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August 1, 2023

To,
Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai — 400 001.

To,
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot No. C/1,
G Block, Bandra Kurla Complex,
Bandra East, Mumbai 400050.

Sub: Annual Report of the Company for FY 2022-23

Ref: NGL Fine-Chem Limited (Scrip Code: 524774) Symbol: NGLFINE

Dear Sir/Madam,

In compliance with the provisions of Regulation 34(1)(a) and other application provisions of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Annual Report of the Company for the Financial Year 2022-23. The same is also available on the website of the Company at <https://www.nglfinechem.com/disclosures-under-regulation.html#3>

The Notice of 42nd Annual General Meeting along with Annual Report for FY 2022-23 are being sent electronically to the shareholders of the Company today i.e. 1st August, 2023.

We request you to kindly take this information on record.

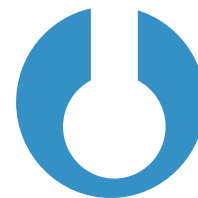
Thanking you,

Yours truly,
For NGL Fine-Chem Limited

Pallavi Satish Pednekar
Digitally signed by
Pallavi Satish Pednekar
Date: 2023.08.01
12:08:41 +05'30'

Pallavi Pednekar
Company Secretary and Compliance Officer
Membership No: A33498

Encl: As Above.



Building
STRENGTHS.

Growing
SUSTAINABLY.



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Financial Statements

Disclaimer: This document contains statements about expected future events and financials of NGL Fine-Chem Limited ('The Company'), which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that these assumptions, predictions and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.





Building STRENGTHS.

Growing SUSTAINABLY.

NGL Fine-Chem Limited upholds a firm commitment to progress and responsible growth, strategically intertwining sustainability into the fabric of all our endeavours. Guided by our vision for excellence, we have embarked on a journey marked by resilience, innovation, and the continuous adaptation to the evolving needs of the global animal healthcare market.

As an industry leader, we take pride in serving our esteemed clientele, constantly fortifying our capacities not only in terms of physical infrastructure but also in knowledge, expertise, and innovation. Our relentless pursuit of building strength empowers us to develop products and solutions that reflect our robust commitment to quality and excellence.

Concurrently, as we pursue growth, we do so with a relentless focus on sustainability. We deeply understand that the choices we make today have profound implications for future generations. By seamlessly integrating sustainable practices across all aspects of our operations, from embracing eco-friendly manufacturing processes to fostering resource conservation and community engagement, we are resolutely dedicated to Building Strengths. Growing Sustainably. Thereby, ensuring a better world for all.





FY 2022-23 Highlights

SURGING AHEAD WITH STRONG FOCUS

NGL Fine-Chem Limited is a leading animal healthcare company and a top manufacturer and exporter of human and veterinary Active Pharmaceutical Ingredients (APIs), advanced intermediates and finished dosage forms. With its strong focus enabling it to surge ahead, the Company is set to surpass industry standards and make a lasting impact.



Leadership

In Top 5 Products with 50%+ Market Share;
Growing Strong in Next 4 Products

51 Countries

Penetrated, Supported by Country-wise Regulatory
Approvals and Strong Presence in Unregulated Markets

3 State-of-the-Art Facilities

With Strong R&D Capabilities in Custom Synthesis

400+

Clientele base

4,558 MT

Energy Conserved

249

Children Educated through Our CSR Programmes



Financial Highlights

₹ 283.61 Crores

Total Turnover

₹ 20.50 Crores

PAT

₹ 212.11 Crores

Total Revenue from Exports Business



About NGL

GROWING STRONGER WITH SUSTAINABLE SOLUTIONS

NGL Fine-Chem Limited (referred to as 'NGL' or 'the Company'), holds a prominent position as a leading provider of animal health solutions, with a strong global presence. Headquartered in India, the Company's unwavering commitment to innovation, strong R&D capabilities, and state-of-the-art manufacturing facilities play a pivotal role in shaping its distinctive product portfolio. These elements not only enable the Company to continuously expand its product offerings, but also reinforce the esteemed 'NGL' brand. Additionally, NGL actively incorporates sustainability practices into its operations, ensuring a responsible and environmentally conscious approach to its business activities.



Market share ranging from

15% to 50%+
in key products

At NGL, the Company's core values are centred around quality and customer-centricity. These values permeate throughout all aspects of its operations. It takes pride in its resilient organisation, built on a foundation of exceptional quality manufacturing and a proven record of service and reliability.

Suppliers to

5 of top 10
global animal healthcare companies

NGL's three modern production facilities in Maharashtra (two in Tarapur and the third in Navi Mumbai) conform rigorously to all regulatory requirements and are equipped with cutting-edge technology. This enables NGL to manufacture a diverse range of products and cater to the varied needs of its global customer base.



Vision



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

Our Competencies



- Chiral Reduction Utilisation
- Heterogeneous and Homogeneous Catalysts
- Stereo-selective Synthesis
- Handling Hazardous/Toxic Reactions
- High-pressure Hydrogenation
- High-temperature Reactions
- Halogenations
- Diazotization
- Carnation
- Chlorosulfonation



Our Journey

SURPASSING MILESTONES TO DELIVER EXCELLENCE

1981

Incorporated and commenced business

1995

- Listed on BSE after an Initial Public Offering

1984

- Set-up first manufacturing plant at Navi Mumbai

2004

Acquired Alpha Organics Private Limited and Konarak Textile Industries Private Limited

2005

- Established new plant for manufacturing APIs and intermediates at F-11 Tarapur
- Received certification for ISO 9001:2000
- Awarded 'Certificate of Good Manufacturing Practice' by Food & Drug Administration, Maharashtra

2008

- Modernised plant at W41/42 Tarapur

2012

- Modernised plant at Navi Mumbai

2015

- Expanded capacity at F-11 Tarapur with formulations block
- Conferred with 'Asia's Best Under Billion' award by Forbes Asia





2023

- Invested ₹ 26.31 Crores during FY 2022-23 for undergoing civil construction at new plant in Tarapur

2022

- Initiated CEP filings for Triclabendazole, Flunixin Meglumine and Marbofloxacin with EDQM
- Converted Macrotech ETP to Zero Liquid Discharge
- Listed on NSE as on 8th July, 2022

2021

- Bestowed with 'Asia's Best Under Billion' award by Forbes Asia
- Expanded Intermediates capacity at Macrotech

2020

- Augmented capacity at F-11 Tarapur
- Certified for ISO 14001:2015 (EMS) & ISO 45001:2018 (OHSM)

2019

- Acquired Macrotech Polychem Private Limited as a 100% subsidiary

2018

- Converted F-11 ETP to Zero Liquid Discharge

2017

- Undertook ASMF registration in EU for Clorsulon and Triclabendazole

2016

- Certified for 'Good Manufacturing Practises' by CDSCO (WHO GMP)
- Awarded 'Asia's Best Under Billion' by Forbes Asia



From the MD'S DESK



This progress is attributed to the invaluable efforts of our dedicated employees, the expertise of our leadership team, and the continued support of our esteemed stakeholders.

Dear Shareholders,

I am pleased to present NGL's Annual Report for FY 2022-23, highlighting our commitment to maintaining our position as a market leader. Like earlier years, this year too we have made significant strides in sustaining our growth and fortifying our resilience to overcome future obstacles. This progress is attributed to the invaluable efforts of our dedicated employees, the expertise of our leadership team, and the continued support of our esteemed stakeholders.

Upon reflection of the previous year, it is evident that despite the various challenges encountered during FY 2022-23, our nation has displayed exceptional resilience. Notwithstanding inflation, geopolitical constraints and trade conflicts, the Indian economy rebounded strongly emerging as one of the fastest-growing economies globally, with a GDP growth of 7% in CY 2022. The solid underlying economic fundamentals of India are expected to mitigate the effects of short-term uncertainties and contribute to our favourable long-term prospects.

Strategic Overview and Business Performance

NGL's performance remains commendable, even in a challenging business landscape marked by inflationary pressures, trade wars, and geopolitical tensions. All through the year, by focussing on research and development and fostering innovation, we have been able to provide value-driven solutions to our clients, overcoming cost concerns and macro factors that have impacted input prices and margins. By prioritising the delivery of high-quality products consistently, we have not only sustained our momentum but also expanded our collaborations, introduced new products and increased our supply volume to further enhance our overall performance.

Building upon our rich 40 years of industry experience, we have successfully cemented our position as a market leader. Operating at the cutting edge of chemical innovation,

where precision and ingenuity converge, NGL continues to set industry benchmarks.

Key highlights of FY 2022-23 include:

- Turnover decreased from ₹ 318.66 Crores to ₹ 278.08 Crores
- Recorded EBITDA at ₹ 34.5 Crores, with PAT at ₹ 20.04 Crores
- Achieved EBITDA and PAT margins of 12% and 7%, respectively
- Improved Exports as a share of overall revenue to 76.15%

Industry Prospects

Moving forward, we are determined to position ourselves as a prominent global player in the animal healthcare APIs market by strategically expanding our product offerings and reaching new territories in terms of client base and geographical presence. While the current market may exhibit subdued demand, our capacity debottlenecking efforts and focus on product diversification position us optimistically to realise our full potential and seize industry opportunities. We recognise that the decrease in demand is primarily due to the saturation of existing inventories in the supply chain and a genuine lack of demand from the market.

When we analyse our presence in the EU market, it becomes evident that our Company caters to the top ten global pharma companies in animal healthcare. Our strategic focus now entails capturing the EU market demand for products previously sourced from our competitors. To achieve this goal, we have undertaken a comprehensive transformation of our product mix over the past year. As a result, the top five products that were prominent in FY 2020-21 were completely replaced by a distinct set in FY 2022-23. Additionally, by maintaining a diverse portfolio of 26 products, we have effectively managed concerns and absorbed the shocks resulting from market volatility.

Surging ahead globally, the animal healthcare market is projected to register a CAGR of 8.94% through the period of 2023-28, with the animal API market anticipating a CAGR of 13.7% during the first four years. Factors such as demographic changes, land encroachment and agricultural practices have led to a rise in zoonotic diseases affecting both, humans and animals. The government and stakeholders have taken preventive measures, driving the growth of the animal healthcare market. Notably, the expanding presence of retail and hospital pharmacies, as well as online pharmacies and e-commerce channels, have created a surge in demand for animal healthcare products.

We are well-positioned to capitalise on this trend by ramping up our R&D efforts and expanding our product pipeline to cater to the growing demand from pet owners. We have actively filed for new product registrations in regulated markets and have a number of products in the pipeline for the upcoming year.

Robust Product Portfolio

We have a solid product portfolio comprising 26 APIs in animal healthcare. Our goal is to launch three to four new products annually. To achieve this goal, we are leveraging our production capabilities and expanding our existing capacity. Notably, ongoing civil construction at our Tarapur facility plays a pivotal role in enhancing our product manufacturing capabilities. This capacity expansion, coupled with our innovative product portfolio, will enable us to meet the rising demand for animal healthcare products. We remain committed to retaining our market position by providing cost-effective, dependable and high-quality solutions to our clients.

Sustainability at the Core

Sustainability is a fundamental aspect of our approach, as we prioritize greener energy, water conservation, solvent recycling and the creation of reusable by-products. We are upgrading our facilities to achieve zero discharge and have made a conscious effort to utilise green fuels.

At NGL, we are committed to adapt to the changing landscape of the animal healthcare industry and seize new opportunities for long-term, sustainable growth. As we embark on the next 40 years, our focus is on creating value by meeting the needs of our employees, customers and stakeholders.

As we bring this significant year to a close, I would like to express my gratitude to our esteemed Board members, stakeholders, bankers, customers, partners, and investors for their unwavering support and confidence in NGL. We deeply value the trust you have placed in us and remain committed to upholding our commitments and obligations as we progress on our journey. With your continued support, we will build on our strengths, pursue sustainable growth, achieve significant milestones and further accelerate our momentum.

Warm Regards,

Rahul Nachane

Managing Director



Our Operational Credibility

CREATING EXCELLENCE THROUGH ROBUST COORDINATION

NGL has emerged as a thriving player in the animal healthcare industry since its inception in 1981. The synergy between the Company's talented workforce and state-of-the-art facilities enables it to translate visionary ideas into tangible actions. Driven by expertise and strong commitment, employees at NGL foster a culture of innovation, coordination and collaboration. On the other hand, by implementing actionable plans and leveraging its advanced facilities, the Company streamlines processes, and optimises overall efficiency. This strategic approach empowers NGL to deliver exceptional products and services of the highest quality, consistently surpassing the expectations of its esteemed customers. Thus, solidifying its reputation for creating excellence.

3

State-of-the-art Facilities

10,000 m²

Area of Manufacturing Facilities

102 m³

Glass-lined Reactors

194 m³

Stainless Steel Reactors

-20° C to +250°

Reaction Range

12 m³

Gas Induction Reactors

Accreditations

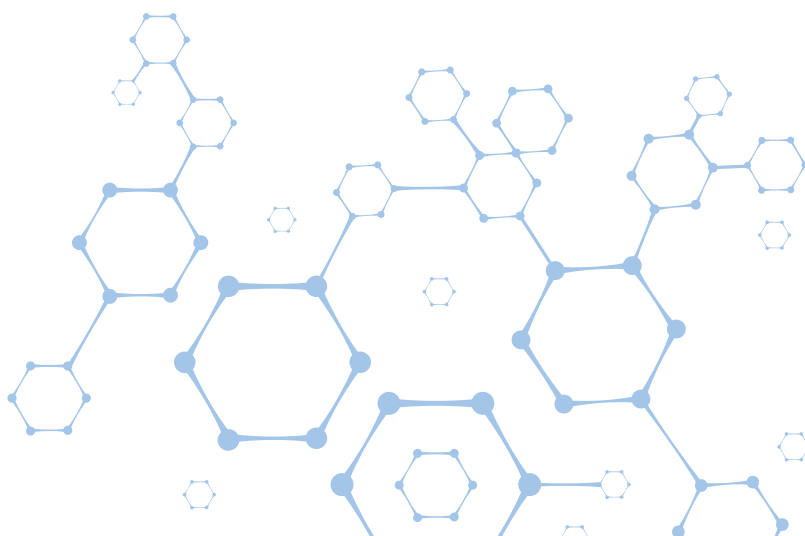
WHO GMP

ISO 9001:2015

ISO 14001:2015

ISO 45001:2018

cGMP-accredited





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

Disclaimer:

This map is a generalised illustration only for the ease of the reader to understand the locations, and it is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features and states do not necessarily reflect the actual position. Our Company or any of its directors, officers, or employees, cannot be held responsible for any misuse or misinterpretation of any information or design thereof. The Company does not warrant or represent any kind of connection with its accuracy or completeness.



Research and Development

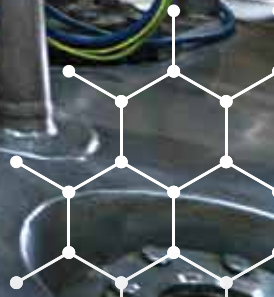
LEVERAGING RESEARCH AND INNOVATION TO DRIVE GROWTH

At NGL, the Company is dedicated to consistently establishing elevated standards of quality and addressing unmet medical needs by leveraging its exceptional innovation and research capabilities. It acknowledges that research, innovation and product development are vital foundations for success in the pharmaceutical and related industries. By prioritising these key areas, NGL remains at the forefront of its industry, enabling it to offer its customers with the highest quality products and services. By embracing strategic initiatives and seizing opportunities, NGL strives to drive sustainable growth and further solidify its position as a leading player in the market.

Catering Segments

- Active Pharmaceutical Ingredients (APIs): Human and Veterinary - Active components utilised in the creation and formulation of drugs
- Advanced Intermediaries: Sophisticated chemical compounds used to produce APIs
- Finished Dosage Forms: End result of combining numerous complex APIs and intermediates





26
APIs

2
Human

10
Finished Dosage Forms

24
Veterinary

4
Intermediates

2+
Filing



Our Strategic Imperatives

FUELING GROWTH BY TAPPING OPPORTUNITIES

At NGL, a keen focus is placed on identifying and capitalising on potential opportunities that provide a competitive advantage in the market. By maintaining a forward-looking approach and proactively preparing for future prospects, NGL positions itself for sustained growth and fosters an optimistic outlook. Recognising key macro trends in the global and Indian Animal Healthcare market, the Company strategically navigates these trends to chart a path towards continued expansion and success.

Global Animal Health Market Overview

US\$ 58.66 Billion
The Global Animal Health Market Size in CY 2022

Over 40%
Animal Health Care Revenue Share of Global Pharmaceutical Industry in CY 2022

8.8%
Expected CAGR of Global Animal Health Care, from CY 2023 to CY 2030

Growth Trends

- Pet adoption increased during the Covid-19 pandemic, leading to a surge in demand for veterinary products
- Telemedicine witnessed significant growth during the Covid-19 pandemic, and online channels such as e-commerce emerged as the most preferred distribution channels for pet owners
- The market is also being driven by technological advancements in veterinary healthcare, which is anticipated to offer future growth opportunities



Global Animal API Market Overview

US\$ 6.28 Billion
Global Veterinary API Manufacturing Market Value in CY 2022

6.9%
Expected CAGR from CY 2022-2030, to Reach US\$ 10.64 Billion

Growth Trends

- The increasing demand for veterinary drugs due to the rising prevalence of zoonotic diseases, growing animal population, pet ownership, pet humanisation and pet expenditure are driving market growth
- A rise in pet owners seeking treatment options for their pets is expected to accelerate the overall market
- The growing focus on innovation in animal healthcare has strengthened market growth prospects
- Increased production of animal-based food products is expected to significantly reduce prices, facilitating easy access to pet food at affordable prices
- Technological advancements, including streamlined information management systems, mobile technology empowering animal owners and the establishment of vaccine banks are catalysts propelling market growth

Indian Animal Health Industry Overview

₹ 73.4 Billion
Indian Animal Health Market Size in CY 2022

~ US\$ 1.17 Billion
Indian Veterinary Healthcare Market Value in CY 2021

8.94%
Expected CAGR from CY 2023-2028, to Reach ₹ 120.3 Billion by CY 2028





Indian Veterinary Healthcare Market Overview

US\$ 1.17 Billion
Market Valued in CY 2021

7.70%
Expected CAGR from CY 2022-27, Reaching
a Market Value of US\$ 1.86 Billion

Leveraging Our Core Competencies

Effective strategies are vital for informed decision-making, optimal resource utilisation and efficient operations. Being a leading player in the Veterinary API market, NGL is known for its commitment to creating sustainable long-term value in partnership with all its stakeholders. NGL, by leveraging its distinct abilities, is poised to tap the opportunities arising out of India's animal healthcare industry – one of the fastest-growing markets globally.

Market Leadership

NGL has established itself as a market leader with a market share of 15% to 50% or more in major product lines.



Product Portfolio

The Company's diverse product portfolio revolves around livestock and farm animals, reflecting its focus on the needs of the industry.



Quality

The Company's high-quality and dependable products meet industry benchmarks with zero rejections, ensuring customer satisfaction.



Innovation

NGL's team of 25 R&D specialists leads the development of five compounds, making innovation a continual process.



Backward Integration

NGL's in-house production coupled with backward-integrated facilities enable it to maintain strong process controls and cost competitiveness.



Long-Term Relationships

NGL prioritises the development of long-term relationships based on reliability and sustainability, with a clientele spread across 51 countries. It has also reduced the Company's dependence on top clients through new client acquisitions.



NGL's Growth Strategy

At NGL, the Company has devised a comprehensive strategic expansion plan that showcases its commitment and readiness to capitalise on emerging opportunities. NGL focuses on building a strong foundation that enables it to identify potential areas of growth and derive the best returns on its course of action.

Increasing Capacity to Meet Higher Demand

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

Strong Pipeline to Tap Opportunities

- De-bottlenecking and process enhancement across the value chain to achieve better capacities
- Outsourcing 15% of manufacturing to meet the growing demand



Expansion to Enter the Next Leg of Growth Greenfield Expansion at Tarapur

- Increase capacity by 50% to satisfy demand for additional projects in the pipeline
- Expected investment of ₹140 Crores to be financed by debt, with ₹ 7 Crores in Capex from internal accruals so far
- Ongoing civil construction to support the facility, anticipated to open in FY 2023-24, we invested ₹ 26.31 Crores in FY 2022-23



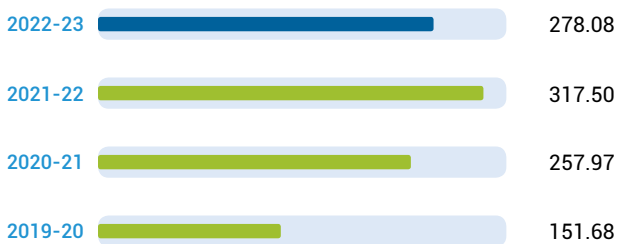


Financial Snapshot

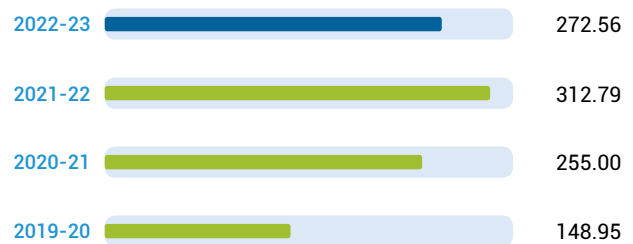
HARNESSING GROWTH WITH ROBUST FINANCIALS

NGL has maintained an impressive level of financial stability, fuelling its momentum and solidifying its position as a resilient and forward-thinking organisation. The Company's sound financials are a testament to its preparedness and intelligent strategies. Beyond achieving significant milestones, NGL consistently seeks ways to improve and seamlessly integrates them into its long-term growth plans. By harnessing growth opportunities and prioritising a robust financial standing, NGL not only enhances its own financial health but also ensures better returns for its valued stakeholders. The unwavering commitment to fortifying its overall outlook has paid off handsomely, establishing NGL as a trusted player in the industry.

