	<b>1,011,821,415</b>	<b>9,765,255</b>	<b>1,021,586,670</b>	<b>773,242,565</b>	<b>3,443,100</b>	<b>776,685,665</b>
<b>EQUITY AND LIABILITIES</b>						
<b>EQUITY</b>						
(a) Equity share capital	30,890,120		30,890,120	30,890,120	-	30,890,120
(b) Other equity	554,226,104	8,982,428	563,208,532	411,255,879	3,282,533	414,538,412
<b>TOTAL EQUITY</b>	<b>585,116,224</b>	<b>8,982,428</b>	<b>594,098,652</b>	<b>442,145,999</b>	<b>3,282,533</b>	<b>445,428,532</b>
<b>LIABILITIES</b>						
<b>(1) Non-current liabilities</b>						
(a) Financial liabilities						
(i) Borrowings	94,581,327	-	94,581,327	3,083,397	-	3,083,397
(ii) Others	-	1,097,348	1,097,348	-	774,042	774,042
(b) Provisions	19,135,093	2,314,924	21,450,017	15,083,728	3,329,039	18,412,767
(c) Deferred tax liabilities	13,602,016	(5,635,453)	7,966,563	12,105,577	(6,490,665)	5,614,912
<b>Total non-current liabilities</b>	<b>127,318,436</b>	<b>(2,223,181)</b>	<b>125,095,255</b>	<b>30,272,702</b>	<b>(2,387,584)</b>	<b>27,885,118</b>
<b>(2) Current liabilities</b>						
(a) Financial liabilities						
(i) Borrowings	109,358,815	-	109,358,815	124,452,901	-	124,452,901
(ii) Trade Payables	144,552,454	-	144,552,454	136,537,999	-	136,537,999
(iii) Other financial liabilities	43,539,506	-	43,539,506	25,720,842	-	25,720,842
(b) Provisions	-	2,999,717	2,999,717	-	2,542,746	2,542,746
(c) Current tax liabilities (net)	1,935,980	-	1,935,980	14,112,122	-	14,112,122
(d) Other current liabilities	-	6,292	6,292	-	5,405	5,405
<b>Total current liabilities</b>	<b>299,386,755</b>	<b>3,006,009</b>	<b>302,392,764</b>	<b>300,823,864</b>	<b>2,548,151</b>	<b>303,372,015</b>
<b>TOTAL LIABILITIES</b>	<b>426,705,191</b>	<b>782,828</b>	<b>427,488,019</b>	<b>331,096,566</b>	<b>160,567</b>	<b>331,257,133</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,011,821,415</b>	<b>9,765,256</b>	<b>1,021,586,670</b>	<b>773,242,565</b>	<b>3,443,100</b>	<b>776,685,665</b>



## B. Reconciliation of equity

Particulars	As at March 31, 2018	As at March 31, 2017
<b>As reported under IGAAP</b>		
Equity capital	30,890,120	30,890,120
Reserves	554,226,104	411,255,879
	<b>585,116,224</b>	<b>442,145,999</b>
<b>Ind AS adjustments:</b>		
Opening balance ind as adjustments		
Interest income	-702,551	-933,971
Gain on Investments M To M	9,594,746	3,239,230
Interest expense	-6,322	-5,420
Rent expense	(430,132)	138,813
Deferred Loan Processing Fee	205,874	225,000
Salaries - Leave Encashment	(787,278)	(2,923,520)
Gratuity expense	(4,527,363)	(2,948,265)
Impact of Ind AS adjustments on deferred tax	5,635,454	6,490,665
	8,982,428	3,282,533
<b>As reported under Ind AS</b>	<b>594,098,652</b>	<b>445,428,532</b>
Comprises of :		
Equity capital	30,890,120	30,890,120
Other equity	563,208,532	414,538,412
	<b>594,098,652</b>	<b>445,428,532</b>