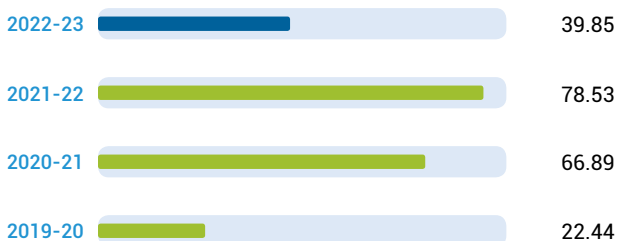
Revenue from Operations (in ₹ Crores)



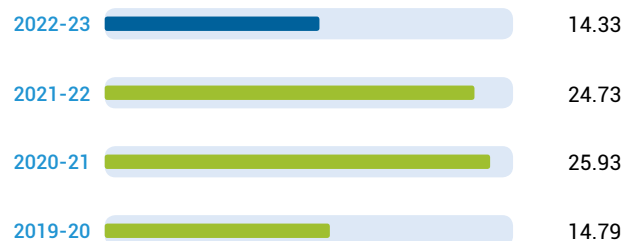
Sales Turnover (Net)

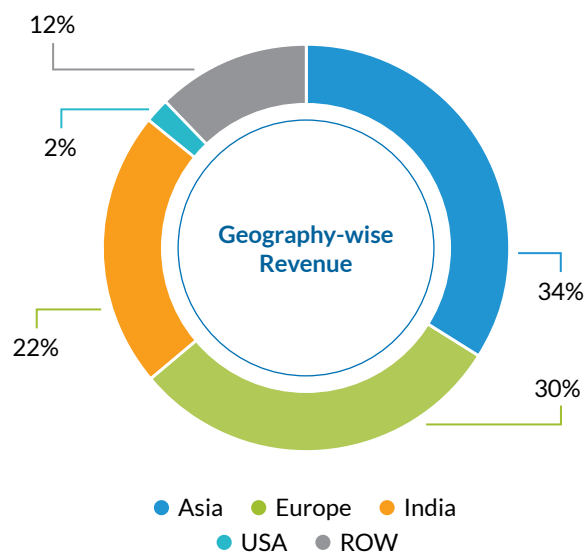
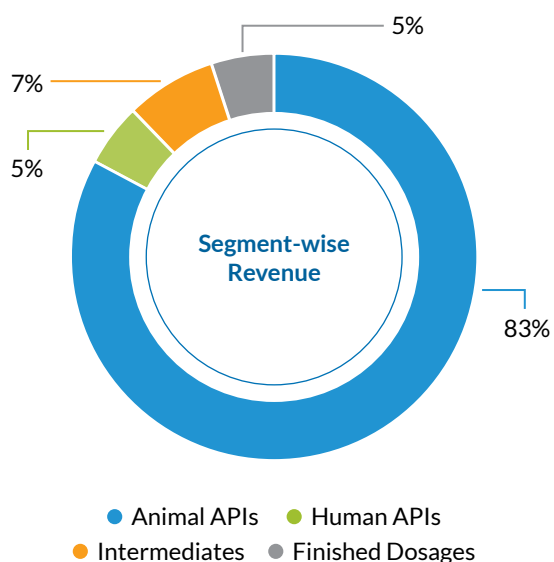


EBITDA (in ₹ Crores)

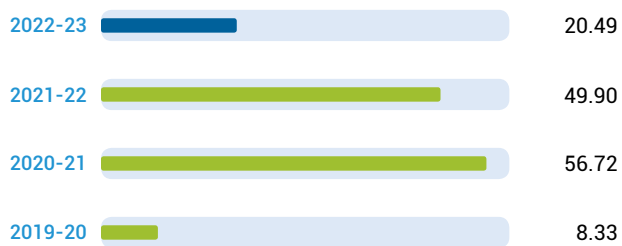


EBITDA Margin (in %)

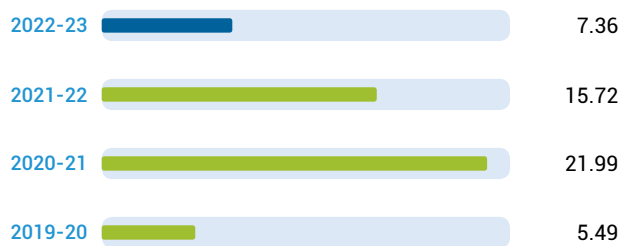




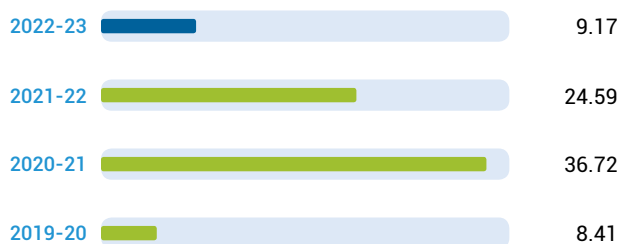
PAT (in ₹ Crores)



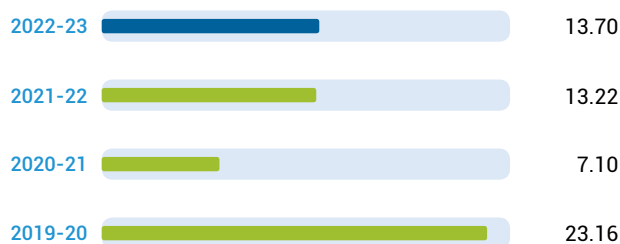
PAT Margin (in %)



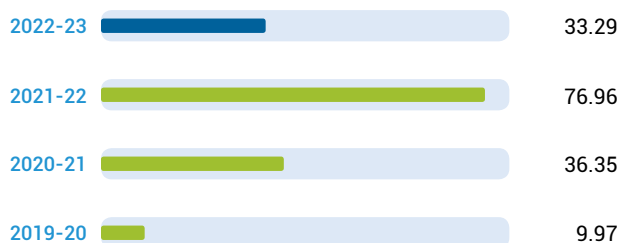
ROE (in %)



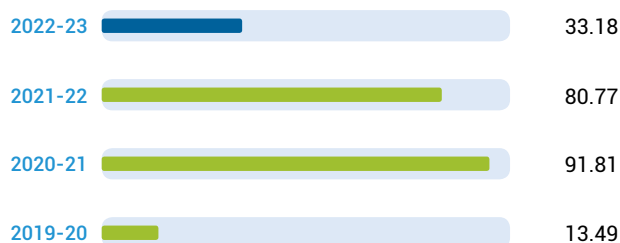
Debt Equity (in %)



Interest Coverage (times)



Earnings per Share (in ₹)





ESG Review

CREATING VALUE WITH SUSTAINABLE ENDEAVOURS

NGL, as a socially responsible and future-focussed Company, places significant importance on Environmental, Social and Governance (ESG) factors in its operations. Recognising that success extends beyond financial performance, the Company is committed to integrating ESG principles into all aspects of its business endeavours. By doing so, NGL aims to create sustainable value for its stakeholders, promote a better future for the planet and contribute to the well-being of the communities it serves. By aligning its business practices with sustainability goals, NGL actively works towards fostering value that endures over time.

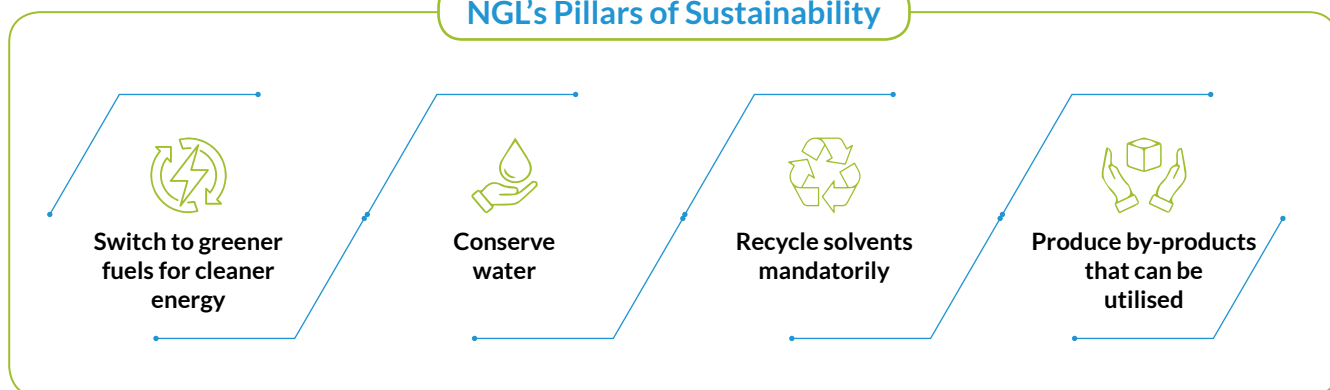
Environmental Imperatives

NGL endeavours to build a sustainable future by taking active steps to reduce its environmental footprint. By doing so, it fosters a culture where its business, employees, communities and the environment can all flourish together. By aligning organisational strategies with its sustainability commitments and targets, the Company ensures that it is doing its part in creating a better world for future generations.

In order to safeguard and preserve the environment, NGL has implemented various measures to reduce pollution and promote waste recycling. Additionally, the Company has taken steps to support environmental sustainability by promoting ecological balance, protecting flora and fauna, ensuring animal welfare, practicing agroforestry, conserving natural resources and maintaining the quality of soil, air and water.



NGL's Pillars of Sustainability



Initiatives Undertaken

- Completing the transition to green fuels, such as CNG and biomass briquettes, for our boilers in order to reduce emissions
- Increasing capital investment in pollution-control equipment, such as MEE and MVR, to thoroughly treat industrial effluents
- Monitoring energy use to achieve a limited carbon impact
- Tracking and actively minimizing our water use at each stage

Shift to Greener Fuels

The Company has successfully transitioned to greener fuels in its manufacturing plants. It has phased out the use of liquid fuel, such as furnace oil and solid fuel, like coal, in favour of more sustainable alternatives such as Compressed Natural Gas (CNG) and agricultural waste fuel, including biomass briquettes. This shift has enabled the Company to exclusively utilise clean fuels – gas and agricultural waste – across its factories. By adopting these environmentally friendly measures, NGL promotes a sustainable future, while reducing its own environmental footprint.

4,558 MT

Tonnes of Fossil Fuel Saved During the Year





Social

NURTURING GROWTH THROUGH SOCIAL COMMITMENTS

NGL is deeply committed to empowering individuals within its communities, providing them with enhanced opportunities, skills and confidence. In pursuit of this objective, the Company has made substantial investments in its workforce to ensure that every employee feels valued and motivated. By placing a strong emphasis on diversity, equality and inclusion, NGL cultivates an environment that nurtures creativity and supports the overall well-being of its staff. Moreover, NGL believes in making a positive impact on society by actively engaging in social commitments, touching the lives of a wider population and striving to improve their quality of life. Through these initiatives, the Company not only fosters individual growth but also nurtures the collective growth and development of the communities it serves.

Contributing to Education

NGL has made significant contributions to advancing education, with a particular focus on children. Through its livelihood enhancement projects, the Company supports vocational skills development and special education programmes. Moreover, NGL aims to foster the growth of technology by providing funding to approved academic institutions' technological incubators, as sanctioned by the Central Government. These initiatives demonstrate NGL's commitment to enhancing educational opportunities and promoting technological innovation.

249

Children Received Educational Support

₹ 14,81,662

Worth Scholarships Provided

DU Foundation

Sponsoring Education & Creating Educational Infrastructure

The Company contributed to the DU Foundation to sponsor education and build supportive infrastructure at Pragati Vidyalay Shahpur for Tribal Children.

Uplifting Livelihood

NGL is actively engaged in uplifting society by empowering rural women and addressing social and economic inequalities faced by marginalised groups. To enhance their financial capabilities, the Company promotes skill development for sustainable livelihoods, among others.

The Company has extended its support to needy women by providing sewing machines through **Sumangal Berozgar Samajik Sanstha**. Additionally, the Company is assisting widows who have lost their husbands due to COVID-19.

13

Women Benefitted

The Company is dedicated to addressing hunger, poverty, and malnutrition, while prioritizing preventive healthcare and sanitation. Furthermore, the Company contributes to the preservation of national heritage, art and culture through initiatives such as restoring historically significant buildings

and sites, establishing public libraries, promoting and developing traditional art and handicrafts, and enhancing the development of slum areas. Through these multifaceted efforts, the Company actively contributes to social progress and the preservation of cultural richness.

Shree Shankara Hindu Mission

The Company has demonstrated its commitment to education and social development through its partnership with Shree Shankara Hindu Mission. It has supported the education of visually impaired students by providing them with computers and keyboards, and has also contributed to the advancement of scientific education by constructing a science lab at Tarapur Education Society. Additionally, the Company has extended its support to underprivileged individuals by providing them with vital medical assistance.

Netrajyot Eye Hospital

Under the healthcare initiatives, the Company has set up a modern operation theatre.

Modern Operation Theatre

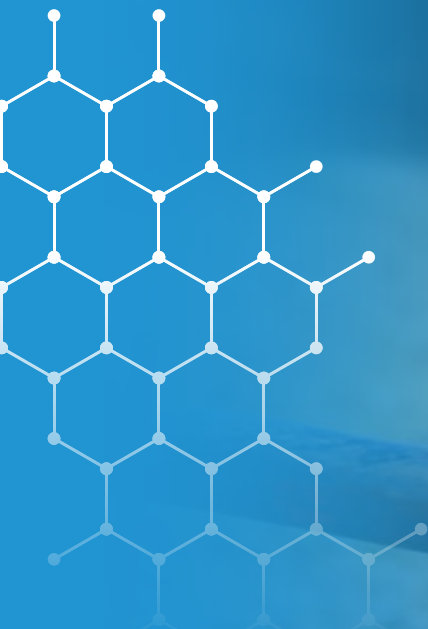
At Netrajyot Eye Hospital in Panvel

Village Development

We undertook a project in Kumbhavali village aimed at conserving water by repairing the lake located there. Additionally, we planted trees around the lake and set up benches for senior citizens to enjoy the surroundings. Our efforts have contributed to water conservation and improved the overall environment of the village.

Promoting Art

NGL has supported painting exhibition to promote Traditional Art by sponsoring for exhibition at **Jehangir Art Gallery**.







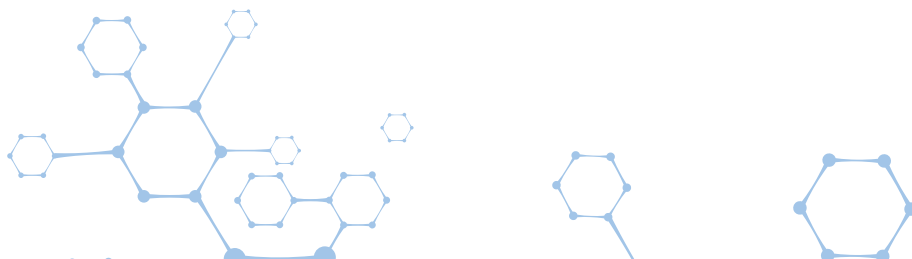
Stakeholder Engagement




FORGING STRONGER CONNECT WITH ACTIVE ENGAGEMENT

At NGL, stakeholder engagement goes beyond mere regulatory compliance and is deeply ingrained in the corporate ethos. It serves as a guiding principle that drives the Company’s actions, fostering trust, collaboration and the creation of shared value. NGL is fully committed to forging stronger connections with its stakeholders through active engagement. The Company recognises the importance of nurturing meaningful partnerships and working hand-in-hand with stakeholders to achieve shared objectives. By actively listening to and understanding the needs, interests and expectations of its stakeholders, NGL ensures that their voices are heard and their perspectives are taken into account.

This proactive approach allows NGL to build stronger relationships and create positive outcomes that benefit all stakeholders involved, while enabling the Company to align its business practices with their requirements. NGL firmly believes that open and transparent communication forms the bedrock of successful stakeholder engagement. Consequently, NGL continually endeavours to strengthen these relationships, aiming for mutual growth and success.

STAKEHOLDERS	MODE OF ENGAGEMENT	SIGNIFICANCE	FREQUENCY
 <p>Shareholder / Investors</p>	<ul style="list-style-type: none"> • Annual general meetings • Investor calls • Periodic statutory reports • Press releases 	<ul style="list-style-type: none"> • Strong governance • Ethics • Transparency 	<ul style="list-style-type: none"> • Quarterly • Annually
 <p>Customers</p>	<ul style="list-style-type: none"> • Emails • Newsletters • Brochures 	<ul style="list-style-type: none"> • Quality of products • Cost-competitiveness • On-time delivery • Research and innovation for catering to emerging needs 	<ul style="list-style-type: none"> • Half-yearly • Annually



STAKEHOLDERS	MODE OF ENGAGEMENT	SIGNIFICANCE	FREQUENCY
 <p>Employees</p>	<ul style="list-style-type: none"> • Internal communications • Employee engagement initiatives • Continuous interaction with management • Appraisals • Grievance redressal mechanism 	<ul style="list-style-type: none"> • Career development opportunities • Availability of training and mentoring • Work conditions, especially safety and security • Rewards and recognitions 	<ul style="list-style-type: none"> • Quarterly • Need-based
 <p>Regulatory and Statutory Bodies</p>	<ul style="list-style-type: none"> • Publish regular compliance reports • Co-operate in conducting statutory audits • Continue to have dialogue with authorities on current legislative and regulatory issues 	<ul style="list-style-type: none"> • Compliance to laws • Accountability 	<ul style="list-style-type: none"> • Annually • Need-based
 <p>Local Communities</p>	<ul style="list-style-type: none"> • Community development programmes 	<ul style="list-style-type: none"> • Social infrastructure, education, healthcare, livelihood support, and sanitation facilities, among others 	<ul style="list-style-type: none"> • Annually • Need-based





Governance

UPHOLDING SUSTAINABILITY THROUGH UNMATCHED LEADERSHIP

NGL recognises the vital role of a robust governance system in generating opportunities, fostering stability and driving accelerated growth. It places a strong emphasis on integrity, transparency, and modern governance practices. Through its unmatched leadership, the Company is dedicated to upholding sustainable practices which is crucial in earning the trust of its stakeholders, while benefitting not only the Company but also the broader community.

To achieve this, NGL's Board of Directors proactively implements an action plan that aligns the Company's corporate objectives with the best interests of its stakeholders. Through this diligent governance framework, it strives to cultivate an environment of accountability, ethical conduct and long-term value creation for the benefit of all involved.

Board of Directors



Mr Rahul Nachane
Managing Director

With 31 years of expertise in the pharmaceutical sector, Mr Nachane brings a wealth of knowledge and experience to the table. As a Chartered Accountant and Master of Management Studies, he has a strong foundation in finance and business management. Since 1992, he has been serving as a full-time Director of the Company, actively involved in operations since 1989. In his role, he held the responsibility for NGL's marketing, production and general management, ensuring that the Company meets the needs and expectations of all stakeholders, while delivering on strategic objectives.



Mr Rajesh Lawande
Whole-Time Director and CFO

Mr Lawande brings with him 21 years of valuable experience in the pharmaceutical sector. With an M.Sc. in Chemistry from IIT Bombay and a PGDM in Management from IIM Lucknow, he possesses a strong educational background that complements his practical expertise. Since 2002, Mr Lawande has been actively involved in NGL's operations, playing a vital role in shaping the Company's growth trajectory. His responsibilities encompass a wide range of areas, including developing the Company's research and development activities, exploring new markets and clients and overseeing sales and manufacturing. With his extensive knowledge and strategic approach, Mr Lawande is instrumental in driving innovation, expanding market presence and ensuring seamless coordination between different aspects of the Company's business.



Mrs Ajita Nachane
Non-Executive Woman Director

With a remarkable career spanning 25 years in sales and marketing, Mrs Nachane brings a wealth of experience to the organisation. Holding a graduate degree in Commerce and a Master degree in Management Studies, she possesses a strong educational foundation to support her practical expertise. Notably, Mrs Nachane is the founder and CEO of Tele Access E-Services Pvt Ltd, a prominent business process outsourcing company serving the banking, financial services and FMCG sectors. Her entrepreneurial spirit and deep understanding of the industry has been instrumental in the success of her ventures. As part of the Company's team, Mrs Nachane contributes her extensive knowledge in sales and marketing to drive its growth, optimise customer engagement and expand its reach in the market. Her strategic vision and leadership skills make her an invaluable asset in shaping the organisation's future success.



Mr Jayaram Sitaram
Independent Director

With a rich background in consulting and managerial activities spanning 31 years, Mr Sitaram brings a wealth of expertise to the organisation. His academic journey includes a Bachelor's degree in Mechanical Engineering from VJTI in Mumbai, an M.S. in Engineering from Villanova University in the United States and an MBA from the prestigious Wharton Business School at the University of Pennsylvania. Mr Sitaram has held key leadership roles throughout his career, serving as the former country head of Lionbridge in India, as well as the Managing Director of Praxis Technologies and a Co-founder of Matrix Technologies, Inc. His extensive experience in the industry has equipped him with a deep understanding of strategic consulting, business operations and technological advancements. As a valuable member of the team, Mr Sitaram contributes his expertise in driving innovation, optimising processes and delivering exceptional results for the Company's clients. His leadership skills and industry insights are integral to the organisation's success and growth in the competitive market.



Mr Milind V Shinde
Independent Director

With a remarkable career spanning 31 years in the industrial and engineering industries, Mr Shinde brings extensive expertise and knowledge to the organisation. He holds a Bachelor's degree in Engineering and an MBA from Mumbai University, showcasing his strong educational foundation. As the founder of AVM Engineering, a highly respected producer of industrial fans in India, Mr Shinde has made significant contributions to the field. AVM Engineering is recognised for its excellence and serves all major OEMs in India, while also exporting to the Middle East and Africa. Mr Shinde's entrepreneurial spirit, combined with his deep understanding of the industry, has enabled him to successfully navigate the competitive landscape and establish strong partnerships. His insights into the industrial and engineering sectors are invaluable to the organisation, as it strives to deliver innovative solutions and maintain its position as a leader in the industry. With his extensive experience and proven track record, Mr Shinde plays a vital role in driving the Company's growth and success.