## C. Reconciliation of statement of profit and loss as previously reported under IGAAP to Ind AS

Particulars	For the year ended March 31, 2018 (as per IGAAP)	Effects of transition to Ind AS	For the year ended March 31, 2017 (as per Ind AS)
<b>Revenue from operations</b>			
Sale of products	1,064,753,498	-	1,064,753,498
Other income	7,627,759	6,586,920	14,214,679
<b>Total income</b>	<b>1,072,381,257</b>	<b>6,586,920</b>	<b>1,078,968,177</b>
<b>Expenses</b>			
Cost of materials consumed	382,832,192	-	382,832,192
Purchases of stock-in-trade	-	-	-
Changes in inventories of finished goods and work in progress	(3,838,385)	-	(3,838,385)
Excise duty on sale of goods	67,517,581	-	67,517,581
Finance Cost	7,177,813	20,013	7,197,826
Employee benefits expense	140,235,241	(1,730,953)	138,504,288
Depreciation expense	30,794,917	-	30,794,917
Other expenses	227,251,294	568,945	227,820,239
<b>Total expenses</b>	<b>851,970,653</b>	<b>(1,141,994)</b>	<b>850,828,658</b>



<b>Profit before tax from continuing operations</b>	<b>220,410,604</b>	<b>7,728,915</b>	<b>228,139,519</b>
Current tax	(76,500,000)	-	(76,500,000)
Current tax expense relating to prior years	(25,528)	-	(25,528)
Deferred tax	(1,496,439)	(1,261,444)	(2,757,883)
<b>Income tax expense</b>	<b>(78,021,967)</b>	<b>(1,261,444)</b>	<b>(79,283,411)</b>
<b>Profit for the year from continuing operations</b>	<b>142,388,637</b>	<b>6,467,470</b>	<b>148,856,108</b>
<b>Other comprehensive income (OCI)</b>			
<b>Other comprehensive income not to be reclassified to profit and loss in subsequent periods:</b>			
Loss on actuarial valuation of post employment benefits	-	1,173,810	(1,173,810)
<b>Less: Income tax expense</b>	<b>-</b>	<b>(406,232)</b>	<b>406,232</b>
<b>Other comprehensive income for the year, net of tax</b>	<b>0</b>	<b>767,578</b>	<b>(767,577)</b>
<b>Total comprehensive income for the year</b>	<b>142,388,637</b>	<b>5,699,893</b>	<b>148,088,531</b>

#### 46 Segmental information

As the Company's business activities fall within a single primary business segment namely pharmaceuticals, the disclosure requirements of Ind AS 108 in this regard are not applicable.

#### 47 Remeasurement of security deposit

Under IGAAP, interest-free lease security deposits (that are refundable in cash on completion of lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the Company has recorded these security deposits at fair value under Ind AS. Differences between the fair value and the transaction value of the security deposits have been recognised as prepaid rent. Consequent to this change, the amount of security deposits decreased by ₹ 5,72,431 at March 31, 2018 and decreased by ₹ 702,551 as at March 31, 2017. The prepaid rent increased by ₹ 5,32,064 as at March 31, 2018. Prepaid rent as on March 31, 2017 amounted to ₹ 667,217. Due to the discounting of security deposits and unwinding of interest income, the profit for the year as at March 31, 2018 decreased by ₹ 1,36,818

#### 48 Classification and presentation of assets and liabilities

Under IGAAP, the Company was not required to present its assets and liabilities bifurcated between financial assets/ financial liabilities and non-financial assets/ non-financial liabilities. Under Ind AS, the Company is required to present its assets and liabilities bifurcated between financial assets/ financial liabilities and non-financial assets/ non-financial liabilities. Accordingly, the Company has classified and presented the assets and liabilities.

In the opinion of the management, the current assets, loans & advances have been stated at realizable value. Provision for all the known liabilities is adequate and not in excess of the amount reasonably necessary.

#### 49 Subsequent events

The Company evaluated all events and transactions that occurred after March 31, 2018 through May 18, 2018; the date on which the financial statements are issued. Based on the evaluation, the Company is not aware of any events or transactions that would require recognition or disclosure in the financial statements.

#### 50 The previous years figures have been recast, regrouped and rearranged wherever necessary.

(The accompanying notes 1 to 50 are an integral part of the financial statements)

**As per our report of even date attached**

#### For Manek & Associates

Chartered Accountants  
Firm Registration No: 126679W

#### For and on behalf of the Board of Directors

**Milind Shinde**  
Chairman

**Rahul Nachane**  
Managing Director

**Rajesh Lawande**  
Executive Director

#### Shailesh Manek

Proprietor  
Membership Number: 034925

**Esha Kulkarni**  
Company Secretary

**Jayram Sitaram**  
Director

**Ajita Nachane**  
Director

Place : Mumbai  
Date : May 18th, 2018

Place : Mumbai  
Date : May 18th, 2018



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**FORM NO SH-13**  
**Nomination Form**  
**[Pursuant to section 72 of the Companies Act, 2013 and rule 19(1) of the Companies**  
**(Share Capital and Debentures) Rules 2014]**

To,  
**NGL Fine Chem Ltd**  
301, E Square Subhash Road,  
Vile Parle (East), Mumbai-400057.