Ms Sarala Menon
Non-Executive Independent Woman Director

Ms Menon brings 36 years of invaluable experience in manufacturing and supply chain roles, with a specific focus on industrial operations and management. She holds a degree in Chemical Engineering from the prestigious National Institute of Technology in Warangal, complemented by an MBA from NMIMS in Mumbai, which has equipped her with a strong educational foundation. Throughout her career, Ms Menon has demonstrated a keen dedication to improving production procedures to ensure exceptional customer service, product quality and environmental, occupational health and safety performance. Currently serving as the Executive Vice President of Colgate-Palmolive India, she holds the responsibility for the overall management of the Colgate Plants located in Baddi, Goa, Sanand, and Sricity in India. Her strategic leadership and expertise play a crucial role in driving operational excellence and fostering a culture of continuous improvement. Ms Menon's extensive knowledge and accomplishments in the manufacturing industry contribute significantly to the Company's success as it strives to deliver exceptional products and services to our valued customers.



Awards & RECOGNITION



ISO 9001:2008
Certified by DAS UK for the Company's Quality Control Systems



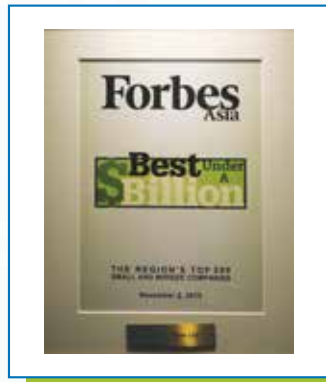
ISO 14001:2015
Certified by DAS UK for the Company's Environment Management Systems



ISO 45001:2018
Certified by DAS UK for the Company's Occupational Health and Safety Management Systems



'2 Star Export House Status'
Awarded by Ministry of Commerce and Industry



Forbes Asia
'Best under a Billion'
List of Top 200 Listed Companies in Asia for 2015



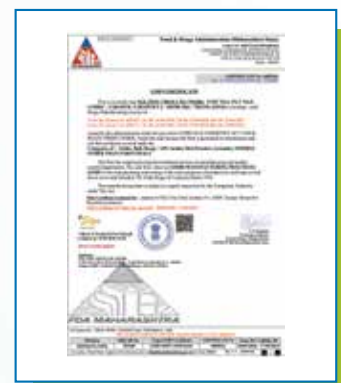
Forbes Asia
'Best under a Billion'
List of Top 200 Listed Companies in Asia for 2016



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



'IPF Industrial Excellence'
Award 2016



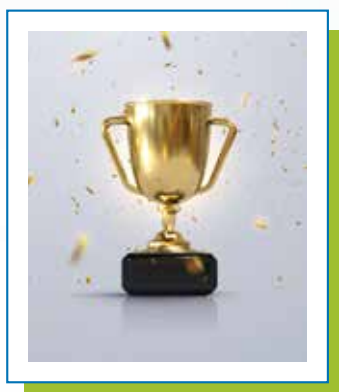
'GMP Certification' by FDA, Maharashtra, **'Ranked in India's Top 500'** Manufacturing Small and Mid-Sized Companies



'CRISIL' - SME 1 Recipient of Awards from Chemexcil - the Export Promotion Council Set Up by the Government of India



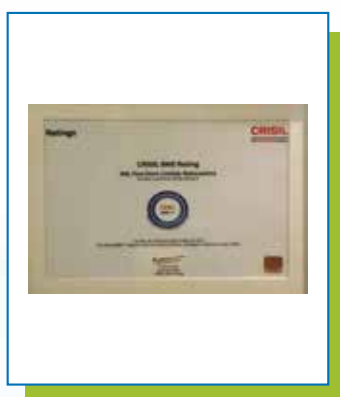
'SE 1B Certification' from CRISIL for MSME Sector indicating Highest Performance Capability and Moderate Financial Strength



'Financial Express CFO of the Year' Award for 2020 - Small Enterprises - Manufacturing Category



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



Asia's Best Under Billion 2021





Corporate INFORMATION

REGISTERED OFFICE

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

SHARE TRANSFER AGENTS

**Purva Shareregistry (India)
Private Limited**

Shiv Shakti Industrial Estates,
Unit No. 9, 7-B J. R. Boricha Marg,
Sitaram Mills Compound,
Mumbai 400011, Maharashtra, India
Tel: +91 22 23016761
Email: support@purvashare.com

STATUTORY AUDITORS

Manek & Associates
Chartered Accountants

SECRETARIAL AUDITORS

HSPN & Associates LLP
Company Secretaries

INTERNAL AUDITORS

Rach & Associates
Chartered Accountants

SHARES LISTED AT

BSE Ltd., Mumbai
National Securities Exchange of India Ltd. (NSE)
(Listing fees paid for 2023-2024)
Scrip Code: 524774 Symbol: NGLFINE

COMPANY SECRETARY

Pallavi Pednekar

42nd ANNUAL GENERAL MEETING

Date : 25th August, 2023
Day : Friday
Time : 11.00 am
Place : Video Conferencing (VC) or
Other Audio-Visual Means (OAVM)

NOTICE

NOTICE is hereby given that the Forty Second Annual General Meeting of the Members of NGL Fine-Chem Limited will be held on Friday, 25th August, 2023 at 11:00am through Video Conferencing or Other Audio Visual Means, to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements (including audited consolidated financial statements) for the financial year ended 31st March, 2023 and the Reports of the Directors and the Auditors thereon.
2. To declare Final dividend for the financial year ended 31st March, 2023.
3. To re-appoint Mrs Ajita Nachane, Director (holding DIN 00279241) who retires by rotation & being eligible offers herself for re-appointment as Director.

SPECIAL BUSINESS:

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

4. To modify the terms of appointment of Mr Ahaan Nachane, Vice President of the Company
"RESOLVED THAT pursuant to the provisions of section 188(1)(f) of the Companies Act, 2013 read with Companies (Meeting of Board and Its Powers) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 including statutory modification(s) or re- enactment thereof for the time being in force and as may be enacted from time to time, read with Regulation 23 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, of audit committee and on recommendation of Nomination and Remuneration Committee, the consent of the Members

be and is hereby accorded to modify the terms of appointment of Mr Ahaan Nachane, Vice President and son of Mr Rahul Nachane, Managing Director and CEO and Mrs Ajita Nachane, Non-Executive Director to include either payment of educational expenses of ₹ 1,00,00,000/- (Rupees One Crore Only) or remuneration of ₹ 1,00,00,000/- (Rupees One Crore Only) for a period of 12 months from the date of approval by the members of the Company at the 42nd Annual General Meeting and upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this meeting or as may be agreed to between the Board and Mr Ahaan Nachane.

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

RESOLVED FURTHER THAT except for the aforesaid revision to include educational expenses, all other terms and conditions of his appointment as Vice President of the Company, as approved by the resolution passed at 40th Annual General Meeting of the Company held on 20th August, 2021 shall remain unchanged.

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

By Order of the Board of Directors
For NGL Fine- Chem Limited

Sd/-

Ms. Pallavi Pednekar

Company Secretary & Compliance Officer

Registered Office:
301, E Square Subhash Road Vile Parle (East)
Mumbai City MH 400057 IN
Dated: 15th May, 2023



Notes:

1. In continuation of Ministry's General Circular No. 20/2020 and 10/2022 dated 5th May, 2020 and 28th December, 2022, respectively and other Circulars issued in this respect ("MCA Circulars") allowed, inter-alia, conduct of AGMs through Video Conferencing/ Other Audio-Visual Means ("VC/AOVM") facility on or before 30th September, 2023 in accordance with the requirements provided in paragraphs 3 and 4 of the MCA General Circular No. 20/2020. The Securities and Exchange Board of India ("SEBI") also vide its Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 5th January, 2023 ("SEBI Circular") has provided certain relaxations from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). In compliance with these Circulars, provisions of the Act and the Listing Regulations, the 42nd AGM of the Company is being conducted through VC/ OAVM facility, which does not require physical presence of members at a common venue. The deemed venue for the 42nd AGM shall be the Registered Office of the Company.
2. In terms of the MCA Circulars, physical attendance of members has been dispensed with and, therefore, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by members under Section 105 of the Act will not be available for the 42nd AGM. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the members may be appointed for the purpose of voting through remote e-Voting through Board Resolution/ Power of Attorney/ Authority Letter, etc., for participation in the 42nd AGM through VC/ OAVM facility and e-Voting during the 42nd AGM and since the 42nd AGM is being held through VC/ OAVM facility, the Route Map is not annexed in this Notice.
3. Participation of members through VC will be reckoned for the purpose of quorum for the AGM as per Section 103 of the Companies Act, 2013 ("the Act").
4. Details of the Director seeking re-appointment under Item No. 3 of this Notice is provided at page no. 9 of this Notice.
5. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC. Corporate Members intending to authorise their representatives to attend the AGM pursuant to Section 113 of the Act, are requested to send to the Company, a certified copy of the relevant Board Resolution together with the respective specimen signatures of those representative(s) authorised under the said resolution to attend and vote on their behalf at the meeting.
6. In compliance with the provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations, (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof, for the time being in force) and various MCA

Circulars, the Company is pleased to provide its Members with the e-voting facility to exercise their right to vote on the proposed resolutions electronically. For this purpose, the Company has appointed Mr Hemant Shetye, Practicing Company Secretary, having Membership No. FCS-2827 & Certificate of Practice No. 1483, Designated Partner of M/s HSPN & Associates LLP, Practicing Company Secretaries, as the Scrutinizer for conducting the e-voting process in a fair and transparent manner.

7. The Company has engaged Central Depository Services (India) Limited ("**CDSL**") as the agency to provide the e-voting facility and the instructions for e-voting are provided as part of this Notice.
8. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the Cut-Off Date i.e., Friday 18th August, 2023.
9. Members whose shareholding is in the electronic mode are requested to direct, change of address notification and updating of Saving Bank Account details to their respective Depository Participants. Members whose shareholding is in physical mode are requested to opt for the Electronic Clearing System (ECS) mode to receive dividend on time, in line with the Circulars. We urge members to utilise the ECS for receiving dividends. Members holding share in physical form who wish to avail NACH facility, may submit their bank details, viz. Name of the Bank and Branch, their account type and Bank Account No. with MICR No. and IFSC Code along with the copy of cancelled cheque to the RTA at
Purva Sharegistry (India) Private Limited
Shiv Shakti Industrial Estates,
Unit No. 9, 7-B J. R. Boricha Marg,
Sitaram Mills Compound,
Mumbai 400011.
Tel: 31998810/49614132
Email: support@purvashare.com
10. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed Companies can be transferred only in dematerialized form with effect from 1st April, 2019, except in case of request received transmission or transposition and re-lodged transfer of securities. Further SEBI vide Circular No. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/236 dated 2nd December, 2020 had fixed 31st March, 2021 as the cut-off date for re-lodgment of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. In view of this and to eliminate all risks associated to physical shares and for ease of portfolio management. Member's holdings shares in physical form are requested to consider converting their holding to dematerialized form. Members can contact the Company or the Company's Registrar and Transfer Agent for assistance in this regard.

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 may note that the Board of Directors in their meeting held on 15th May, 2023 has recommended a final dividend of ₹ 1.75 per equity share of ₹ 5/-. The record date for the purpose of final dividend for the fiscal 2023 will be 18th August, 2023. The final dividend once approved by the Members in the ensuing AGM will be paid on or after 4th September, 2023, electronically through various online transfer modes to those members who have updated their bank details. For Members who have not updated their bank account details, dividend warrants / demand drafts / cheques will be sent out to their registered address. To avoid any delay in receiving the dividend, members are requested to update their KYC with their depositories (where shares are held in dematerialized mode) and with the Company's Registrar and Transfer Agent (RTA) (where shares are held in physical mode) to receive the dividend directly into their bank account on the payout date.
 13. Members may note that the Income Tax Act, 1961 ("the IT Act") as amended by the Finance Act, 2020, mandates that dividend paid or distributed by the Company after 1st April, 2020 shall be taxable in the hands of Members.
 14. The Register of Members and Share Transfer Register in respect of equity shares of the Company will remain closed from Saturday, 19th August, 2023 to Friday, 25th August, 2023 (both days inclusive).
 15. In furtherance of Green Initiative in Corporate Governance by Ministry of Corporate Affairs, the Shareholders are requested to register their email id with the Company or with the Registrar and Transfer Agent (RTA).
 16. Members are requested to intimate changes, if any pertaining to their name, postal address, email address, telephone/mobile number, Permanent Account Number (PAN), mandates, nominations, power of attorney, etc. to their DP's if the shares are held in electronic Form and to RTA if the shares are held in physical form.
 17. An electronic copy of the Annual Report along with Notice of the 42nd Annual General Meeting of the Company inter alia indicating the process and manner of e-voting is being sent to all the members by email and physical copy of the same will not be made available to the Members of the Company in line with the Circulars. Members may also note that the electronic copy of Annual Report along with Notice of the 42nd Annual General Meeting for FY 2022-23 will also be available on the Company's website www.nglfinechem.com/investors/AnnualReports/Audited Financials Report
- 31st March, 2023**
- The aforesaid documents can also be accessed from the website of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Ltd, and on the website of CDSL i.e. www.evoting.india.com
18. 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.
 19. Members may please note that SEBI has made Permanent Account Number (PAN) as the sole identification number for all participants transacting in the securities market, irrespective of the amount of such transactions.
- SEBI has also made it mandatory for submission of PAN in the following cases: (i) Deletion of name of the deceased member(s) (ii) Transmission of shares to the legal heir(s) and (iii) Transposition of shares.
- Further, the Members are requested to kindly note that as per SEBI circular bearing no. SEBI/HO/MIRSSD_RTAMB/PCIR/2021/655 dated 3rd November, 2021, it is mandatory for Members holding shares in physical form to register their PAN, KYC details, Bank Particulars and Nomination against their folio no. PAN is also required to be linked to Aadhar No. by the Members to be considered as valid PAN.
- Members are requested to provide Form ISR1, ISR2, Nomination Form duly filled and signed along with the hard copy of the following self-attested documents to Purva Shareregistry for registration against their respective folio(s):
- Identity Proof: Copy of PAN Card/ Aadhar Card
 - Address Proof: Copy of Aadhar Card/ Passport/ Client Master List/ Utility Bill not over 3 months old
 - Bank Details: Copy of the cancelled cheque stating the name of the Member as account holder
 - Contact Details: Mobile no., email ID
 - Nomination: Please provide Form SH13 duly filled and signed to Purva Shareregistry (India) Private Limited
- In the absence of any of the above information registered against your folio no., your folio no. will be frozen for any updation/ dividend payment as per the direction under the aforesaid Circular.
- The Form ISR1, ISR2, Nomination forms are available on the website of the Company i.e., <https://www.nglfinechem.com/disclosures-under-regulation.html#7> and on the website of Purva Shareregistry (India)



Private Limited.

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 Share Registry (India) Private Limited

Shiv Shakti Industrial Estates, Unit No. 9,

7-B J. R. Boricha Marg,

Sitaram Mills Compound,

Mumbai 400011.

Tel: 31998810/49614132

Email: support@purvashare.com

20. If the shares are held in electronic form, then change of address and change in the Bank Account etc. should be furnished to their respective Depository Participants.
21. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act, will be available for inspection in electronic form without any fee by the Members seeking to inspect such documents can send an email to cs@nglfinechem.com
22. Instructions for Shareholders to remote E-voting and Joining Virtual Meeting are as under:

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

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated 8th April, 2020, Circular No.17/2020 dated 13th April, 2020 and Circular No. 20/2020 dated 5th May, 2020. The forthcoming AGM/EGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM/EGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated 8th April, 2020, 13th April, 2020 and 5th May, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM/EGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorised e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM/AGM will be provided by CDSL.

3. The Members can join the EGM/AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM/EGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated 8th April, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM/EGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM/EGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated 13th April, 2020, the Notice calling the AGM/EGM has been uploaded on the website of the Company at www.nglfinechem.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM/EGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM/EGM) i.e. www.evotingindia.com.
7. The AGM/EGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated 8th April, 2020 and MCA Circular No. 17/2020 dated 13th April, 2020 and MCA Circular No. 20/2020 dated 5th May, 2020.
8. In continuation of this Ministry's General Circular No. 20/2020, dated 5th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31st December, 2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated 13th January, 2021.

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

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (i) The voting period begins on 22nd August, 2023 9 a.m. and ends on 24th August, 2023 5 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 18th August, 2023 of <Record Date> may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

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

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

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	<ol style="list-style-type: none"> 1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit cdsi website www.cdslindia.com and click on login icon & New System Myeasi Tab. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at cdsi website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.



Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL Depository	<ol style="list-style-type: none"> 1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at : 022 - 4886 7000 and 022 - 2499 7000

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (v) Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.
1. The shareholders should log on to the e-voting website www.evotingindia.com.
 2. Click on "Shareholders" module.
 3. Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
 4. Next enter the Image Verification as displayed and Click on Login.
 5. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

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

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN 230724007 for the NGL FINE-CHEM LIMITED on which you choose to vote.
- (x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) If a demat account holder has forgotten the login password, then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) There is also an optional provision to upload BR/ POA if any uploaded, which will be made available to scrutinizer for verification.
- (xvii) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
 - It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively, Non Individual shareholders are required mandatory to send the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorised signatory who are authorised to vote, to the Scrutinizer and to the Company at the email address viz; cs@nglfinechem.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

GENERAL GUIDELINES

1. The remote e-voting period commences on 22nd August, 2023 (from 9.00 a.m. IST) and ends on 24th August, 2023 (till 5.00 p.m. IST). Members of the Company, holding shares either in physical form or in



dematerialized form, as on the cut-off date of Friday 18th August, 2023, may cast their votes electronically. Remote e-voting will not be allowed beyond 5.00 p.m. on 24th August, 2023 and the e-voting module will be disabled by CDSL thereafter. A Member who has cast his/her vote by using remote e-voting shall be entitled to attend and participate in the AGM of the Company but shall not be allowed to vote on the resolutions at the AGM. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.

2. The facility for e-voting will also be made available at the AGM and Members participating in the AGM who have not cast their vote by remote e-voting, will be able to vote at the AGM.
3. Mr Hemant Shetye, Practicing Company Secretary, having Membership No. FCS-2827 & Certificate of Practice No. 1483, Designated Partner of M/s HSPN & Associates LLP, Practicing Company Secretaries, 206, 2nd Floor, Tantia & Jogani Industrial Estate, J.R. Boricha Marg, Opposite Lodha Excelus, Lower Parel (East), Mumbai - 400011, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
4. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, count the votes cast and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company. The Scrutinizer shall submit a consolidated Scrutinizer's Report of the total votes cast in favour of or against the resolutions, within 2 (two) working days after the conclusion of the AGM to the Chairman of the Company or any other person duly authorised by him, who shall countersign the same. The result of the voting will be declared within 2 (two) working days after the conclusion of the AGM.
5. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.nglfinechem.com and on the website of CDSL. The results will also be communicated to the stock exchanges i.e., BSE Limited and The National Stock Exchange of India Limited, where the shares of the Company are listed.
6. Subject to receipt of the requisite number of votes, the resolutions shall be deemed to have been passed on the date of the AGM i.e., 25th August, 2023.

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

1. The procedure for attending meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN 230724007 of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 15 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at cs@nglfinechem.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 15 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at cs@nglfinechem.com. These queries will be replied to by the Company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

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

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

Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository. If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

All grievances connected with the facility for voting by electronic means may be addressed to Mr Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 22 55 33.

Information of Director seeking re-appointment at the ensuing Meeting, as required under Regulation 36(3) of the Listing Regulations and SS-2 issued by the Institute of Company Secretaries of India, is as follows:

Name of Director	Mrs Ajita Rahul Nachane
Director Identification Number (DIN)	00279241
Date of birth	5 th July, 1969
Age	53
Nationality	Indian
Qualifications	B. Com, M.M.S (Marketing)
Date of first Appointment on the Board	15 th September, 2014
Tenure with the Company	8 years
Nature of her expertise in specific functional areas;	She is an experienced marketing professional and an entrepreneur. She has over 30 years' experience and owns and operates a BPO (Tele Access) rendering services to several top companies in the BFSI, Consumer Service, Technical support services, amongst others. Her exposure to the modern financial services market and marketing knowledge will provide valuable contribution to the Company.
Relationships between Directors inter-se	Spouse of Mr Rahul Nachane, Managing Director and Sister of Mr Rajesh Lawande, Whole Time Director
List of the directorships held in other listed companies	NIL
Number of board Meetings attended during the year	5
Chairman/ Member in the Committees of the Boards of companies in which he/she is Director	NIL
Number of Shares held in the Company as on 31 st March, 2023	7,13,449 Equity Shares
Remuneration details	Not applicable

**By Order of the Board
For NGL Fine-Chem Limited**

Registered Office:

301, E Square Subhash Road Vile Parle (East) Mumbai 400057
Dated: 15th May, 2023

Sd/-
Ms. Pallavi Pednekar
Company Secretary
Membership No: A33498



ANNEXURE TO THE NOTICE

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

Item No. 4:

In accordance with the provisions of Section 188 (1)(f) of the Companies Act, 2013 which govern the related party transactions read with Regulation 23 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and not material in nature, it is required for a Company to obtain prior approval of the Board of Directors and shareholders for the related party's appointment to any office or place of profit.

The Members of the Company, at their 40th Annual General Meeting held on 20th August, 2021, appointed Mr Ahaan Nachane, as Vice President of the Company, with effect from 1st June, 2021 at remuneration of ₹ 1 Crore (Rupees One Crore Only) per annum.

Mr Ahaan Nachane, is in the services of the Company from 1st June, 2021. Higher education will improve the services, qualitative standards, global outlook for the promotion of Companies products. A better educated employee is qualified to take on new projects due to required skills and knowledge. The Company will be positioned to take on additional work and bring in more revenue. A knowledgeable person can share knowledge with colleagues and mentor the people. Upskilling is the need of the hour. The course to undergo by Mr Ahaan Nachane is directly related to the business carried out by the Company and his chosen subject of study would aid and assist the Company and is aimed at adding value to its business and move into the leadership position. The Company has entered into Employment Agreement with Mr Ahaan Nachane in this regard.

Considering the performance, rich and varied experience and knowledge of Mr Ahaan Nachane as Vice President and contribution towards improvement in performance of the Company, the Board of Directors on the recommendation of the Nomination and Remuneration Committee, and the approval of the audit committee approved the modification

in the terms and conditions of appointment to include either payment of educational expenses of ₹ 1,00,00,000/- (Rupees One Crore Only) or remuneration of ₹ 1,00,00,000/- (Rupees One Crore Only) for a period of 12 months from the date of approval by the members of the Company at the 42nd Annual General Meeting and that on completion of period of 12 months Mr Ahaan Nachane shall be paid remuneration as per the original terms and conditions of his appointment as approved by the members at the 40th AGM held on 20th August, 2021.

All other terms and conditions of appointment of Mr Ahaan Nachane as Vice President of the Company, as approved at the 40th AGM of the Company held on 20th August, 2021, remain unchanged.

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

Save and except the above, none of the other Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

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

**By Order of the Board
For NGL Fine-Chem Limited**

Sd/-
Ms. Pallavi Pednekar
Company Secretary
Membership No: A33498

Registered Office:
301, E Square Subhash
Road Vile Parle (East)
Mumbai 400057
Dated: 15th May, 2023

DIRECTORS' REPORT

The Board of Directors are pleased to present the Company's Forty Second Annual Report and the Company's audited financial statements (consolidated and standalone) for the financial year ended 31st March 2023.

1. OPERATING RESULTS

The operating results of the Company for the year ended 31st March 2023 are as follows:

	Year ended 31 st March, 2023 (Standalone)	Year ended 31 st March, 2022 (Standalone)	Year ended 31 st March, 2023 (Consolidated)	Year ended 31 st March, 2022 (Consolidated)
Revenue from Operations	2,75,05.25	3,18,66.74	2,78,08.08	3,17,50.30
Profit before tax from continuing operations	26,59.98	6897.40	27,36.20	66,59.65
Tax Expenses (Including Deferred Tax)	(6,48.11)	(16,72.75)	(6,86.57)	(16,69.91)
Profit after Tax	20,11,.87	52,24.65	20,49.63	49,89.74
Total Comprehensive Income for the year	20,03.68	52,19.31	20,41.24	49,84.13

(₹ In Lakhs)

2. TRANSFER TO RESERVES

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

3. THE STATE OF THE COMPANY'S AFFAIRS

During the year under review, your company achieved total revenue from operations of ₹ 2,75,05.25 Lakhs (previous year ₹ 31,866.74 Lakhs) resulting in decrease of 13.69% over the previous year. The profit after tax (including other comprehensive income) is at ₹ 20,03.68 Lakhs (previous year ₹ 52,19.31 Lakhs resulting in decrease of 61.61%).

The current year has been challenging one coming up immediately after the end of the Covid pandemic. In view of lower demand, the turnover has also decreased. Various factors have affected the demand namely destocking after the higher stock levels during covid, recessionary trends & foreign exchange scarcities in various economies across the world have affected the ability to buy for a number of customers. However the Company has been able to weather these issues by expanding its product portfolio from 22 products to 28 during the current year.

4. SHARE CAPITAL

During the year under review, there has been no change in the Share Capital of the Company. The authorised share capital of the Company, as on 31st March, 2023 aggregates ₹ 5,00,00,000/- (Rupees Five Crores) which is divided into 1,00,00,000 (One Crores) Equity Shares of ₹ 5/- each, whereas the issued share capital of the Company comprises of 61,78,024 equity shares of ₹ 5/- each aggregating to ₹ 3,08,90,120/- (Rupees Three Crores Eight Lakhs Ninety Thousand One Hundred and Twenty).

5. DIVIDEND

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

Further, as per Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the top 1000 listed entities based on market capitalisation are required to formulate a Dividend Distribution Policy. Accordingly, your Company has formulated its Dividend Distribution Policy, which is available on the Company's website at <https://www.nglfinechem.com/images/pdf/dividend-distribution-p22.pdf>

6. CASH FLOW AND CONSOLIDATED FINANCIAL STATEMENTS

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

7. FUTURE PROSPECTS

The greenfield expansion at Tarapur is under progress though at a slower pace. A conscious decision was taken to slow it down in view of the reduced demand in the market and the spare capacity available in the Company's plants. The time line for implementation is now extended to 2024-25. Civil work has been largely completed for the entire plant however machinery installation will proceed in planned phases to spread the capital expenditure over a further two years.

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

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



DIRECTOR'S REPORT (Contd.)

9. 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.

10. 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.

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

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed also discussed at the meetings of the Risk Management Committee and the Board of Directors of the Company. The Company has constituted Risk Management Committee and its risk management policy is available on the website of the Company <https://www.nglfinechem.com/images/pdf/risk-management-policy.pdf>

12. INTERNAL CONTROL SYSTEM

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

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

The Company has constituted a Corporate Social Responsibility (CSR) Committee in accordance with Section 135 of the Companies Act, 2013 read with Companies Corporate Social Responsibility (Policy) Rules, 2014. As per provision of Section 135 of the Companies Act, 2013 read with Rule 8 of Companies Corporate Social Responsibility (Policy) Rules, 2014, the Board has approved CSR Policy and the Company

has spent towards CSR activities, details of which are provided in attached **Annexure B** to Director's Report.

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

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

15. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

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

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

The Related Party Transactions Policy as approved by the Board is uploaded on the Company's website at <https://www.nglfinechem.com/images/pdf/related-party-transaction-policy-dec-2021.pdf>

16. POLICY ON SEXUAL HARASSMENT OF WOMEN AT WORKPLACE:

The Company has zero tolerance towards sexual harassment at the workplace and towards this end, has adopted a policy in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. All employees (permanent, contractual, temporary, trainees) are covered under the said policy. The Company has complied with provisions relating to the constitution of Internal Complaints Committee

DIRECTOR'S REPORT (Contd.)

under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 which redresses complaints received on sexual harassment. During the financial year under review, the Company has not received any complaints of sexual harassment from any of the women employees of the Company.

17. ANNUAL RETURN

Pursuant to the provisions of Section 92(3) of Companies Act, 2013 following is the link for Annual Return 2022-2023.

www.nglfinechem.com/investors/notices/MGT-72023

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

During the financial year, the Board met five times on 02nd May, 2022, 22nd June, 2022, 10th August, 2022, 28th October, 2022 and 10th February, 2023.

19. DIRECTORS' RESPONSIBILITY STATEMENT

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

- That in the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure.
- That the selected accounting policies were applied consistently and the directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March 2023, 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.

20. DEPOSITS

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

21. PARTICULARS OF EMPLOYEES AND REMUNERATION

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

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

The Nomination and Remuneration Committee of the Company has affirmed at its meeting held on 15th May 2023 that the remuneration is as per the remuneration policy of the Company. The policy is available on the Company's website: <https://www.nglfinechem.com/images/pdf/remuneration-nomination-policy.pdf>

22. CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr K.V. Subhramaniam (DIN No: 07842700) resigned from the office of Non-Executive Independent Director of the Company w.e.f the close of business hours of 10th August, 2022.

In accordance with the provisions of Section 152(6) of the Companies Act, 2013, the members of the Company at the 41st Annual General Meeting re-appointed Mr Rajesh Lawande (DIN: 00327301) Whole-Time Director, who was subject to retire by rotation.

In accordance with the provisions of Section 152(6) of the Companies Act, 2013 Mrs. Ajita Nachane (00279241) Non-Executive Director is liable to retire by rotation in this ensuing Annual General Meeting and being eligible she has offered herself for reappointment. Your Directors recommend her re-appointment.

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

The Nomination & Remuneration Committee of Directors have approved a Policy <https://www.nglfinechem.com/images/pdf/terms-and-condition-of-appointment-of-independent-director.pdf> for Selection, Appointment and Remuneration of



DIRECTOR'S REPORT (Contd.)

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

24. 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(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant SEBI Listing Regulations.

25. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The familiarisation Programme aims to provide Independent Directors with the pharmaceutical industry scenario, the socio-economic environment in which the Company operates, the business model, the operational and financial performance of the Company, significant developments so as to enable them to take well informed decisions in a timely manner. The familiarisation Programme also seeks to update the Directors on the roles, responsibilities, rights and duties under the Act and other statutes. The policy on Company's familiarisation Programme for Independent Directors is posted on Company's website at <https://www.nglfinechem.com/images/pdf/details-familiarisation-Programmeme-2023.pdf>

26. CREDIT RATING

The Company has been rated by Crisil Limited for SME and bank rating. The SME rating has been awarded "SME 1" indicating highest level of credit worthiness adjudged in relation to other SMEs. The long-term rating is Crisil BBB+ / Stable (outlook revised to stable) and short-term rating is Crisil A2 (Reaffirmed). The Company has also been rated by ICRA Limited for bank borrowing and long-term rating has been reaffirmed as BBB+/Stable and has reaffirmed the short-term rating as A2.

27. STATUTORY AUDITORS

The Members of the Company at their 41st Annual General Meeting held on Thursday, 30th June, 2022 on the recommendation of Audit Committee re-appointed

M/s. Manek & Associates, Chartered Accountants (FRN: 0126679W) as Statutory Auditors of your Company for a period of 5 consecutive years from the conclusion of 41st Annual General Meeting till the conclusion of 46th Annual General Meeting to be held in the year 2027.

The Company has not proposed an Ordinary Resolution for ratification of appointment of Statutory Auditor for the FY 2023-2024 because pursuant to the Companies (Amendment) Act, 2017, the same is omitted with effect from 07th May 2018.

28. INTERNAL AUDITORS

On recommendation of Audit Committee, the Board of Directors of the Company at its meeting held on 15th May, 2023 has appointed M/s. Rach & Associates, Chartered Accountants, Mumbai, (ICAI firm registration number 102415W) as internal auditors for FY 2023-24.

29. SECRETARIAL AUDITORS

On recommendation of the Audit Committee, the Board of Directors of the Company at its meeting held on 15th May, 2023 have appointed M/s. HSPN & Associates LLP, Company Secretaries, as Secretarial Auditors of the Company to carry out the Secretarial Audit for the FY 2023-24 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.

Further, the Secretarial Audit issued by M/s. HSPN & Associates LLP, Company Secretaries for the FY 2022-2023 is annexed herewith and forms part of this report as **Annexure E**.

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

30. Cost Auditors

For the FY 2023-24, cost audit is not applicable to the Company as the export turnover is more than 75% of the total turnover. Hence the Company has not appointed Cost Auditor.

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

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

32. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management's Discussion and Analysis Report for

DIRECTOR'S REPORT (Contd.)

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

33. CORPORATE GOVERNANCE

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

34. SUBSIDIARY, JOINT VENTURES AND ASSOCIATE COMPANIES

Macrotech Polychem Private Limited is a wholly owned subsidiary of the Company. The Consolidated Financial Statements of your Company form part of this Annual Report. Annual Report of your Company does not contain the Financial Statements of its Subsidiary. The Audited Annual Accounts and related information of the Company's Subsidiary will be made available upon request. These documents will be available for inspection during all days except Saturdays, Sundays and public holidays from 10.00 a.m. to 4 p.m. at the Company's Registered Office. The Subsidiary Companies Audited Accounts are available on the Company's Website: https://www.nglfinechem.com/images/pdf/audited_financia_report_31st-march-2023.pdf

35. VIGIL MECHANISM

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

36. REPORTING OF FRAUD BY AUDITORS

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

37. PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI Listing Regulations, your Company has devised a policy containing criteria for evaluating the performance of the Executive, Non-Executive and Independent Non-Executive Directors, Key Managerial Personnel, Board and its Committees based on the recommendation of the Nomination & Remuneration Committee. Feedback was sought by way of a structured questionnaire covering various aspects of the Board's functioning, such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations, and governance. The manner in which the evaluation has been carried out is explained in the Corporate Governance Report, forming part of this Annual Report.

The Board of Directors of your Company expressed satisfaction about the transparency in terms of disclosures, maintaining higher governance standards and updating the Independent Directors on key topics impacting the Company.

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

During the period under review the Company received approval from National Stock Exchange of India Limited ("NSE") for listing of its 6178024 Equity Shares of ₹ 5 each fully paid-up on the main board of NSE vide its letter no. NSE/LIST/83 dated 06th July, 2022. Accordingly, the Equity Shares of the Company are listed and admitted to dealings on the NSE w.e.f. 08th July, 2022 with symbol NGLFINE.

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

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



DIRECTOR'S REPORT (Contd.)

The Company has received mails from SEBI on 25th November, 2022, 23rd February, 2023 and 23rd March, 2023 seeking clarification with regard to variation in Shareholding Pattern of the Company of June 2019 and September 2019. The Company have replied that PCI Ferrmone Chemicals (India) Private Limited. ("PCI") is a promoter group company of NGL since 1997 whose shareholding in NGL was erroneously disclosed under the 'public shareholder' category. The unintentional error was rectified by disclosing PCI under the 'promoter and promoter group' category of NGL for the quarter ended September 2019. Post which the Shareholding Pattern is correctly showing PCI Ferrmone Chemicals (India) Private Limited under the 'promoter and promoter group' category. As on signing of this report there was no further action from SEBI.

During the period under review the Company and its Officers received a notice from Hon'ble National Lok Adalat to answer to a charge for the offence punishable under Section 148 of the Companies Act, 2013 regarding non- submission of Cost Audit Report for the FY 2014-15. The management is of the opinion that their is no non-compliance, as the said provisions are not applicable. The management is seeking suitable legal re-course. As on date of signing of this report, there is no further action from the concerned authority.

40. COMMITTEES OF THE BOARD

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

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

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

41. BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

Regulation 34(2) of the SEBI Listing Regulations, inter alia, provides that the Annual Report of the top 1000 listed entities based on market capitalisation, should mandatorily include a Business Responsibility & Sustainability Report ("BRSR") from FY 2022-23 onwards.

Further, in line with the SEBI listing requirements, your Company has included BRSR as part of this Report for the FY 2022-23, as **Annexure H**, describing the initiatives taken by the Company from an environmental, social and governance perspective.

The BRSR for the FY 2022-2023 has also been hosted on the Company's website, which can be accessed at <https://www.nglfinechem.com/disclosures-under-regulation.html#7>

42. OTHER DISCLOSURES

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

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

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

43. COST RECORDS AND COST AUDIT

Maintenance of cost records as prescribed under the provisions of Section 148(1) of the Companies Act, 2013 was not applicable for the business activities carried out by the Company for the financial 2022-23. Accordingly, such accounts and records are not made and maintained by the Company for the said period. The requirement for cost audit was not applicable for the said period as the export turnover was greater than 75% for the prior year.

44. 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 <https://www.nglfinechem.com/disclosures-under-regulation.html#7>

45. COMPLIANCE OF APPLICABLE SECRETARIAL STANDARDS

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

DIRECTOR'S REPORT (Contd.)

46. ENHANCING SHAREHOLDER VALUE

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

47. 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.

48. ACKNOWLEDGEMENTS

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

For and on behalf of the Board of Directors

Sd/-
Rahul Nachane
Managing Director
DIN: 00223346

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

Mumbai, 15th May, 2023



ANNEXURE A

TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2023

Information pursuant to the Companies (Accounts) Rules, 2014

A. CONSERVATION OF ENERGY

I. Steps taken or impact on conservation of energy

Following activities were taken to conserve Energy

1. Energy audits to identify key areas for improvement in energy efficiency of processes adopted and eliminating wastage.
2. Implementation of the energy conservation methods and improving input-output ratios.
3. Utilisation of greener fuels: During earlier years, the Company has replaced fossil fuels with greener fuels. At one unit, coal has been replaced with biomass briquettes which are obtained from agricultural waste. Total fossil fuel saving was 190 mt during the year. At another unit, the Company has replaced furnace oil with natural gas resulting in a saving of 4368 mt of furnace oil.

II. Capital investment on energy conservation

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

B. TECHNOLOGY ABSORPTION:

1. Research & Development

I Efforts made towards technology absorption.

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

to support our customers in their pharmaceutical research and development activities.

III Expenditure on R&D activity.

(₹ in Lakhs)

	2022-23	2021-22
Capital	18.18	124.31
Revenue	243.13	173.72
Total	261.31	298.03
As percentage of turnover	0.94%	0.94%

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 ₹ 20945.16 Lakhs

Total Foreign Exchange Used ₹ 3043.25 Lakhs

For and on behalf of the Board of Directors

Sd/-
Rahul Nachane
Managing Director
DIN: 00223346

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

Mumbai, 15th May, 2023

ANNEXURE B

TO THE DIRECTORS REPORT

CORPORATE SOCIAL RESPONSIBILITY POLICY

Introduction

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

ANNEXURE TO CSR POLICY

1. A brief outline of the Company's CSR policy, including overview of projects or Programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or Programmes.

- Promoting education, including special education and employment enhancing vocation skills especially among children and livelihood enhancement projects.
- Empowerment of rural women by strengthening their financial capabilities.
- Promoting sanitation care by construction of toilets and awareness Programmes.
- Provide healthcare by organising free medical camps, mobile clinics with doctors, free ambulance services, awareness Programmes and blood donation camps.
- Sustainable livelihood by skill development and vocational training, vermi-composting, etc.
- Reduction in pollution and recycling of waste.
- Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women.
- Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care 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.
- Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution

to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.

- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.
- Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts.
- Measures for the benefit of armed forces veterans, war widows and their dependents.
- Training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports.
- Rural development projects.
- Slum area development.

The CSR Policy is placed on the Company's website and the web link for the same is <https://www.nglfinechem.com/images/pdf/csr-policy-10-08-2022.pdf>

2. The Composition of the CSR Committee.

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

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

3. Provide the web-link where Composition of CSR Committee, Policy and CSR projects approved by the Board are disclosed on the website of the Company : <https://www.nglfinechem.com/images/pdf/csr-policy-10-08-2022.pdf> <https://www.nglfinechem.com/images/pdf/csr-projection-23-24.pdf>

4. Provide the details of Impact assessment of CSR Project carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Responsibility Policy) Rules, 2014, if applicable (attach the report) : Not Applicable.



**ANNEXURE B
TO THE DIRECTORS REPORT (Contd.)**

5. Social Responsibility Policy Rules, 2014 and amount required for set off for the financial, if any

Sr. No.	Financial Year	Amount available for set off from preceding financial year (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1.	2021-22	4801	4801
	Total	4801	4801

6. Average net profit of the Company as per section 135(5) : ₹ 52,22,27,635/-

7. (a) Two percent of average net profit of the Company as per Section 135(5) : ₹ 1,04,44,553/-

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial year: NIL

(c) Amount required to be set off for the financial year, if any: ₹ 4801/-

8. (a) CSR amount spent/unspent for the financial year

Total amount spent for the financial year (in ₹)	Amount Unspent				
	Total Amount Transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of transfer
₹ 1,05,08,143/-	-	-	Not Applicable	-	-

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

Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/No)	Location of the Project	Project duration	Amount allocated for the project	Amount spent in the current financial year	Amount Transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of implementation Direct (Yes/No)	Mode of Implementation Through Implementing Agency	
									Name	CSR Registration Number
NIL										

(c) Details of CSR Amount Spent against other than ongoing project for the financial year:

Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/No)	Location of the Project	Project duration	Amount allocated for the project	Amount spent in the current financial year	Amount Transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of implementation Direct (Yes/No)	Mode of Implementation Through Implementing Agency	
									Name	CSR Registration Number
Terena Speciality Hospital & Research Centre	Health Care	Yes	Maharashtra	2022-23	₹ 2,00,000	₹ 2,00,000	NIL	Yes	NA	
Shree Shankara Hindu Mission	Education & Healthcare	Yes	Maharashtra	2022-23	₹ 33,04,500	₹ 33,04,500	NIL	No	Shree Shankara Hindu Mission CSR00001623	
Educational Scholarships	Education	Yes	Maharashtra	2022-23	₹ 14,81,662	₹ 14,81,662	NIL	Yes	NA	
Ramaben Thakkar	Health Care	Yes	Maharashtra	2022-23	₹ 10,000	₹ 10,000	NIL	Yes	NA	
DU Foundation	Education	Yes	Maharashtra	2022-23	₹ 5,00,000	₹ 5,00,000	NIL	No	DU Foundation CSR00005425	

ANNEXURE B
TO THE DIRECTORS REPORT (Contd.)

Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/No)	Location of the Project	Project duration	Amount allocated for the project	Amount spent in the current financial year	Amount Transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of implementation Direct (Yes/No)	Mode of Implementation Through Implementing Agency	
									Name	CSR Registration Number
Dr. M. D. Rana and Mrs. K. M. Rana Charitable Trust	Health Care	Yes	Maharashtra	2022-23	₹ 26,79,901	₹ 26,79,901	NIL	No	Shree Dr. M D Rana and SMT K M Rana Charitable Trust CSR00016608	
National Flag Distribution	Social	Yes	Maharashtra	2022-23	₹ 21,000	₹ 21,000	NIL	Yes	NA	
Woman Empowerment	Woman Empowerment	Yes	Maharashtra	2022-23	₹ 4,80,000	₹ 4,80,000	NIL	Yes	NA	
Yogyam Hospital	Health Care	Yes	Maharashtra	2022-23	₹ 60,000	₹ 60,000	NIL	Yes	NA	
Jahangir Art Gallery	Promotion of Traditional Art	Yes	Maharashtra	2022-23	₹ 2,01,080	₹ 2,01,080	NIL	Yes	NA	
Sumangal Berozgar Samajik Sanstha	Woman Empowerment	Yes	Maharashtra	2022-23	₹ 70,000	₹ 70,000	NIL	No	Sumangal Berozgar Samajik Sanstha CSR00034273	
Kumbhavali Village – Conservation of water bodies Project	Envrionmental sustainability & protection of Flora & Fauna	Yes	Maharashtra	2022-23	₹ 15,00,000	₹ 15,00,000	NIL	Yes	NA	

- (d) Amount spent in Administrative Overheads: NIL
(e) Amount spent on Impact Assessment, if applicable: Not Applicable
(f) Total amount spent for the Financial Year: ₹ 1,05,08,143/-
(g) Excess amount for set off, if any

S.No.	Particulars	Amount (in ₹)
1	Two percent of average net profit of the Company as per section 135(5)	1,04,44,553
2	Total amount spent for the Financial Year	1,05,08,143
3	Excess amount spent for the Financial Year [(2)-(1)]	63590
4	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	NIL
5	Amount available for set off in succeeding Financial Years [(3) – (4)]	68391*

* Total Amount to be spent for the year 10444553 - Excess Spent Last year adjusted 4801 = Amount to be spent for the year 10439752, Amount Spent for the year 10508143. Hence Excess spent for the year 68391.