I/We \_\_\_\_\_ the holder(s) of the securities particulars of which are given hereunder wish to make nomination and do hereby nominate the following persons in whom shall vest, all the rights in respect of such securities in the event of my/our death.

**PARTICULARS OF THE SECURITIES** (in respect of which nomination is being made)

Nature of Securities	Folio No.	No of Securities	Certificate No	Distinctive No

**PARTICULARS OF NOMINEE/S –**

Name : .....

Date of Birth: .....

Father's/Mother's/Spouse's name: .....

Occupation: .....

Nationality: .....

Address: .....

E-mail Id: .....

Relationship with the security holder: .....

**IN CASE NOMINEE IS A MINOR -**

Date of Birth .....

Date of attaining majority .....

Name of guardian .....

Address of guardian .....

Name : \_\_\_\_\_

Address: \_\_\_\_\_

Name of the Security Holder (s) : \_\_\_\_\_

Signature \_\_\_\_\_

Witness with the name and address: \_\_\_\_\_



**Form No. SH-14**

**Cancellation or Variation of Nomination [Pursuant to section 72 of the Companies Act, 2013 and rule 19(1) of the Companies (Share Capital and Debentures) Rules 2014]**

To,  
**NGL Fine Chem Ltd**  
301, E Square Subhash Road,  
Vile Parle (East), Mumbai-400057.

I/We hereby cancel the nomination(s) made by me/us in favor of .....  
(name and address of the nominee) in respect of the below mentioned securities

or

I/We hereby nominate the following person in place of ..... as nominee in respect of the below mentioned securities in whom shall vest all rights in respect of such securities in the event of my/our death

**PARTICULARS OF THE SECURITIES** (in respect of which nomination is being made)

Nature of Securities	Folio No.	No of Securities	Certificate No	Distinctive No

**PARTICULARS OF NOMINEE/S —**

Name : ..... Nationality: .....

Date of Birth: ..... Address: .....

Occupation: ..... E-mail Id: .....

Father's/Mother's/Spouse's name: ..... Relationship with the security holder: .....

**IN CASE NOMINEE IS A MINOR —**

Date of Birth ..... Name of guardian .....

Date of attaining majority ..... Address of guardian .....

Name and address of security holder (s) ..... Signature .....

Name and address of witness ..... Signature .....

**Please fill this Nomination form in Duplicate after carefully reading the instruction given below:**

- The Nomination can be made by individual's only holdings shares singly or jointly. Non- individuals including Society, Trust, Body Corporate, Partnership firm, Karta of Hindu Undivided Family and Power of Attorney holder cannot nominate.
- The nominee shall not be a Trust, Society, Body Corporate, and Partnership firm, Karta of Hindu Undivided Family and power of attorney holder.
- The shareholder [s] can nominate a minor as a nominee and in that event the name and address of the guardian shall be provided.
- As per section 72 of Companies Act 2013, if the shares are held by more than one person jointly, then the joint holders may together nominate a person to whom all the rights in the shares of the Company shall vest, in the event of death of all the joint holders.
- If the shares are held jointly, subsequent to the death of anyone of the holders, the shares would not be registered in favour of the nominee but would be transferred in the name of the surviving shareholders.
- The nomination form filled in "duplicate" should be lodged with the Registrar and Share transfer Agent of the Company i.e. M/s. Purva Sharegistry (India) Pvt. Ltd., Shiv Shakti Industrial Estate, Unit No. 9, 7-B, J. R. Boricha Marg, Sitaram Mills Compound, Mumbai 400011. Tel: (022) 23016761 Email: busicomp@vsnl.com  
*The shareholder[s] can delete or change an earlier nomination by executing Form No. SH-14 (Cancellation or Variation of Nomination form)*
- Nomination stands cancelled whenever the shares in the given folio are transferred/ dematerialized. Also in case of change in folio due to consolidation/ transmission a new nomination has to be filed.
- The nomination made through Form No. SH-13 will be considered valid if the nomination made by the holder[s] of the shares is registered with the company before the death of the registered holder[s] of the shares.
- Kindly note that the nomination being a legal document should be dated by the nominator and the witness should certify that the nominator has signed the form in their presence. Furthermore the date of execution on the Nomination Form should match with the date of witness, witnessing the document.



**NGL FINE-CHEM LIMITED**

Regd Office: 301, E Square Subhash Road, Vile Parle (East), Mumbai-400057

**Thirty-Seventh Annual General Meeting – August 24, 2018**

**ATTENDANCE SLIP**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s) : .....

Registered address : .....

E-mail Id : .....

Folio No. / Client ID No. : ..... DP ID No: .....

I/We hereby record my /our presence at the 37th Annual General Meeting of the Company on Friday the August 24, 2018 at 11.00 a.m. at Hotel Parle International, B. N. Agarwal Commercial Complex, Vile Parle East, Mumbai 400057.

\_\_\_\_\_  
Member's/Proxy Signature

Note :

1. Please complete the above details and sign this attendance slip and hand it over at the attendance verification counter at the meeting hall.
2. Electronic copy of the Annual Report for FY 2017 -2018 and the Notice of the Annual General Meeting along with attendance slip and proxy form is being sent to all the members whose email address is registered with the depository participant. Members receiving electronic copy and attending the AGM can print copy of this attendance slip.
3. Physical copy of the Annual Report for 2017 -2018 and the Notice of the Annual General Meeting along with the attendance slip and proxy form is sent in the permitted mode(s) to all members whose email is not registered or who have requested for a hard copy.

**E-VOTING PARTICULARS**

**NGL FINE-CHEM LIMITED**

Regd Office: 301, E Square Subhash Road, Vile Parle (East), Mumbai-400057

**ELECTRONIC VOTING PARTICULARS**

<b>EVEN (E-Voting Event Number)</b>	<b>USER ID</b>	<b>PASSWORD / PIN</b>

Note : Please read instructions given at Note No. 1 to 4 of the Notice of the 37th Annual General Meeting Carefully before Voting electronically.



**NGL FINE-CHEM LIMITED**

Regd Office: 301, E Square Subhash Road, Vile Parle (East), Mumbai-400057

**Thirty-Seventh Annual General Meeting – August 24, 2018**

**PROXY FORM**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s) : .....  
Registered address : .....  
E-mail Id : .....  
Folio No. / Client ID No. : ..... DP ID No: .....

I/We being the member (s) of \_\_\_\_\_ shares of the above named company hereby appoint

- 1) Name: \_\_\_\_\_ Email Id \_\_\_\_\_  
Address \_\_\_\_\_  
Signature \_\_\_\_\_ or failing him
- 2) Name: \_\_\_\_\_ Email Id \_\_\_\_\_  
Address \_\_\_\_\_  
Signature \_\_\_\_\_ or failing him
- 3) Name: \_\_\_\_\_ Email Id \_\_\_\_\_  
Address \_\_\_\_\_  
Signature \_\_\_\_\_

as per my/our proxy to vote (on a poll) for me/us on my/our behalf at the Thirty-Seventh Annual General Meeting of the Company to be held on Friday, August 24, 2018 at 11.00 a.m at Hotel Parle International, B. N. Agarwal Commercial Complex, Vile Parle East, Mumbai 400057 on and adjournment thereof.

**Ordinary Business**

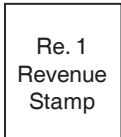
- 1. **Ordinary Resolution** for adoption of Audited Financial Statements for the year ended 31st March, 2018.
- 2. **Ordinary Resolution** for Appointment Mr. Rajesh Lawande, who is retiring by rotation and being eligible, offers himself for re-appointment.

**Special Business**

- 3. **Special Resolution** for Re-appointment of Mr. Rajesh Lawande as the Whole-Time Director of the Company.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2018.

Signature of the Shareholders \_\_\_\_\_ Signature of Proxy \_\_\_\_\_



**Note:**  
(i) This form of proxy in order to be effective should be duly completed and deposited at the registered office of the company, not less than 48 hours before the commencement of the meeting.  
(ii) For the resolutions, explanatory statements and notes, please refer to the notice of 37th Annual General Meeting.  
(iii) It is Optional to put 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all resolution, your proxy will be entitled to vote in the manner as he / she thinks appropriate  
(iv) Please complete all details including details of member(s) in the above box before submission.