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

Year	Amount
2019-20	33,60,965
2020-21	(62766)
2021-22	(4801)
Total	33,60,965



ANNEXURE B
TO THE DIRECTORS REPORT (Contd.)

- ii. **Details of CSR amount spent in the Financial Year for ongoing projects of the preceding Financial Year(s):** Nil.
10. **In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the Financial Year (asset-wise details):** Not Applicable
- a) **Date of creation or acquisition of the capital asset(s):** Not Applicable
- b) **Amount of CSR spent for creation or acquisition of capital asset:** Nil
- c) **Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.:** Not Applicable
- d) **Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset):** Not Applicable
11. **Specify the reason, if the Company has failed to spend two per cent of the average net profit as per section 135(5):** NIL

For and on behalf of the Board of Directors

Sd/-

Rahul Nachane

Managing Director

DIN No: 00223346

Sd/-

Rajesh Lawande

Whole-Time Director & CFO

DIN No: 00327301

Sd/-

Milind Shinde

Chairman CSR Committee

DIN No: 01593560

Mumbai, 15th May, 2023

ANNEXURE C

TO THE DIRECTORS REPORT

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

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

Sl. No.	Particulars	Details
1.	Name of the subsidiary	Macrotech Polychem Private Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	FY 2022-23
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA
4.	Share capital	30,01,900
5.	Reserves & surplus	1,93,67,837
6.	Total assets	30,26,51,053
7.	Total Liabilities	30,26,51,053
8.	Investments	-
9.	Turnover	18,27,39,588
10.	Profit before taxation	1,10,14,307
11.	Provision for taxation	(38,46,894)
12.	Profit after taxation	71,67,413
13.	Proposed Dividend	--
14.	% of shareholding	100

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

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

Part "B": Associates and Joint Ventures

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

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

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

For and on behalf of the Board of Directors

Sd/-

Rahul Nachane

Managing Director

DIN No: 00223346

Mumbai, 15th May, 2023

Sd/-

Rajesh Lawande

Whole-Time Director & CFO

DIN No: 00327301



**ANNEXURE C
TO THE DIRECTORS REPORT (Contd.)**

Form AOC-2

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis:	NIL
(a) Name(s) of the related party and nature of relationship	
(b) Nature of contracts/arrangements/transactions	
(c) Duration of the contracts / arrangements/transactions	
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	
(e) Justification for entering into such contracts or arrangements or transactions	
(f) date(s) of approval by the Board	
(g) Amount paid as advances, if any	
(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188	
2. Details of material contracts or arrangement or transactions at arm's length basis: NIL	
(a) Name(s) of the related party and nature of relationship	
(b) Nature of contracts/arrangements/transactions	
(c) Duration of the contracts/arrangements/transactions	
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	
(e) Date(s) of approval by the Board, if any: (f) Amount paid as advances, if any:	

For and on behalf of the Board of Directors

Sd/-

Rahul Nachane

Managing Director

DIN No: 00223346

Sd/-

Rajesh Lawande

Whole-Time Director & CFO

DIN No: 00327301

Mumbai, 15th May, 2023

ANNEXURE D TO THE DIRECTORS REPORT

MEDIAN REMUNERATION

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

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

Name of the directors	Ratio to median remuneration
Non-executive directors	
Mr Jayaram Sitaram	-
Mr Milind Vasant Shinde	-
Mrs. Ajita Rahul Nachane	-
Mrs. Sarala Menon	-
Executive directors	
Mr Rahul Jayant Nachane	23.79
Mr Rajesh Narayan Lawande	23.57

- 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	-40.10%
Mr Rajesh Narayan Lawande	-40.32%
Mr Jayaram Sitaram	Nil
Mr Milind Vasant Shinde	Nil
Mrs. Ajita Rahul Nachane	Nil
Mrs. Sarala Menon	NIL
Mrs. Pallavi Pednekar	18.80

- c. The percentage increase in the median remuneration of employees in the financial year: -2.05%
- d. The number of permanent employees on the rolls of Company: 343
- e. Average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:
The annual increase was around 14.28%
Increase in the managerial remuneration for the year was -2.05%
- f. Affirmation that the remuneration is as per the remuneration policy of the Company: The Nomination and Remuneration Committee of the Company has affirmed at its meeting held on 15th May, 2023 that the remuneration paid is as per the remuneration policy of the Company. The Policy is available on the Company's Website: www.nglfinechem.com



**ANNEXURE D
TO THE DIRECTORS REPORT (Contd.)**

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

Name	Designation	Qualification	Age (years)	Date of joining	Remuneration paid (₹ Lakhs)	Experience (years)
Rahul Nachane	Managing Director	B.Com, A.C.A, M.M.S, D.B.F	58	04 th January 1993	159.88	34
Rajesh Lawande	Executive Director & CFO	M.Sc (IIT BOM), PGDBA (IIML)	47	01 st June 2005	158.44	22

Notes:

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

For and on behalf of the Board of Directors

Sd/-

Rahul Nachane

Managing Director

DIN No: 00223346

Sd/-

Rajesh Lawande

Whole-Time Director & CFO

DIN No: 00327301

Mumbai, 15th May, 2023

ANNEXURE E

TO THE DIRECTORS REPORT

SECRETARIAL AUDIT REPORT

FORM No. MR-3

FOR FINANCIAL YEAR ENDED ON 31st MARCH 2023.

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

To,
The Members,
NGL Fine-Chem Limited.

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period ended on 31st March, 2023, 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 Limited ("The Company"), for the year ended on 31st March, 2023 to the extent applicable to the provisions of:

- I. The Companies Act, 2013 (the Act) and the rules made there under to the extent applicable;
- II. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the Rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") to the extent applicable to the Company: -
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
- e. The Company has complied with the requirements under the Equity Listing Agreements entered into with BSE Limited.

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

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

- a) Secretarial Standards 1 and 2 issued by the Institute of Company Secretaries of India.
- b) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 (with effect from 01st December, 2015);

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

We further report that:

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

1. During the period under review Mr K.V. Subramanian (DIN: 07842700) Independent Director resigned w.e.f the closing hours of 10th August, 2022.

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.



ANNEXURE E TO THE DIRECTORS REPORT (Contd.)

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

We further report that during the audit period:

1. During the period under review the Company received approval from National Stock Exchange Limited ("NSE") for listing of its 6178024 Equity Shares of ₹ 5 each fully paid-up on the main board of NSE vide its letter no. NSE/LIST/83 dated 06th July, 2022. Accordingly, the Equity Shares of the Company are listed and admitted to dealings on the NSE w.e.f. 08th July, 2022 with symbol NGLFINE.
2. During the year 400 shares held by 4 shareholders constituting 0.0065% of the total paid up Equity Share Capital of the Company lying unclaimed were transferred to Unclaimed Suspense Account pursuant to Regulation 39 (4) of SEBI (LODR) 2015.
3. During the period under review the outcome of the Investor / Analyst meet was not given in some cases although intimation was given. Since the Investor/ Analyst meet was generic in nature and no UPSI was shared the management is of the opinion that outcome of the same is not required to be given.
4. The Company has obtained Shareholders approval in the 41st AGM for.
 - (i) declaration and payment of Final dividend @35% i.e. ₹ 1.75/- per Equity Share for the financial year ended 31st March, 2022 which was in compliance with the provisions of Section 123 of the Companies Act, 2013 read with Rule 3 of the Companies (Declaration and Payment of Dividend) Rules, 2014;
 - (ii) appointment of M/s. Manek & Associates, Chartered Accountants (FRN 0126679W) as Statutory Auditors of the Company for a period of five consecutive years from the conclusion of 41st Annual General Meeting till the conclusion of 46th Annual General Meeting of the Company.
5. During the period under review the Company and its Officers received a notice from Hon'ble National Lok Adalat to answer to a charge for the offence punishable under Section 148 of the Companies Act, 2013 regarding non-submission of Cost Audit Report for the FY 2014-15. The management is of the opinion that there is no non-compliance and that the said provisions are not applicable to the Company. The management is seeking to take necessary legal recourse with the requisite court of law. As of the date of signing this report there is no further action from the concerned authority.
6. The Company has received mails from SEBI on 25th November, 2022, 23rd February, 2023 and 23rd March, 2023 seeking clarification with regard to variation in Shareholding Pattern of the Company of June 2019 and September 2019. The Company have replied to the said mails stating that PCI Ferrmone Chemicals (India) Private Limited. ("PCI") is a promoter group company of NGL since 1997 whose shareholding in NGL was erroneously disclosed under the 'public shareholder' category in June 2019 Shareholding Pattern. The unintentional error was rectified by disclosing PCI under the 'promoter and promoter group' category of NGL for the quarter ended September 2019. As on the date of signing this report there is no further action from SEBI.

For **HSPN & ASSOCIATES LLP**
Company Secretaries

Sd/-

Date: 15th May, 2023

Place: Mumbai

ICSI UDIN: F002827E000311071

PEER REVIEW NO: 2507/2022

Hemant S. Shetye

Designated Partner

FCS No.: 2827

COP No.: 1483

ANNEXURE E TO THE DIRECTORS REPORT (Contd.)

Annexure-1 (A)

Sector Specific Laws as Applicable to the Company.

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

Annexure-1 (B)

To,

The Members,

NGL Fine-Chem Limited.

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these Secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices we followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness, appropriateness of financial records and books of accounts of the Company.
4. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the Company or of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **HSPN & ASSOCIATES LLP**
Company Secretaries

Date: 15th May, 2023
Place: Mumbai
ICSI UDIN: F002827E000311071
PEER REVIEW NO: 2507/2022

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



ANNEXURE F

TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2023

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

The Board of Directors ('the Board') plays a crucial role in overseeing how the management serves the short and long-term interests of shareholders and other stakeholders. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and independent Board.

The Directors of the Company are persons of integrity and bring to the Board a wide range of knowledge, experience, diversity of thought and skills. The Board effectively carries out its responsibilities like providing strategic guidance to the Company, code of conduct for the executives, disclosure of information about their concerns and interests, adherence to the Code of Conduct etc. and the Board applies high ethical standards and acts with due diligence, care and in the best interest of the Company and its stakeholders.

The Board of Directors are entrusted with the ultimate responsibility of the management, general affairs, direction and performance of the Company and has been vested with requisite powers, authorities and duties.

a. Composition of the Board of Directors and Category of Directors:

As on the date of the report, the Board of the Company comprises of Six Directors out of which one is the Promoter Managing Director, one is a Promoter Whole-Time Director and one is Promoter Woman Non-Executive Director. Out of the remaining Three Directors, one is Woman Independent Non-Executive Director and the other remaining 2 Directors are Independent Non-Executive Directors.

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

Name of Director	Category of Director-ship
Rahul. J. Nachane	PMD
Rajesh. N. Lawande	PWTD
Milind. V. Shinde	INED
Jayaram Sitaram	INED
Ajita .R. Nachane	WNED
K.V. Subramanian*	INED
Sarala Menon	WINED

PMD – Promoter Managing Director, PWTD – Promoter Whole Time Director, WNED – Woman Non-Executive Director, INED – Independent Non-Executive Director, WINED – Woman Independent Non-Executive Director.

*Mr K.V. Subramanian resigned on close of business hours of 10th August, 2022.

The composition of the Board represents an optimal mix of professionalism, knowledge, strategy and experience and enables the Board to discharge its responsibilities and provide effective leadership to the business.

None of the Directors on the Board hold Directorships in more than 10 (Ten) public companies. Further, none of them is a member of more than 10 (Ten) committees (committees being Audit Committee and Stakeholders Relationship Committee) or chairman of more than 5 (Five) committees across all the Indian public companies in which he/she is a Director.

The Independent Directors do not have any material pecuniary relationship or transactions with the Company, Promoters or Management, which may affect their judgement in any manner. The Independent Directors provide a confirmation to the effect that they meet the criteria of independence as defined under the Companies Act, 2013. None of the Independent Directors of the Company serve as an Independent Director in more than seven listed companies. All Directors are also in compliance with the limit on Independent Directorships of listed companies as prescribed under Regulation 17A of the SEBI Listing Regulations. The Board confirms that the Independent Directors fulfil the conditions specified in the SEBI Listing Regulations and that they are Independent of the management. Further, the Independent Directors have in terms of Section 150 of the Act read with rules framed thereunder, confirmed that they have enrolled themselves in the Independent Directors' Databank maintained with the Indian Institute of Corporate Affairs ('IICA'). No person has been appointed or continues as an alternate director for an Independent Director of the Company.

ANNEXURE F TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

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

During the year, Mr K.V. Subramanian (DIN: 07842700) Independent Director resigned from the Company w.e.f. 10th August, 2022.

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

Section 152 of the Companies Act, 2013, states that one-third of the Board members other than Independent Directors who are subject to retire by rotation, shall retire every year and shall be

eligible for re-appointment, if approved by the shareholders at the Annual General meeting.

In view of the above, Mrs. Ajita Nachane (DIN: 00279241), Director of the Company, retires by rotation at the forthcoming Annual General Meeting, and being eligible, seeks re-appointment.

b. Attendance of each director at the meeting of the board of directors and the last annual general meeting

During the year there were in total five board meetings held on 02nd May, 2022, 22nd June, 2022, 10th August, 2022, 28th October, 2022 and 10th February, 2023. 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.

Name	Category of Director-ship	No of Board Meeting Attended	Attendance at AGM
Rahul J Nachane	PMD	5	Yes
Rajesh N Lawande	PWTD	5	Yes
Milind V Shinde	INED	5	Yes
Jayaram Sitaram	INED	5	Yes
Ajita R Nachane	WNED	5	Yes
K V Subramanian*	INED	3	Yes
Sarala Menon	WINED	5	Yes

PMD – Promoter Managing Director, PWTD – Promoter Whole Time Director, WNED – Woman Non-Executive Director, INED – Independent Non-Executive Director, WINED – Woman Independent Non-Executive Director.

*Mr K.V. Subramanian resigned w.e.f close of business hours of 10th August, 2022.

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

Sr. No.	Name	*No. of other Directorship	No. of Other Committee Membership in other Companies	No. of Other Committee chairmanship in other Companies
1.	Rahul. J. Nachane	NIL	NA	NA
2.	Rajesh. N. Lawande	NIL	NA	NA
3.	Milind. V. Shinde	NIL	NA	NA
4.	Jayaram Sitaram	NIL	NA	NA
5.	Ajita.R. - Nachane	NIL	NA	NA
6.	K.V. Subramanian*	NIL	NA	NA
7.	Sarala Menon	NIL	NA	NA

*Mr K.V. Subramanian resigned w.e.f close of business hours of 10th August, 2022.

- Directorship of only Public Limited Company is considered.
- None of the Director of the Company is a Director in any other Listed Entity.
- There are no Nominee Director.

d. Number of meetings of the board of directors held and dates on which held

During the year under review five meetings of the Board of Directors were held as under:

Sr. No	Date of Board Meetings
1	02 nd May, 2022
2	22 nd June, 2022
3	10 th August, 2022
4	28 th October, 2022
5	10 th February, 2023



ANNEXURE F
TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

e. Disclosure of Relationships between Directors Inter-se

Sr. No.	Name of Director & DIN Number	Inter-se Relationship between Directors
1.	Mr Milind Vasant Shinde Non-Executive Independent Director & Chairman (DIN: 01593560)	Not related to any member of the Board
2.	Mr Rahul Jayant Nacahane Managing Director (DIN: 00223346)	Spouse of Mrs Ajita Nachane
3.	Mr Rajesh Narayan Lawande Whole-Time Director and CFO (DIN: 00327301)	Brother of Mrs. Ajita Nachane
4.	Mr Jayaram Sitaraman Non-Executive Independent Director (DIN: 00103676)	Not related to any member of the Board
5.	Mr Ajita Nachane Non-Executive Women Director (DIN: 00279241)	Spouse of Mr Rahul Nachane and Sister of Mr Rajesh Lawande
6.	Mrs. Sarala Menon Non-Executive Women Independent Director (DIN: 09433901)	Not related to any member of the Board
7.	*Mr K.V. Subramanian Non-Executive Independent Director (DIN: 07842700)	Not related to any member of the Board

*Mr K.V. Subramanian resigned w.e.f the closing hours of 10th August, 2022.

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

Sr. No.	Name of Non-Executive Director	Equity Shares held	Convertible Instruments
1.	Mr Milind Shinde	NIL	NA
2.	Mrs. Ajita Nachane	7,13,449	NA
3.	Mr Jayaram Sitaram	23,616	NA
4.	Mrs. Sarala Menon	NIL	NA

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

The Company has not issued any non -convertible securities.

g. Induction and Familiarisation Programme for Directors:

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

The details of familiarisation Programme can be accessed from the website: www.nglfinechem.com/images/pdf/details-familiarisation-programmee-22.pdf

h. Matrix setting out the skills/expertise/competence of the board of directors;

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

Financial	Understands the organisation's financial processes. Prepares, justifies, and administers the Programme budget. Oversees procurement and contracting to achieve desired results. Monitors expenditures and uses cost-benefit thinking to set priorities.
Leadership	Inspires and fosters team commitment, spirit, pride, and trust. Facilitates cooperation and motivates team members to accomplish group goals.
Technology	Keeps up-to-date on technological developments. Makes effective use of technology to achieve results. Ensures access to and security of technology systems.
Sales and Marketing	Experience in developing strategies to grow sales and market share, build brand awareness and enhance enterprise reputation.

ANNEXURE F
TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

Board service and governance	Service on a company board to develop insights about maintaining board and management accountability, protecting shareholder's interest and observing appropriate governance's practices.
Industry experience	Experience in and knowledge of the drugs & pharmaceutical industry.
Communication	Communication can help team members to understand how their contributions benefit not only the team, but also the broader organisation. In addition, a powerful communicator can create productive connections with other departments, making the organisation stronger as a whole.

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

Director	Financial	Leadership	Technology	Sales and Marketing
Rahul Nachane	✓	✓	✓	✓
Rajesh Lawande	✓	✓	✓	✓
Milind Shinde	✓	✓	✓	✓
Ajita Nachane	✓	✓	✓	✓
Jayaram Sitaram	✓	✓	✓	✓
Sarala Menon	✓	✓	✓	✓

Director	Board service and governance	Industry experience	Communication
Rahul Nachane	✓	✓	✓
Rajesh Lawande	✓	✓	✓
Milind Shinde	✓	-	✓
Ajita Nachane	✓	-	✓
Jayaram Sitaram	✓	-	✓
Sarala Menon	✓	✓	✓

i. Confirmation that in the opinion of the board, the independent directors fulfil the conditions specified in these regulations and are independent of the management

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

j. Detailed reasons for the resignation of an Independent Director

During the year Mr K.V. Subramanian (DIN: 07842700) Non-Executive Independent Director resigned w.e.f. close of business hours of 10th August, 2022. Further Mr K.V. Subramanian in his resignation letter has mentioned that he has resigned due to his personal commitments and have confirmed that there are no other material reasons for his resignation. A Copy of resignation letter is available for inspection during all days except Saturdays, Sundays and public holidays from 10.00 a.m. to 4 p.m. at the Company's Registered Office.

3. Audit Committee

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

Broad terms of reference of the Audit Committee are as follows:

- 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;



ANNEXURE F TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

- (d) significant adjustments made in the financial statements arising out of audit findings;
 - (e) compliance with listing and other legal requirements relating to financial statements;
 - (f) disclosure of any related party transactions;
 - (g) modified opinion(s) in the draft audit report;
- 5 Reviewing with the management, the quarterly financial statements before submission to the board for approval;
 - 6 Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
 - 7 Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
 - 8 Approval or any subsequent modification of transactions of the listed entity with related parties;
 - 9 Scrutiny of inter-corporate loans and investments;
 - 10 Valuation of undertakings or assets of the listed entity, wherever it is necessary;
 - 11 Evaluation of internal financial controls and risk management systems;
 - 12 reviewing, with the management, performance of statutory and Internal Auditors, adequacy of the internal control systems;
 - 13 Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 - 14 Discussion with internal auditors of any significant findings and follow up there on;
 - 15 Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
 - 16 Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 - 17 To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
 - 18 To review the functioning of the whistle blower mechanism;
 - 19 Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
 - 20 Carrying out any other function as is mentioned in the terms of reference of the audit committee.
 - 21 Reviewing the utilisation of loans and/ or advances from investment by the holding company in the subsidiary exceeding Rupees 100 Crores or 10% of the asset size of the subsidiary, whichever is lower [including existing loans / advances / investments existing as on the date of coming into force of this provision]
- 22 Reviewing with the Management the following information**
- a management discussion and analysis of financial condition and results of operations;
 - b statement of significant related party transactions (as defined by the audit committee) submitted by management;
 - c management letters / letters of internal control weaknesses issued by the Statutory Auditors;
 - d internal audit reports relating to internal control weaknesses;
 - e the appointment, removal and terms of remuneration of the chief Internal auditor shall be subject to review by the audit committee and
 - f statement of deviations:
 - (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - (b) Annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).
- The Audit Committee is vested with the necessary powers, as defined in its charter, to achieve its objectives.

ANNEXURE F TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

Composition, Name of Members and Chairperson:

The Audit Committee as on the date of the report comprises of 2 Non-Executive Independent Directors & 1 Whole-Time Director.

Following are the members of the Committee.

- Mr Milind V. Shinde – Chairman
- Mr Jayaram Sitaram – Member
- Mr Rajesh N. Lawande – Member
- Mr K.V. Subramanian* - Member (Upto 10th August, 2022)

Mr Milind V. Shinde, Non-Executive Independent Director is the Chairperson of the Audit Committee.

Meetings and Attendance:

During the year there were in total five Audit committee meetings held on 02nd May, 2022, 22nd June, 2022, 10th August, 2022, 28th October, 2022 and 10th February, 2023. The attendance of the meetings is given below.

Name of Director	Category of Directorship	No. of Committee Meetings attended	No. of Committee Meetings held
Milind Shinde	INED	5	5
Jayaram Sitaram	INED	4	5
Rajesh Lawande	ED	5	5
K.V. Subramanian*	INED	3	5

*Mr K.V. Subramanian (DIN: 07842700) resigned w.e.f. close of business hours of 10th August, 2022.

The Chairperson of Audit Committee was present in previous AGM held on Thursday, 30th June, 2022 to answer shareholder's queries.

Invitees / Participants: -

1. The Managing Director – Mr Rahul Nachane, Statutory Auditor - Mr Shailesh Manek and Internal Auditor – Mr Milind Rach are permanent invitees to all Audit Committee meetings.

4. Nomination and Remuneration Committee

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

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

Role of Nomination and Remuneration Committee, inter-alia, include the following:

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

Composition, Name of Members and Chairperson:

The Committee comprises of 3 Non-Executive Directors.

Following are the members of the Committee.

- Mr Jayaram Sitaram – Chairman
- Mr Milind Shinde – Member
- Mrs. Ajita Nachane – Member

Mr Jayaram Sitaram, Non-Executive Independent Director is the Chairperson of the Committee.

Meetings and Attendance:

The Nomination and Remuneration Committee met four times in the FY 2022-23 on 29th April, 2022, 09th August, 2022, 27th October, 2022 and 09th February, 2023. 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 30th June, 2022. The details of meetings held and attended by the Directors are as under:

Name of Director	Category of Directorship	No. of Committee Meetings attended	No. of Committee Meetings held
Jayaram Sitaram	Chairman & INED	4	4
Milind Shinde	Member & INED	3	4
Ajita Nachane	Member & WNED	3	4



ANNEXURE F TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

Performance evaluation criteria for Independent Directors:

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

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/images/pdf/remuneration-nomination-policy.pdf Further, criteria of making payments to non-executive directors, the details of remuneration paid to all the Directors and the other disclosures required to be made under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been published below:

5. Stakeholder Relationship Committee

The Stakeholder Relationship Committee of the Company is constituted in line with Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Composition, Name of Members and Chairperson:

The Committee comprises of 2 Non-Executive Independent Directors, 1 Non-Executive Director & 1 Executive Director.

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

Mr Milind V. Shinde, Non-Executive Independent Director is the Chairperson of the Committee.

Compliance Officer Details:

Mrs. Pallavi Pednekar

Company Secretary & Compliance Officer

Membership No: A33498

Details of Complaints Received During the Year:

The Company received 3 (Three) complaints from shareholders during the year. Further, during the year ended on 31st March 2023 the Company approved issue of 2,700 (Two Thousand Seven Hundred) duplicate shares, transmission of 1200 (One Thousand Two Hundred) shares, transposition of NIL Shares and Name deletion of 700 (Seven Hundred) equity shares of ₹ 5/-.

Number of complaints not solved to the satisfaction of shareholders – Nil

Number of pending complaints- Nil

Meetings and Attendance:

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 2022-23 on 29th April, 2022, 09th August, 2022, 27th October, 2022 and 09th February, 2023. 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 30th June, 2022.

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

Name of Director	Category of Directorship	No. of Committee Meetings attended
Milind Shinde	INED	3
Jayaram Sitaram	INED	4
Ajita Nachane	WNED	3
Rahul Nachane	MD	4

Mr Milind V. Shinde, Chairperson of the Stake Holders Relationship Committee was present at the 41st Annual General Meeting of the Company held on Thursday 30th June, 2022 to address the queries of members of the Company.

5A. Risk Management Committee

Company has complied with regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and constituted Risk Management Committee on 08th May, 2015.

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

- Implementation of Risk Management Systems and Framework

ANNEXURE F TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

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

Details of Composition, Name of Members and Chairperson:

Name of Director	Chairperson/Member
Rahul Nachane	Chairperson
Ajita Nachane	Member
Rajesh Lawande	Member
K.V. Subramanian*	Member
Milind Shinde**	Member

*Mr K.V. Subramanian resigned w.e.f. the close of business hours of 10th August, 2022.

** Mr Milind Shinde was appointed w.e.f 10th August, 2022.

Mr Rahul Nachane, Managing Director is the Chairperson of the Committee.

Meeting and attendance during the year:

During the year ended the committee met twice on 21st May, 2022 and 14th November, 2022.

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

5B. 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 06th February, 2015 comprising four Directors including 2 (two) Independent, 1 (One) Non-Executive Director and 1 (One) Whole-Time Director.

The Terms of Reference of the Committee are to: -

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

The Committee met four times in the FY 2022-23 on 02nd May, 2022, 09th August, 2022, 27th October, 2022 and 09th February, 2023. The necessary quorum was

present for the said meeting. The composition of the Committee during the financial year and the details of meetings held and attended by the Directors are as under:

Name of Director	Category of Directorship	No. of Committee Meetings attended
Milind Shinde	Chairman & INED	3
Ajita Nachane	Member & WNED	4
Rajesh Lawande	Member & ED	4
K.V. Subramanian*	Member & INED	2
Jayaram Sitaram**	Member & INED	2

*Mr K.V. Subramanian resigned w.e.f. the close of business hours of 10th August, 2022.

**Mr Jayaram Sitaram was appointed on the committee w.e.f. 27th October, 2022.

5C. Administrative Committee

The Company has constituted an Administrative Committee in its Board Meeting held on 03rd February, 2017. The composition of the Committee is as under:

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

During the year there were 4 meeting held of Administrative Committee on 08th June, 2022, 30th August, 2022, 29th October, 2022 and 24th December, 2022.

6. Remuneration of Directors

The remuneration of the Managing Director and Whole-Time Director is recommended by the Nomination and 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:

Name of Director	₹ In Lakhs	
	Mr Rahul Nachane	Mr Rajesh Lawande
Designation	Managing Director	Whole-Time Director
Salary	85.44	84.00
Commission	74.22	74.22
Leave Encashment	-	-
Provident Fund & Gratuity Fund	0.22	0.22
Bonus	NIL	NIL



ANNEXURE F
TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

Name of Director	₹ In Lakhs)	
	Mr Rahul Nachane	Mr Rajesh Lawande
Stock Option	NIL	NIL
Pension	NIL	NIL
Service Contracts	NA	NA
Notice Period	NA	NA
Severance Fees	NA	NA

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

Criteria for making payments

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

During the year 2022-2023, the Sitting fees of ₹ 70,000/- per Board meeting and ₹ 15,000/- per meeting of the Audit Committee and ₹ 10,000/- per meeting for other Committee Meetings were paid

to the Non-Executive Directors attending respective meetings.

The details of remuneration, sitting fees, performance bonus, and commission paid to each of the Non-Executive Directors during the year ended on 31st March, 2023 are given below: -

Sitting Fees

Name	(In ₹)			
	Milind Shinde	Jayaram Sitaram	Ajita Nachane	Sarala Menon
Sitting fees	5,25,000	4,40,000	4,70,000	3,50,000
Remuneration	Nil	Nil	Nil	Nil
No. of equity shares	Nil	23,616	7,13,449	Nil
Commission	Nil	Nil	Nil	Nil
Non-convertible instruments	Nil	Nil	Nil	Nil

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

Service contracts, notice period, severance fees: - NA

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

7. General Body Meetings:

Financial Year	Date	Time	Venue	Special Resolution(s)
2019-20 AGM	14 th August, 2020	11 a.m.	Virtual Mode	a) Re-appointment of Mr Jayaram Sitaram as an Independent Director of the Company. b) Re-appointment of Mr Rahul Nachane, as Managing Director of the Company.
2020-21 AGM	20 th August, 2021	11 a.m.	Virtual Mode	a) Re-appointment of Mr Rajesh Lawande as Whole-Time Director of the Company. b) Appoint Mr Ahaan Nachane as Vice President of the Company. c) Ratification for change in constitution of Statutory Auditor from Proprietorship to Partnership Firm.
2021-22 AGM	30 th June, 2022	11 a.m.	Virtual Mode	No special resolution was passed during the AGM held on 30 th June, 2022.

Extraordinary general meeting:

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

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

The Company has not conducted Postal Ballot during the financial year ended 31st March, 2023. Further the Company has conducted voting by Posting Ballot for the year ended 31st March, 2022. Apart from this no voting by postal ballot during last 3 years:

Postal Ballot for the F.Y.	Date of Postal Ballot	Details of Special Resolution Passed
2021-22	30 th January, 2022 (Remote E-voting)	1.Appointment of Mrs. Sarala Menon (DIN: 09433901) as a Non-Executive Women Independent Director to hold office for 5 consecutive years w.e.f. 14 th December, 2021 for a term upto 13 th December, 2026. – Special Resolution

ANNEXURE F
TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

Postal Ballot for the F.Y.	Date of Postal Ballot	Details of Special Resolution Passed
		2. Borrowing from time to time any sum or sums of money by way of cash credit, loan, overdraft, discounting of bills, operating of letter of credit, for standing guarantee or counter guarantee and any other type of credit line or facility up to an amount not exceeding ₹ 750 Crores (Rupees Seven Hundred Fifty Crores Only) including the money already borrowed by the Company. – Special Resolution
		3. To sell, lease, rent, mortgage, charge or create any security on the whole or substantially the whole of the undertaking of the Company including moveable or immovable properties and assets of the Company, to secure the repayment of term loan/financial assistance obtained/to be obtained for business purpose for an amount which shall not at any time exceed ₹ 750 Crores (Rupees Seven Hundred Fifty Crores Only). – Special Resolution
		4. To (a) give any loan to any person(s) or other body corporate(s); (b) give any guarantee or provide security in connection with a loan to any person(s) or other body corporate(s); and (c) acquire by way of subscription, purchase or otherwise, securities of any other body corporate from time to time, for an amount not exceeding ₹ 250 Crores (Rupees Two Hundred Fifty Crores Only).- Special Resolution
		5. Approval of Related Party Transactions – Ordinary Resolution (Special Business)

Mr Hemant Shetye, Practicing Company Secretary (FCS No. 2827 and COP No. 1483) & Designated Partner of HSPN & ASSOCIATES LLP, Company Secretaries was appointed as Scrutiniser for conducting Scrutiny of the Entire Postal Ballot e-voting process mentioned above.

Procedure of postal ballot

Remote E-voting process was adopted for Postal Ballot.

8. Means of Communication

- i) The quarterly/yearly results are normally submitted to Stock Exchanges immediately after Board meetings.
- ii) The results are also published in local English (Free Press Journal) and regional language (Navshakti) newspapers. The results are also displayed at the Company's website at <https://www.nglfinechem.com/disclosures-under-regulation.html#7>. **Matters of material nature are communicated to the stock exchanges.**

iii) Website & News Release

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

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

Company had arranged conference calls with the investors on 04th May, 2022, 17th August, 2022 and 17th November, 2022 and the transcript of the same was sent to BSE & NSE and also available on the Company's website: <https://www.nglfinechem.com/disclosures-under-regulation.html#6>

Meetings were held on 26th August, 2022, 02nd September, 2022, 06th September, 2022, 16th September, 2022 and 30th September, 2022 with Investors/analysts. Intimation of such meetings was made to the stock exchange. However, the outcome of the same was not given since the meet was generic in nature and no UPSI was shared.

v) Stock Exchange

Our Company received approval from National Stock Exchange Limited ("NSE") for listing of its 61,78,024 Equity Shares of ₹ 5 each fully paid-up on the main board of NSE vide its letter no. NSE/LIST/83 dated 06th July, 2022. Accordingly, the Equity Shares of the Company are listed and admitted to dealings on the NSE w.e.f. 08th July, 2022 with symbol NGLFINE.

Our Company makes timely disclosures and filing to BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) w.e.f. 08th July 2022 in terms of the SEBI Listing Regulations and other rules and regulations issued by SEBI and the same are hosted on website of the said Stock Exchange.



**ANNEXURE F
TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)**

9. General Shareholder Information

a	AGM (Date, Time and Venue)	: The 42 nd Annual General Meeting is proposed to be held on Friday, the 25 th August, 2023 at 11.00 a.m. by video conferencing or other Audio Visual Means
b	Financial Year	: The Financial year of the Company is 1 st April 2023 to 31 st March, 2024
c	Dividend Payment Date	: Your directors recommend a dividend of ₹ 1.75 per fully paid-up equity share of ₹ 5/- each aggregating to ₹ 108.12 Lakhs. The dividend payment date shall be 04 th September 2023 or onwards, if declared at the Annual General Meeting on 25 th August, 2023.
d	Listing Details	: The Company's Shares are listed on the BSE Limited., having corporate office at Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001 and National Stock Exchange of India Limited (NSE) w.e.f. 08 th July, 2022, having corporate office at Exchange Plaza, 5 th Floor, Plot No.C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400050. The Company has paid listing fees up to 31 st March, 2024 to BSE Limited and NSE Limited where Company's shares are listed
e	Scrip Code	: 524774
f	Symbol	: NGLFINE

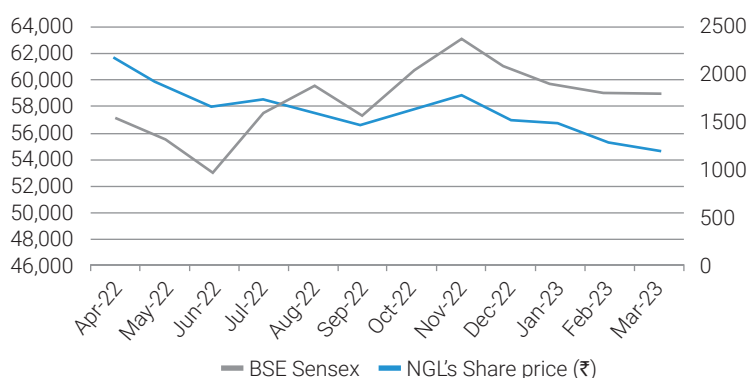
f. Stock market price data for the year 2022-23 (BSE)

Month	BSE		Volume of shares traded (Nos)
	High	Low	
Apr-22	2205.00	2055.00	88,379
May-22	1889.75	1830.00	65,309
Jun-22	1730.00	1599.85	41,357
Jul-22	1769.90	1725.00	16,379
Aug-22	1623.70	1586.55	38,962
Sep-22	1492.05	1468.60	40,977
Oct-22	1667.35	1468.00	23,002
Nov-22	1830.05	1740.00	31,462
Dec-22	1597.00	1529.90	15,796
Jan-23	1496.40	1470.00	13,775
Feb-23	1315.95	1263.00	12,023
Mar-23	1240.00	1171.00	20,448

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

Month	NGL's Share price (₹)	BSE Sensex
Apr-22	2167.40	57,060.87
May-22	1867.10	55,566.41
Jun-22	1662.05	53,018.94
Jul-22	1732.40	57,570.25
Aug-22	1592.15	59,537.07
Sep-22	1481.25	57,426.92
Oct-22	1626.40	60,746.59
Nov-22	1782.35	63,099.65
Dec-22	1545.50	60,840.74
Jan-23	1482.70	59,549.90
Feb-23	1289.75	58,962.12
Mar-23	1196.85	58,991.52

Share Price Performance Comparison



ANNEXURE F
TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)**h. The securities of the Company are actively traded on BSE Limited and NSE Limited 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) Private Limited.

Website: www.purvashare.com

Shiv Shakti Industrial Estate, Unit No. 9,

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

Mumbai 400011. Tel: (022) 31998810/49614132

Email: support@purvashare.com

j. Share Transfer System

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

k. Distribution of Shareholding as at 31st March, 2023.

No. of shares	No. of Shareholders	% of Shareholders	Shareholding (₹)	% of Shareholding
Up to 5000	18116	99.06	43,24,045	14.00
5001 – 10000	85	0.46	6,07,625	1.96
10001 – 20000	40	0.22	5,35,685	1.73
20001 – 30000	19	0.10	4,81,405	1.56
30001 – 40000	1	0.01	34,500	0.11
40001 – 50000	5	0.03	2,36,625	0.77
50001 – 100000	9	0.05	6,85,255	2.22
100001 & above	12	0.07	2,39,84,980	77.65
	18287	100.00	3,08,90,120	100.00

l. De-materialisation of shares

As on 31st March, 2023, 96.5% of the Company's total shares representing 59,61,977 shares were held in de-materialised form & the balance 3.5% representing 2,16,047 shares in paper form. The Company has liquidity in trading due to majority of shares are in Demat mode. The details are given below:

Type	No. of Shares	% Shareholding
De-materialised shares		
With N.S.D. L	53,98,285	87.38
With C.D.S. L	5,63,692	9.12
Total Demat shares	59,61,977	96.50
Physical shares	2,16,047	3.50
	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 as on 31st March 2023. Foreign Exchange receivables and payables are re-stated at the exchange rate prevailing on the Balance Sheet date to reflect mark to market valuation. Forward contract on foreign exchange are marked to market on the date of the balance sheet and the gain or loss there in recognised in the Statement of Profit & Loss.**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 Palghar 401506.

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

Plant Location Subsidiary Company:

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



ANNEXURE F TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

p. Address for correspondence

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

Investor correspondence should be addressed to the Registrar- M/s. Purva Shareregistry (India) Private Limited whose address is provided in this section of the Annual Report.

And /or

Compliance Officer Details:

Mrs. Pallavi Pednekar

Company Secretary & Compliance Officer.

Membership No. A33498

Email: cs@nglfinechem.com

q. Credit rating obtained during the year

The Company has been rated by Crisil Limited for SME and bank rating. The SME rating has been awarded "SME 1" indicating Highest level of credit worthiness adjudged in relation to other SMEs. The Long-term rating is Crisil BBB+ / stable & Short-Term rating is A2. The Company has also been rated by ICRA Limited for bank borrowing and reaffirmed Long Term Rating as BBB+ /stable and Short-term rating is A2. The Company has not issued any Debt Instruments, Fixed Deposit Schemes or any scheme involving mobilisation of funds, whether in India or Abroad.

10. Other Disclosures:

A. Material related Party Transaction

There are no materially significant transactions with the related parties viz. Promoters, Directors or the Management, or their relatives that had potential conflict with the Company's interest. Suitable disclosure as required by the Accounting Standard (AS 18) and AOC-2 has been made in the Annual Report. The Related Party Transactions Policy as approved by the Board is uploaded on the Company's website at www.nglfinechem.com/images/pdf/related-party-transaction-policy-dec-2021.pdf

B. Details of Non-Compliance

During the FY 2021-22 there was delay in appointment of Non-Executive Women Independent Director for the period of 76 days for which Company has received Show Cause Notice from BSE and levied penalty of ₹ 4,36,600/- and the same was paid by the Company other than this no penalties or strictures have been imposed

on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years.

The Company has received mails from SEBI on 25th November, 2022, 23rd February, 2023 and 23rd March, 2023 seeking clarification with regard to variation in Shareholding Pattern of the Company of June 2019 and September 2019. The Company have replied that PCI Ferrmone Chemicals (India) Private Limited. ("PCI") is a promoter group company of NGL since 1997 whose shareholding in NGL was erroneously disclosed under the 'public shareholder' category. The unintentional error was rectified by disclosing PCI under the 'promoter and promoter group' category of NGL for the quarter ended September 2019. Post which the Shareholding Pattern is correctly showing PCI Ferrmone Chemicals (India) Private Limited under the 'promoter and promoter group' category. As on signing of this report there was no further action from SEBI.

During the period under review the Company and its Officers received a notice from Hon'ble National Lok Adalat to answer to a charge for the offence punishable under Section 148 of the Companies Act, 2013 regarding non- submission of Cost Audit Report for the FY 2014-15. The management is of the opinion that there is no non-compliance, as the said provisions are not applicable. The management is seeking suitable legal re-course. As on date of signing of this report, there is no further action from the concerned authority.

C. Vigil Mechanism and Whistle-Blower Policy

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

ANNEXURE F
TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

D. Compliance of Mandatory and Non-Mandatory Requirements:

Mandatory

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

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

i) The Board

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

ii) Shareholder Rights

The Company ensures that the disclosure of all the information is disseminated on a non-discretionary basis to all the shareholders. The quarterly and half yearly, financial performance is published in the newspapers namely Free Press Journal and Navshakti and is also posted on the Company's website, the same is not being sent to the shareholders.

iii) Modified Opinion in Audit Report

There is no audit qualification in the Company's financial statements for the year ended on 31st March 2023. The Company continues to adopt best practices to ensure the regime of unqualified financial statements.

iv) Separate Post of Chairman and Chief Executive Officer

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

v) Reporting of Internal Auditor

The Internal Auditor reports directly to the Audit Committee.

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

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

F. Web link where policy on dealing with related party transactions

There are no material related party transactions during the year that have conflict with the interest of the Company. Transactions entered into with related parties were duly approved by the Audit Committee. The Board's approved policy for related party transactions is uploaded on the website of the Company at www.nglfinechem.com/images/pdf/rpt-sep-2022.pdf <https://www.nglfinechem.com/images/pdf/related-party-transactions-mar-23.pdf>

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

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

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

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

I. Certificate from Company Secretary in practice

A Certificate from HSPN & ASSOCIATES LLP, Company Secretary in practice is annexed that none of the Directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authorities.

J. The board had accepted recommendations of all committees of the board

which is mandatorily required, in the relevant FY 2022-2023.

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

(Rupees in Lakh)

Particulars	Standalone	Subsidiary	Total
Audit Fees paid	₹ 9.50	₹ 2.45	₹ 11.95
Other fees paid	₹ 3.00	₹ 1.05	₹ 4.05



ANNEXURE F TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

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

- a. Number of complaints filed during the financial year - NIL
- b. Number of complaints disposed of during the financial year - NIL
- c. Number of complaints pending as on end of the financial year – NIL

M. Disclosure by listed entity and its subsidiaries of Loans and Advances in the nature of loans to firms/ companies in which directors are interested

The Company nor it's subsidiary has given loan or advances to the firms and companies in which directors are interested.

N. Details of Material Subsidiaries and date and place of incorporation, and the name and date of appointment of Statutory Auditors of such subsidiaries

Not applicable. The Company does not have any material subsidiary.

iv) OTHER INFORMATION

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

CODE OF CONDUCT

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

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

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

CEO/CFO CERTIFICATION:

The Chief Executive Officer (CEO) and Chief Financial Officer (CFO) have issued certificate pursuant to the provisions of Regulation 17(8) of the SEBI (Listing

Obligations & Disclosure Requirements) Regulations, 2015 certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed to this Report.