## NGL FINE-CHEM LIMITED

Regd Office: 301, E Square Subhash Road, Vile Parle (East), Mumbai-400057

**Thirty-Seventh Annual General Meeting – August 24, 2018**

### ASSENT/ DISSENT FORM FOR VOTING ON AGM RESOLUTIONS

1.	Name(s) & Registered Address Of the sole / first named Member	
2.	Name(s) of the Joint-Holder(s) if any	
3.	i) Registered Folio No. ii) DP ID No & Client ID No. [Applicable to Members Holding shares in dematerialized Form]	
4.	Number of Shares(s) held	

II/ We hereby exercise my/our vote in respect of the following resolutions to be passed for the business stated in the Notice of the Annual General Meeting dated 24th August, 2018, by conveying my/ our assent or dissent to the resolutions by placing tick (✓) mark in the appropriate box below:

Sr. No.	Resolutions	Optional *	
		For	Against
	<b>ORDINARY BUSINESS</b>		
1	Ordinary Resolution for adoption of Audited Financial Statements for the year ended 31st March, 2018.		
2.	Ordinary Resolution for Appointment of Mr. Rajesh Lawande who is retiring by rotation and being eligible offers himself for re-appointment.		
	<b>SPECIAL BUSINESS</b>		
4	Special Resolution for Re-appointment of Mr. Rajesh Lawande as the Whole-Time Director of the Company.		

Place:

Date:

\_\_\_\_\_  
Signature of the Member or  
Authorized Representative

- Notes:
- If you opt to cast your vote by e-voting, there is no need to fill up and sign this form.
  - Last date for receipt of Assent/ Dissent Form 23rd August, 2018 (5.00 pm IST)
  - Please read the instructions printed overleaf carefully before exercising your vote



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### **General Instructions**

1. Shareholders have option to vote either through e-voting i.e. electronic means or to convey assent/dissent. If a shareholder has opted for physical Assent/Dissent Form, then he/she should not vote by e-voting and vice versa. However, in case Shareholders cast their vote through physical assent/dissent form and e-voting, then vote cast through e-voting shall be considered as invalid.
2. The notice of Annual General Meeting is dispatch/ e-mailed to the members whose names appear on the Register of Members as on 29th June, 2018 and voting rights shall be reckoned on the paid-up value of the shares registered in the name of the shareholders as on 17th August, 2018.
3. Voting through physical assent/ dissent form cannot be exercised by a proxy. However, corporate and institutional shareholders shall be entitled to vote through their authorized representatives with proof of their authorization, as stated below.

### **Instructions for voting physically on Assent / Dissent Form**

1. A member desiring to exercise vote by Assent/ Dissent should complete this Form (no other form or photocopy thereof is permitted) and send it to the Scrutinizer, at their cost to reach the Scrutinizer at the registered office of the Company on or before the close of working hours i.e 5.00 pm on 23rd August, 2018. All Forms received after this date will be strictly treated as if the reply from such Member has not been received.
2. This Form should be completed and signed by the Shareholder (as per the specimen signature registered with the Company/ Depository Participants). In case of joint holding, this Form should be completed and signed by the first named Shareholder and in his absence, by the next named Shareholder.
3. In respect of shares held by corporate and institutional shareholders (companies, trusts, societies etc.) the completed Assent/ Dissent Form should be accompanied by a certified copy of the relevant Board Resolution/ appropriate authorization, with the specimen signature(s) of the authorized signatory(ies) duly attested.
4. The consent must be accorded by recording the assent in the column "FOR" or dissent in the column "AGAINST" by placing a tick mark (v) in the appropriate column in the Form. The assent or dissent received in any other form shall not be considered valid.
5. Members are requested to fill the Form in indelible ink and avoid filling it by using erasable writing medium(s) like pencil.
6. There will be one Assent/ Dissent Form for every folio / Client id irrespective of the number of joint holders.
7. A member may request for a duplicate Assent/ Dissent Form, if so required and the same duly completed should reach the Scrutinizer not later than the specified under instruction No.1 above.
8. Members are requested not to send any other paper along with the Assent / Dissent Form. They are also requested not to write anything in the Assent/ Dissent form except giving their assent or dissent and putting their signature. If any such other paper is sent the same will be destroyed by the Scrutinizer.
9. The Scrutinizers decision on the validity of the Assent/ Dissent Form will be final and binding.
10. Incomplete, unsigned or incorrectly ticked Assent/ Dissent Forms will be rejected.