COMPANY SECRETARY IN PRACTICE'S CERTIFICATE ON CORPORATE GOVERNANCE

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

DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT

- (1) The listed entity shall disclose the following details in its annual report, as long as there are shares in the demat suspense account or unclaimed suspense account, as applicable: The Company has transferred 400 unclaimed shares to Unclaimed Suspense Account pursuant to Regulation 39 (4) of SEBI (LODR) 2015 during the FY 2022-23.
 - (a) aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year: N.A.
 - (b) number of shareholders who approached listed entity for transfer of shares from suspense account during the year N.A.
 - (c) number of shareholders to whom shares were transferred from suspense account during the year: N.A.
 - (d) aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year: 400
 - (e) that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares: 400

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

The Company has obtained yearly Certificates pursuant to Clause 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, from Mr Hemant Shetye, Designated Partner of M/s HSPN & ASSOCIATES LLP, Practicing Company Secretaries, Mumbai and the same were placed before the Board for review. The certificates obtained during the year 2022-23 did not contain any reservation or qualification.

ANNEXURE F
TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)**ANNUAL SECRETARIAL COMPLIANCE REPORT**

The Company has undertaken an audit for the FY 2022-23 for all applicable compliances as per Securities and Exchange Board of India Regulations and Circulars/Guidelines issued thereunder. The Annual Secretarial Compliance Report has been submitted to the stock exchanges within 60 days of the end of the financial year.

MANAGEMENT DISCUSSION AND ANALYSIS

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

PREVENTION OF INSIDER TRADING

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

POLICY ON DIVIDEND DISTRIBUTION

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021, the Company, the Board of Directors at its meeting held on 01st June, 2021 inter-alia, have adopted Dividend Distribution Policy in terms of the aforesaid Regulation. The Policy is available on the website of the Company at <https://www.nglfinechem.com/images/pdf/dividend-distribution-p22.pdf>

INTERNAL CONTROL SYSTEMS

The Company has both external and internal audit systems in place. Auditors have access to all records

and information of the Company. The Board recognises the work of the auditors as an independent check on the information received from the management on the operations and performance of the Company. The Board and the management periodically review the findings and recommendations of the statutory and internal auditors and takes corrective actions, whenever necessary.

INTERNAL CONTROLS

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

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

STATUTORY AUDIT

For F. Y. 2022-23, M/s. Manek & Associates., Chartered Accountants, audited the financial statements prepared under the Indian Accounting Standards.

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

For and on behalf of the Board of Directors

Sd/-
Rahul Nachane
Managing Director
DIN No: 00223346

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

Mumbai, 15th May 2023.

COMPLIANCE WITH THE CODE OF CONDUCT AND ETHICS

In accordance with Regulation 17(5)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and Senior Management Personnel of the Company have confirmed compliance with the Code of Business Conduct and Ethics for the financial year ended 31st March 2023.

For NGL Fine-Chem Limited

Date: 15th May 2023.
Place: Mumbai.

Sd/-
Rahul Nachane
Managing Director



**ANNEXURE F
TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)**

CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

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

We, Rahul Nachane, Managing Director and Rajesh Lawande, Whole-Time Director & CFO of the Company, hereby certify that for the financial year, ending 31st March, 2023

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

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

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

For and on behalf of the Board of Directors

Sd/-
Rahul Nachane
Managing Director
DIN No: 00223346

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

Mumbai, 15th May 2023.

ANNEXURE G

TO THE DIRECTORS' REPORT

COMPANY SECRETARY IN PRACTICE'S REPORT ON CORPORATE GOVERNANCE

To,

The Board of Directors,

NGL Fine-Chem Limited.

301, E Square Subhash Road,

Vile Parle (East), Mumbai-400057.

The Corporate Governance Report prepared by NGL FINE-CHEM LIMITED ("the Company"), contains details as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") with respect to Corporate Governance for the year ended 31st March 2023 pursuant to the Listing Agreement of the Company with the BSE Limited and National Stock Exchange of India Limited (Herein after referred to as the "Stock Exchange").

Management's Responsibility:

The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

Auditor's Responsibility:

Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether for the year ended 31st March 2023 the Company has complied, with the conditions of Corporate Governance as stipulated in the Listing Regulations. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

Opinion:

In our opinion, based on our examination of the relevant records and to the best of our information and according to explanations given to us, and representations provided by the management, we certify that, the Company, has complied with the conditions of Corporate Governance as stipulated, in the above-mentioned Listing Regulations.

Other Matters and Restriction on use:

We state that 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. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, for the year ended 31st March 2023, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

FOR HSPN & ASSOCIATES LLP

COMPANY SECRETARIES

Sd/-

HEMANT S. SHETYE

DESIGNATED PARTNER

FCS NO: 2827

COP NO: 1483

DATE: 15.05.2023

PLACE: MUMBAI

ICSI UDIN: F002827E000311113

PEER REVIEW NO: 2507/2022



**ANNEXURE G
TO THE DIRECTORS' REPORT (Contd.)**

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

SR.NO.	NAME OF DIRECTOR	DIN	DATE OF APPOINTMENT
1.	RAJESH NARAYAN LAWANDE	00327301	01/06/2015
2.	RAHUL JAYANT NACHANE	00223346	04/01/1993
3.	MILIND VASANT SHINDE	01593560	31/03/2003
4.	AJITA RAHUL NACHANE	00279241	15/09/2014
5.	JAYARAM SITARAM	00103676	05/08/2015
6.	SARALA MENON	09433901	14/12/2021

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

FOR HSPN & ASSOCIATES LLP
COMPANY SECRETARIES

Sd/-

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

DATE: 15.05.2023
PLACE: MUMBAI
ICSI UDIN: F002827E000311102
PEER REVIEW NO: 2507/2022



Business Responsibility & Sustainability Report

DIRECTOR'S MESSAGE

I, Mr Milind Shinde, Chairman of your Company, NGL Fine-Chem Limited, would like to share with you our vision and values on business responsibility and sustainability. We believe that being a responsible and sustainable business is not only good for the planet but also for our stakeholders and our long-term growth. We are committed to making a positive impact on the environment, society and governance (ESG) aspects of our business, and to disclosing our performance transparently.

We have adopted the Business Responsibility and Sustainability Report (BRSR) framework, which aligns with the National Guidelines on Responsible Business Conduct (NGRBC), to report on our ESG practices and priorities. The BRSR helps us establish links between our financial results and our ESG performance and communicate them effectively to our regulators, investors and other stakeholders.

Our business responsibility and sustainability strategy are guided by our core values of excellence, integrity, innovation, respect and collaboration. We strive to deliver high-quality products to our customers, while minimising our environmental footprint, enhancing our social impact and ensuring good governance. We also engage with our suppliers, partners and communities to promote responsible and sustainable practices across our value chain.

We are proud of our achievements in business responsibility and sustainability, but we also recognise that there is always room for improvement. This is the first year of BRSR reporting for your Company, and we are reporting on the essential indicators only and your Company endeavours to report on the leadership indicator in later parts. We, believe that together, we can create a more responsible and sustainable future for our Company and society.





SECTION A GENERAL DISCLOSURES

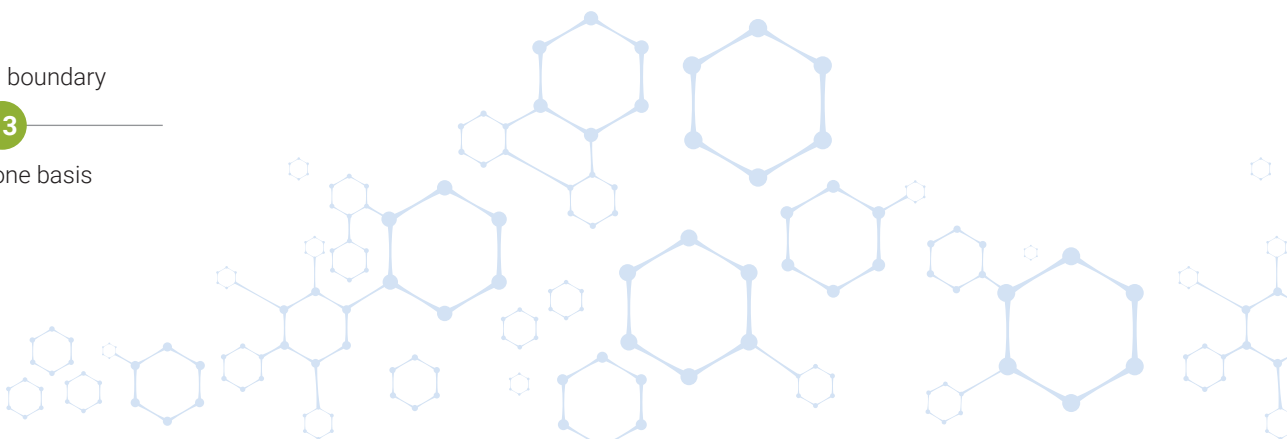
I. Details of the Listed Entity

Corporate Identity Number (CIN) of the Listed Entity 1	Name of the listed entity 2	Year of incorporation 3
L24110MH1981PLC025884	NGL FINE-CHEM LIMITED	18 th December, 1981
Registered office address 4	Corporate address 5	E-mail 6
301, E Square Subhash Road Vile Parle (East) Mumbai - 400057, Maharashtra	301, E Square Subhash Road Vile Parle (East) Mumbai - 400057, Maharashtra	<u>cs@nglfinechem.com</u>
Telephone 7	Website 8	Financial year for which reporting is being done 9
022 – 40842222	<u>https://www.nglfinechem.com/</u>	1 st April, 2022 to 31 st March, 2023
Name of the Stock Exchange(s) where shares are listed 10	Paid-up capital 11	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report: 12
a) National Stock Exchange of India Limited b) BSE Limited	₹ 30,890,120/-	a) Name – Mrs Pallavi Pednekar b) Designation – Company Secretary & Compliance Officer c) Telephone – 022-40842263 d) E-mail – <u>cs@nglfinechem.com</u>

Reporting boundary

13

Standalone basis



II. PRODUCTS / SERVICES

1. Details of business activities (accounting for 90% of the turnover on a standalone basis)

Sr. No.	Description of the main activity	Description of business activity	% of turnover of the entity
1	Pharmaceutical	Manufacturing of pharmaceuticals and intermediates for usage in veterinary and human health.	100%

2. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

Sr. No.	Product / Service	NIC Code	% of turnover consolidated
1	Manufacturing of pharmaceuticals, medicinal and chemical products	210	100

III. OPERATIONS

3. Number of locations where plants and/or operations/offices of the entity are situated:

National



Number of Plants

3



Number of Offices

2

5

Total

4. Markets served by the entity:

a. Number of Locations

Locations	Number	Locations	Number
National (No. of States)	Pan-India basis	International (No. of Countries)	51 countries over the globe

**b. What is the contribution of exports as a percentage of the total turnover of the entity?**

The Company has been focussing on increasing its reach in overseas markets. Presently, the Company serves market requirements in over 51 countries around the globe. In the reporting financial year, above 77.69 % of total turnover was contributed by the exports of products.

c. A brief on types of customers

Various Global Companies that are engaged in manufacturing custom, high-quality pharmaceuticals are geographically located in more than 50 countries and pan-India.

IV. EMPLOYEES**5. Details as at the end of Financial Year:****a. Employees and workers (including differently abled):**

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)

 **Employees**

1.	Permanent (D)	344	320	93.02	24	6.98
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total employees (D + E)	344	320	93.02	24	6.98

 **Workers**

4.	Permanent (F)	52	52	100	0	0
5.	Other than Permanent (G)	277	277	100	0	0
6.	Total employees (F + G)	329	329	100	0	0

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)

 **Differently Abled Employees**



1.	Permanent (D)	0	0	0	0	0
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total employees (D + E)	0	0	0	0	0

 **Differently Abled Workers**

4.	Permanent (F)	0	0	0	0	0
5.	Other than Permanent (G)	0	0	0	0	0
6.	Total employees (F + G)	0	0	0	0	0



6. Participation/Inclusion/Representation of women:

	Total (A)	No. and percentage of Females	
		No (B)	% (B / A)
 Board of Directors	6	2	33.33
 Key Management Personnel	3	1	33.33

7. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

	FY 2023 (Turnover rate in current FY)			FY 2022 (Turnover rate in previous FY)			FY 2021 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	2.18	0.17	2.35	2.10	0.15	2.25	1.95	0.15	2.10
Permanent Workers	0	0	0	0	0	0	0	0	0

V. HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)

21 (a) Names of holding / subsidiary / associate companies / joint ventures as 31st March, 2023

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A; participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Macrotech Polychem Private Limited	Subsidiary	100	Yes




VI. CSR DETAILS




22 (iii)	Whether CSR is applicable as per section 135 of Companies Act, 2013	Yes
22 (iii)	Turnover (in Lakhs)	₹ 31,866.74
22 (iii)	Net Worth (in Lakhs)	₹ 20,506.48



VII. TRANSPARENCY AND DISCLOSURES COMPLIANCES

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:



Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2023 Current Financial Year			FY 2022 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
 Communities	Yes The Company reaches out to various communities in and around its operating locations to help the communities through the Gram Panchayat with several projects like Water Regeneration and increasing green coverage through plantation drives undertaken by the Company. Further, the Company has Whistle Blower Policy where workers, employees and others may lodge their grievances through the Email ID provided in the said Policy/ mechanism. The same has been uploaded on the website of the Company and can be accessed at the link below: https://www.nglfinechem.com/images/pdf/vigil-mechanism-policy.pdf	Nil	Nil	-	Nil	Nil	-
 Investors (other than shareholders) ¹		Not Applicable					
 Shareholders	Yes The Company has a multi-pronged grievance redressal mechanism for shareholders. The Company has appointed Purva Shareregistry (India) Private Limited as the Share Registrar and transfer agents, who primarily take care of Shareholders' grievances. Further, shareholders can register their grievances through the SEBI Scores portal as well. https://www.purvashare.com/contact/	3	0	-	1	0	-

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2023 Current Financial Year			FY 2022 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
 Employees and workers	Yes, the Company's employees and Workers have access to the Company's Whistle blower mechanism through which grievances can be addressed to the Company.	Nil	Nil	There were no reportable complaints registered during the year	Nil	Nil	There were no reportable complaints registered during the year
 Customers	The Company has a dedicated email id (info@nglfinechem.com) through which customers can register their complaints. The same is monitored by the Managing Director of the Company.	3	Nil		5	Nil	
 Value Chain Partners	The Company proactively engages with its value Chain partners and has a dedicated email id (info@nglfinechem.com) through which value chain partners can register their complaints. The same is monitored by the Managing Director of the Company.	Nil	Nil		Nil	Nil	


#1. The Company has a common redressal mechanism for shareholders and investors, which has been captured in the row 'Shareholders'.

24. OVERVIEW OF THE ENTITY'S MATERIAL RESPONSIBLE BUSINESS CONDUCT ISSUES

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	 ESG compliance	Risk	Risk: ESG compliance risk is linked to non-adherence with standards and guidelines of all local and global regulatory agencies, focussing on pharmacovigilance, proprietary, confidentiality and other core governance standards (For instance, CGMP, CGLP, among others)	<ol style="list-style-type: none"> 1. Focussing on stable and larger markets. 2. Strengthening regulatory capacity in key markets by actively engaging with regulatory agencies and hence mitigating risks from external sources 	<p>Positive: Compliance with relevant regulatory requirements pertaining to the ESG domain reflects the Company's commitment towards responsible business practices.</p> <p>Negative: Non-compliance with ESG and regulatory requirements may affect the Company's image and impact its business continuity in the long-term.</p>
2	 Regulatory compliance				



S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3	 Managing waste	Risk and Opportunity	<p>Risk: Waste, water and energy management have been identified as key material issues under the climate change and environmental risk. The Climate Change and environmental risks are addressed to emphasise on the Company's climate consciousness and its contribution towards mitigation action plans against climate change.</p> <p>Opportunity: Comprehensive resource management plans in alignment with the Company's environmental conservation strategy will highlight the Company's commitment towards improving environmental preservation and its contribution towards climate change mitigation action plans.</p>	<ol style="list-style-type: none"> 1. Ensuring compliance through strong governance and review mechanisms, strengthening capabilities of EHS and legal compliance teams, conducting risk assessments and periodical reviews, and implementing compliance management software for tracking and monitoring adherence to all applicable regulatory requirements. 2. Undertaking proactive initiatives towards mitigating the physical and transitional risks linked to climate change, for instance decarbonising operations, GHG emission reduction measures, and physical climate risk assessment for climate proofing assets. 3. The Company applies the precautionary principle (as described in Rio Declaration 1992) through the ERM framework to mitigate environmental risks. 	<p>Positive: The Company's focus on strengthening climate and ESG specific initiatives bolsters long-term value creation and enables the Company to effectively respond to rising stakeholder demands.</p> <p>Negative: Lack of robust initiatives and action plans to contribute to ESG awareness and climate change could adversely impact business operations and lead to work force disruption.</p>
4	 Occupational Health and safety	Risk and Opportunity	<p>Risk: Occupational health and safety is critical aspect of the Company's commitment towards workforce welfare which further highlights its performance in terms of providing a safe and secure working environment. Identification of a high number of health and safety incidents reflects the efficiency of the existing EHS management approach.</p>	<ol style="list-style-type: none"> 1. Implementing a robust EHS management system with periodical internal and external audits of the safety practices. 2. Adoption of comprehensive corrective action plans post the identification and assessment of safety incidents to prevent any such future instances. 	<p>Positive: Robust Occupational, Health and Safety management approach enables the Company to prevent the occurrence of incidents.</p> <p>Negative: Frequent safety incidents and injuries may adversely impact the Company's performance from the aspect of safety as well as workforce well-being.</p>

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
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Opportunity: Strong EHS management system integrated with a comprehensive hazard identification, mitigation plans, root cause analysis of the reported incidents and corresponding corrective action plan will highlight the Company's approach and resoluteness towards workforce health and safety.



Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9	
Policy and management processes											
1.	a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
	b. Has the policy been approved by the Board? (Yes/No)	Yes, some of the Policies have been approved by the Board as per relevant statutory requirements.									
	c. Web Link of the Policies, if available	https://www.ngfinechem.com/disclosures-under-regulation.html#1									
2.	Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
3.	Do the enlisted policies extend to your value chain partners? (Yes/No)	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
4.	Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	OECD Principles of Corporate Governance	<ul style="list-style-type: none"> cGMP standards. WHO CMP Standards Compliance of (ISO 9001:2008) Quality Control Systems 	Occupational Health and Safety management system (ISO 45001:2018) at all manufacturing sites in India	-	-	-	One manufacturing site is certified for the Environment Management System ISO 14001:2015	-	-	Yes
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.	-	-	-	-	-	<ul style="list-style-type: none"> Switch to greener fuels for cleaner energy Conserve water Recycle solvents mandatorily Produce by-products that can be utilised 	-	-	-	
6.	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	The Company has set the targets for the first time; hence performance against set targets will not be applicable for this reporting period.									
Governance, leadership and oversight											
7.	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements	Refer to the Director's Message at the beginning of this Business Responsibility and Sustainability Report.									
8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Name: Rahul Nachane Designation: Managing Director DIN: 00223346									
9.	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes, the business responsibility and sustainability initiatives are overseen by Mr.Rahul Nachane, the Managing Director of the Company. Further some parts of the responsibility are also overseen by the Stakeholders' Relationship Committee.									

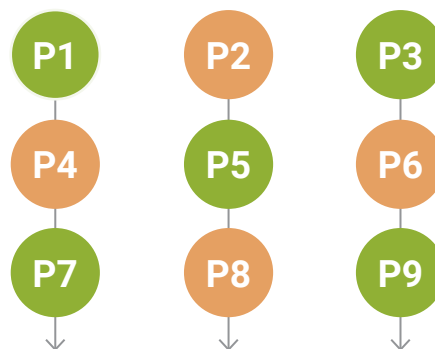
10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee / Frequency								
	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Yes, by the Board Periodically/ Need Based	Yes, by the Board Periodically/Need Based	Yes, by the Board Periodically/ Need Based	NA	NA	Yes, by the Board Periodically/Need Based	NA	NA	Yes, by the Board Periodically/ Need Based
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Yes Ongoing by the Board of the Company.	Yes Ongoing by the Board of the Company.	Yes Ongoing by the Board of the Company.			Yes Ongoing by the Board of the Company.			Yes Ongoing by the Board of the Company.



11.

Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/ No). If yes, provide name of the agency.



No, the Company reviews the workings of the policies internally

12. If answer to question (1) above is “No” i.e. not all principles are covered by a policy reasons to be stated: NA

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the principles material to its business (Yes/No)	-	-	-	-	-	-	-	-	-
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	-	-	-	-	-	-	-	-	-
The entity does not have the financial or/ human and technical resources available for the task (Yes / No)	-	-	-	-	-	-	-	-	-
It is planned to be done in the next financial year (Yes/No)	-	-	-	-	-	-	-	-	-
Any other reason (Please specify)	-	-	-	-	-	-	-	-	-

SECTION C PRINCIPLE WISE PERFORMANCE DISCLOSURE

ETHICS AND INTEGRITY





PRINCIPLE 1

Businesses should conduct and govern themselves with integrity and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators




1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:



Segment	Total number of training and awareness programmes held	Topics / Principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
 Board of Directors	5	P 1,2,3,4,6,9	100%
 Key Managerial Personnel	5	P 1,2,3,4,6,9	100%

Segment	Total number of training and awareness programmes held	Topics / Principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
 Employees other than BoD and KMPs	316	P 1,2,3,6,9	100%
 Workers	52	P 2,3	100%

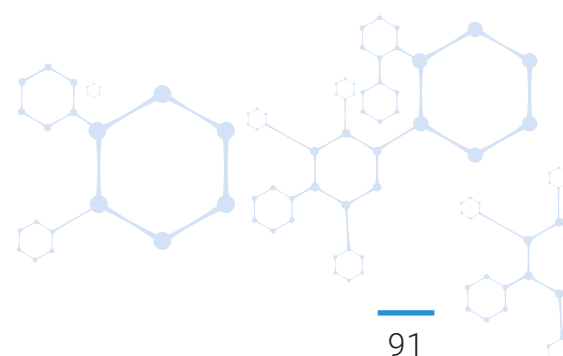
2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year 2022-2023:

In the current reporting period, there were no cases reported.

Monetary					
	NGRBC Principle	Name of the regulatory / enforcement agencies / judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal preferred? (Yes/No)
 Penalty / Fine			N. A.		
 Settlement			N. A.		
 Compounding Fee			N. A.		

Non-Monetary					
	NGRBC Principle	Name of the regulatory / enforcement agencies / judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal preferred? (Yes/No)
 Imprisonment			N. A.		
 Punishment			N. A.		

3. Details of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.





4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

The Company has not adopted a separate anti-corruption or anti-bribery policy. However, the same is covered under the Code of Conduct for Board Members & Senior Management adopted by the Company as per the provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015 which is also hosted on the website of the Company: <https://www.ngfinechem.com/images/pdf/code-of-conduct.pdf>. The Company is committed to conducting its business with integrity.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

FY 2023 (Current Financial Year)

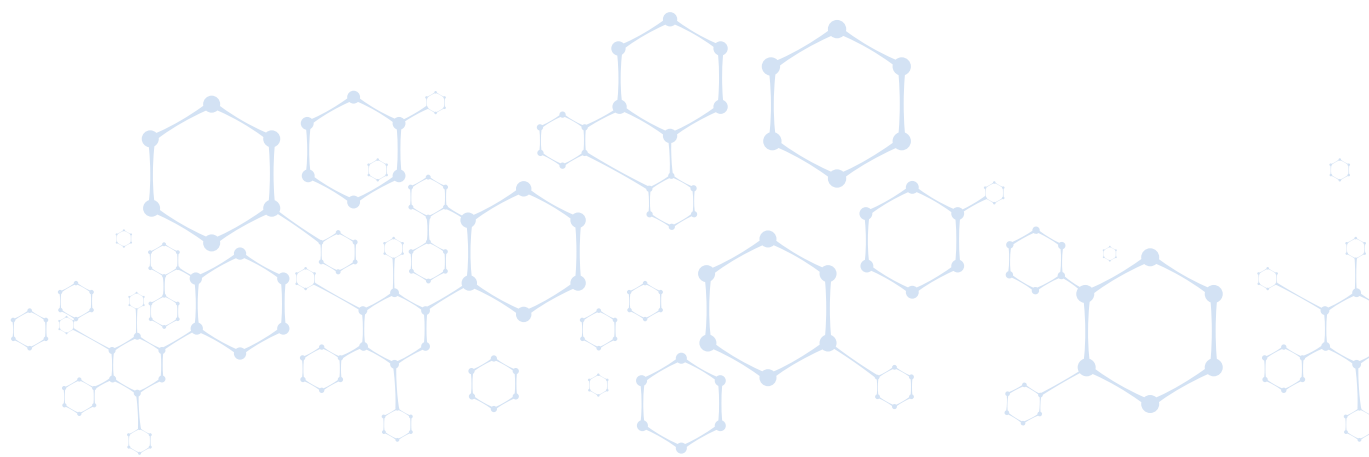
FY 2022 (Previous Financial Year)



6. Details of complaints with regard to conflict of interest:

	FY 2023 (Current Financial Year)		FY 2022 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of conflict of interest of the directors	0	0	0	0
Number of complaints received in relation to issues of conflict of interest of the KMPs	0	0	0	0

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/Law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest: N.A.



SUSTAINABLE BUSINESS



PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

- Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	Details of improvements in environmental and social impacts		
	Current Financial Year	Previous Financial Year	
R & D	0	0	N.A.
CAPEX	20.94 %	0	Investment in Effluent Treatment Plant

- Does the entity have procedures in place for sustainable sourcing? (Yes/No)**
Yes, the Company endeavours to implement responsible procurement practices across its supply chain. The Company encourages local sourcing, enabling the reduction of costs, currency risk and environmental footprint of transportation costs.
 - If yes, what percentage of inputs was sourced sustainably?**
73.22% of total input was sourced sustainably.
- Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**
Yes, we have Waste Management Standard Operating Procedure, for disposing of hazardous & non-hazardous waste. We have taken permission from regulatory authority before sending the waste to authorised dealer for disposal of the same.
- Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**
Not applicable, since the Company is engaged in the manufacturing of APIs which are used as inputs in making pharmaceutical products.



EMPLOYEE WELL-BEING



PRINCIPLE

3

Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	% of Employees Covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)



Permanent Employees

Male	320	320	100%	320	100%	0	0%	0	0%	320	100%
Female	24	24	100%	24	100%	24	100%	0	0%	24	100%
Total	344	344	100%	344	100%	24	100%	0	0%	344	100%



Other than Permanent employees

Male	0	0	0%	0	0%	0	0%	0	0%	0	0%
Female	0	0	0%	0	0%	0	0%	0	0%	0	0%
Total	0	0	0%	0	0%	0	0%	0	0%	0	0%

b. Details of measures for the well-being of workers:

Category	% of workers Covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)



Permanent Workers





Male	52	52	100%	52	100%	0	0%	0	0%	52	100%
Female	0	0	0%	0	0	0	0%	0	0%	0	0%
Total	52	52	100%	52	100%	0	0%	0	0%	52	100%



Other than Permanent workers

Male	277	277	100%	277	100%	0	0%	0	0%	277	100%
Female	0	0	0%	0	0	0	0%	0	0%	0	0%
Total	277	277	100%	277	100%	0	0%	0	0%	277	100%

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2023 Current Financial Year			FY 2022 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total employees	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total employees	Deducted and deposited with the authority (Y/N/N.A.)
 PF	100%	100%	Yes	100%	100%	Yes
 Gratuity	100% subject to applicability of threshold	100% subject to applicability of threshold	Yes	100% subject to applicability of threshold	100% subject to applicability of threshold	Yes
 ESI	100% subject to applicability of threshold	100% subject to applicability of threshold	Yes	100% subject to applicability of threshold	100% subject to applicability of threshold	Yes
 Bonus	100% subject to applicability of threshold	100% subject to applicability of threshold	Yes	100% subject to applicability of threshold	100% subject to applicability of threshold	Yes

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Being a pharmaceutical and chemical company, the Company does not have any disabled person employed. However, the Company is in the process of setting up infrastructure for differently abled individuals.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, the Company's Code of Conduct outlines its commitment to non-discrimination by providing equal opportunity to all its employees irrespective of race, colour, religion, sex, national origin, ancestry, age, marital status, sexual orientation or disability.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent Workers	
	Return of work	Retention rate	Return of work	Retention rate
Male	0	0	0	0
Female	0	0	0	0
Total	0	0	0	0



6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

The Company's employees and workers have access to the Company's Whistle blower mechanism through which grievances can be addressed to the Company.

**Yes / No
(if yes, then give details of mechanism in brief)**



Permanent Workers		Yes, the permanent workers communicate their grievances through their respective supervisor and the same are communicated to the Company through the Company's Human Resource representative based at the factory.
Other than Permanent Workers		Yes, the non-permanent workers communicate their grievances through their respective supervisor and the same are communicated to the Company through the Company's Human Resource representative based at the factory.
Permanent Employees		Yes, the employees communicate their grievances through their respective supervisor and the same are communicated to the Company through the Company's Human Resource representative. Additionally, the employees can report their concerns through the Whistleblower mechanism of the Company.
Other than permanent Employees		N.A.

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:



Category	FY 2023 Current Financial Year			FY 2022 Previous Financial Year		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of associations or union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of associations or union (D)	% (D/C)
Total Permanent Employees	0	0	0%	0	0	0%
- Male	0	0	0%	0	0	0%
- Female	0	0	0%	0	0	0%
Total Permanent Workers	0	0	0%	329	12*	3.65%
- Male	0	0	0%	329	12	3.65%
- Female	0	0	0%	0	0	0%

* These employees were members of external Unions and have subsequently resigned from the after Company. Further, the Company is not a member of any worker's association(s) or Unions.

8. Details of training given to employees and workers:

Category	FY 2023 Current Financial Year					FY 2022 Previous Financial Year				
	Total (A)	On health and safety measures		On skill upgradation		Total (D)	On health and safety measures		On skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
 Employees										
Male	320	304	95%	192	60%	328	312	95%	196	60%
Female	24	23	98%	23	96%	22	21	98%	21	98%
Total	344	327	95%	215	79%	350	333	97%	217	62%
 Workers										
Male	52	49	98%	33	65%	52	47	92%	31	58%
Female	--	--	--	--	--	--	--	--	--	--
Total	52	49	98%	33	65%	52	47	92%	31	58%

9. Details of performance and career development reviews of employees and worker:

Category	FY 2023 Current Financial Year			FY 2022 Previous Financial Year		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
 Employees						
Male	320	293	91.56%	328	277	84.45%
Female	24	24	100%	22	22	100%
Total	344	317	92.15%	350	299	85.42%
 Workers						
Male	52	52	100%	40	40	100%
Female	0	0	0%	0	0	0%
Total	52	52	100%	40	40	100%

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system

Yes, all the plants of the Company have Occupational Health & Safety System in place in accordance with the guidelines provided by Occupational Health and Safety management system (ISO 45001:2018) and various legal requirements such as Factories Act, Environmental Protection Act, etc.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The Company undertakes periodic internal audits to ensure the compliance of Occupational Health and Safety management systems put in place by the Company.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes, the Company has Standard Operating Procedures (SoP) for employees and workers to identify and report on work-related hazards and subsequent steps to mitigate them.



d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, the Company provides non-occupational medical and health care services to its employees.


11. Details of safety related incidents, in the following format:


Safety Incident / Number	Category	FY 2023 Current Financial Year		FY 2022 Previous Financial Year	
Lost Time Injury Frequency Rate (LTIFR) (Per One Million-person hours worked)	Employees	-	-	-	-
	Workers	-	-	-	-
Total recordable work-related injuries	Employees	-	-	-	-
	Workers	-	-	-	-
No. of fatalities	Employees	-	-	-	-
	Workers	-	-	-	-
High consequence work-related injury or ill-health (excluding fatalities)	Employees	-	-	-	-
	Workers	-	-	-	-

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

The Company has an Environmental Health and Safety system in the organisation. The Company has prepared Standard Operating Procedure to follow the system. The Company has implemented various systems like work permit system, an accident, and near miss reporting system, Mock drill, Hazard Identification and risk assessment, and Operability study. We follow this type of system to ensure a safe & healthy work place.

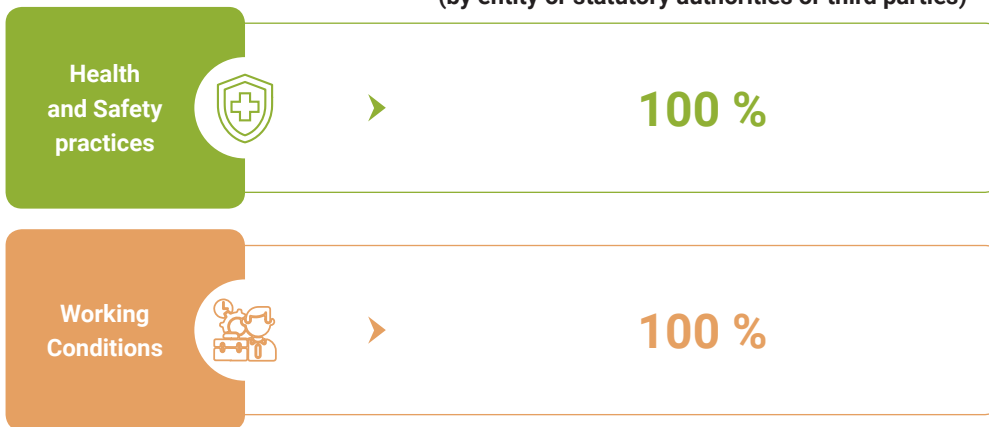
13. Number of Complaints on the following made by employees and workers:

	FY 2023 Current Financial Year			FY 2022 Previous Financial Year		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
 Working Conditions		Nil			Nil	

	FY 2023 Current Financial Year			FY 2022 Previous Financial Year		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
 Health & Safety		Nil			Nil	

14. Assessments for the year:

**% of your plants and offices that were assessed
(by entity or statutory authorities or third parties)**



15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions:

Not any reportable incident occurred during the reporting year.

STAKEHOLDER INCLUSIVENESS



PRINCIPLE

4

Businesses should respect the interests of and be responsive to all its stakeholders


Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

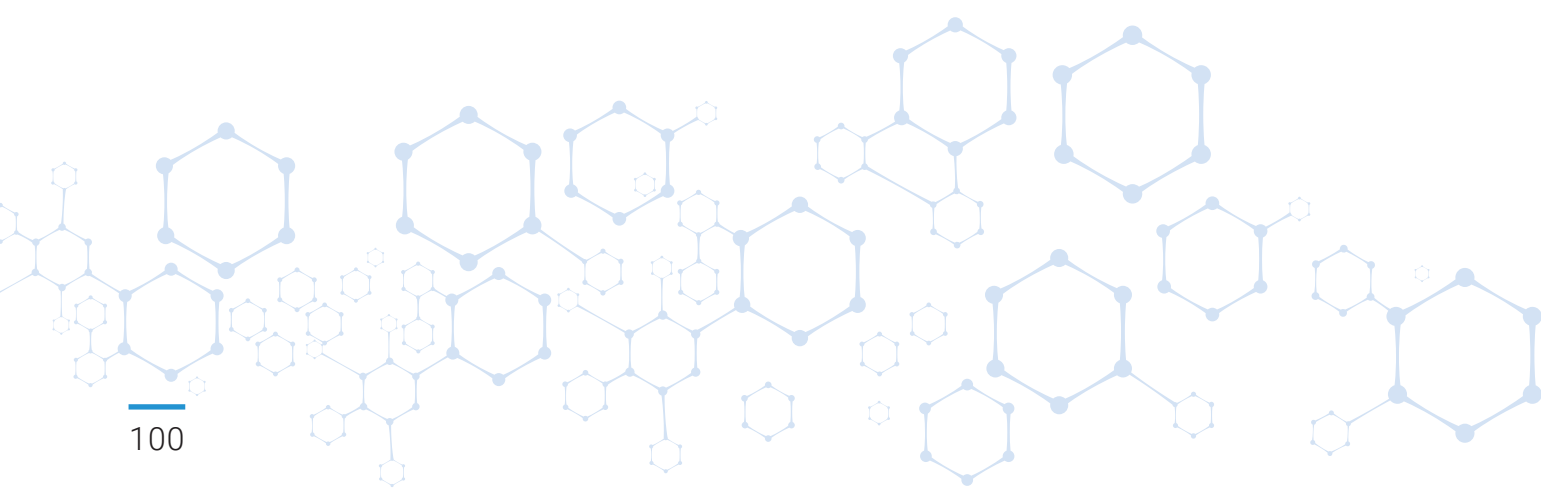
Suggestion: The Company identified a groups of stakeholders based on those who are impacted by the Company's business, as well as those groups who have a major impact on the Company's business. The key groups identified are as given in Table 2.



2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as vulnerable & marginalised group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually / Half Yearly / Quarterly / Others – Please Specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
 Investors/ Shareholders	No	Website of the Company/ and Stock Exchanges/ Grievance mechanism/ Newspaper Publications or announcements/Meetings or conferences	Annually/Half Yearly/ Quarterly and event based	Communicating the business and financial performance and overall strategy of the Company. Seeking the feedback and expectations of shareholders from the management of the Company.
 Communities	Yes ¹	Interaction through CSR initiatives	Periodic or need based	To develop a sustainable ecosystem for our communities. For understanding areas for Sustainable development.
 Employees	No	One-to-one Meeting / Grievance mechanism/ Training Programmes	Ongoing/Event Based/Ongoing	To communicate the performance and strategy of the Company. For building a safe, diverse and inclusive working environment. To seek their feedback & suggestions on the work culture.
 Value Chain Partners or B2B Partners	No	Vendors Meets Virtual or in person meetings	Continuous and as and when required.	Engagement with the value chain partners enables the Company to identify issues impacting the value chain.
 Regulator	No	E-mail/Website of the Regulators	Need-based/ Ongoing	Promote Transparent Communication with regulators to meet compliance obligations.

1. The Company undertakes various CSR activities viz. Education, and Health Care, for the local communities. Majority of beneficiaries of these CSR activities can be termed vulnerable or belong to marginalised groups.



HUMANRIGHTS



PRINCIPLE 5 Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2023 Current Financial Year			FY 2022 Previous Financial Year		
	Total (A)	No. of employees / workers covered (B)	% (B/A)	Total (C)	No. of employees / workers covered (D)	% (D/C)

Employees

Male	0	0	0	0	0	0
Female	0	0	0	0	0	0
Total Employees	0	0	0	0	0	0

Workers

Male	52	40	76%	52	38	73%
Female	0	0	0	0	0	0
Total Workers	52	40	76%	52	38	73%

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2023 Current Financial Year					FY 2022 Previous Financial Year				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)

Employees

Permanent										
Male	320	0	0%	320	100%	228	0	0%	228	100%
Female	24	0	0%	24	100%	22	0	0%	22	100%
Other than Permanent										
Male	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0



Category	FY 2023 Current Financial Year					FY 2022 Previous Financial Year				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)



Workers

Permanent										
Male	52	0	0%	52	100%	52	0	52	0	100%
Female	0	0	0%	0	0%	0	0	0%	0	0%
Other than Permanent										
Male	277	194	70%	83	30%	260	184	71%	76	29%
Female	0	0	0%	0	0%	0	0	0%	0	0%

3. Details of remuneration/salary/wages, in the following format (Sum in Lakhs):

	Male		Female	
	Number	Median remuneration / salary / wages of respective category	Number	Median remunerations / salary / wages of respective category
Board of Directors (BoD)	2	155.15	0	0
Key Managerial Personnel	0	0	1	7.58
Employees other than BoD and KMP	316	6.96	18	7.32
Workers	52	5.28	0	0







4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, we maintain zero tolerance towards discrimination and harassment of any kind based on race, religion, colour, age, sex, pregnancy, sexual orientation, nationality, disability or any other classification as mandated by local laws. Further, the Human Resources Department of the Company is primarily responsible for addressing human rights impacts, if any.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company has no formal mechanism in place; however, the Human Resource Department is well equipped to address such issues as and when they arise.

6. Number of Complaints on the following made by employees and workers: Nil

	FY 2023 Current Financial Year			FY 2022 Previous Financial Year		
	Filed During the year	Pending resolution at the end of the year	Remarks	Filed During the year	Pending resolution at the end of the year	Remarks
 Sexual Harassment	Nil	Nil	No complaint registered	0	0	
 Discrimination at workplace	Nil	Nil	Nil	Nil	Nil	Nil
 Child Labour	Nil	Nil	Nil	Nil	Nil	Nil
 Forced Labour / Involuntary Labour	Nil	Nil	Nil	Nil	Nil	Nil
 Wages	Nil	Nil	Nil	Nil	Nil	Nil
 Other human rights related issues	Nil	Nil	Nil	Nil	Nil	Nil

Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

7. The Company has zero tolerance for retaliation against whistle blowers or any employee who reports any complaint in good faith. The Company ensures complete confidentiality of the complainant or the whistle blower and protection from retaliation during investigation and thereafter.



8. Do human rights requirements form part of your business agreements and contracts? (Yes/No) :

No, the Company endeavours to incorporate such requirements in business agreements and contracts.

9. Assessments for the year:

**% of your plants and offices that were assessed
(by entity or statutory authorities or third parties)**



10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above. Not applicable

ENVIRONMENT









PRINCIPLE

6

Businesses should respect and make efforts to protect and restore the environment.

Essential Indicators

1. Details of total energy consumption (in Giga-Joule (GJ) or multiples) and energy intensity, in the following format:

Parameter	FY 2023 (Current Financial Year)	FY 2022 (Previous Financial Year)
 Total electricity consumption (A)	27171.2052 GJ	29286.3348 GJ
 Total fuel consumption (B)	Diesel - 1520.27429 GJ Briquette - 0.000345 GJ Steam - 2871.77 GJ	Diesel - 1192.343041 GJ Briquette - 0.00035 GJ Steam - 3220.47 GJ
 Energy consumption through other sources (C)		
 Total energy consumption (A+B+C)	31,563.2452	33,699.1488
 Energy intensity per rupee of turnover (Total energy consumption/ turnover in Lakhs rupees)	1.1475	1.0575
 Energy intensity (optional) - the relevant metric may be selected by the entity		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

No, the Company is not identified as a designated consumer.



3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2023 (Current Financial Year)	FY 2022 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface Water	NA	NA
(ii) Groundwater	NA	NA
(iii) Third Party Water	NA	NA
(iv) Seawater / desalinated water	NA	NA
(v) Others (MIDC)	5672361	5502932
Total Volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	5672361	5502932
Total Volume of water consumption (in kilolitres)	5672361	5502932
Water intensity per rupee of turnover (water consumed / turnover in Lakhs rupees)	206	173
Water intensity (optional) – the relevant metric may be selected by the entity	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance have been carried out by an external agency? (Y/N) If yes, name of the external agency: **No**

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes, the Company has Zero Liquid Discharge Plant and a fully functional Effluent Treatment Plant as under:

- 1) Stripper System for removing solvent from water
- 2) Multiple Effect Evaporator System
- 3) Mechanical Vapour Recompression system
- 4) Agitated thin Film Dryer
- 5) We have fully functional RO System

There is no zero liquid discharge plant at Expect for W-41 & W-42 all the plants are with Zero Liquid Discharge mechanism

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2023 (Current Financial Year)	FY 2022 (Previous Financial Year)
NOx	Ug/m3	14.22	17.98
SOx	Ug/m3	13.69	15.86
Particular matter (PM)	Ug/m3	30.5	30.38
Persistent organic pollutants (POP)	NA	NA	NA
Volatile organic compounds (VOC)	NA	NA	NA
Hazardous air Pollutants (HAP)	NA	NA	NA
Others – Please specify	NA	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, Independent assessment/ evaluation/assurance has been carried out by M/s Sadekar Enviro Engineers Private Limited and M/s. Green Envirosafe Engineers & Consultants Private Limited.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2023 (Current Financial Year)	FY 2022 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent Mg/M3	0.73 mg/M3	0.5 mg/M3
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	NA	NA
Total Scope 1 and Scope 2 emissions per rupee of turnover		0.000026	0.000015
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes - Environmental Monitoring for ambient air & work zone on a half yearly basis.

Name of agency: Shree Swami Samarth Consultancy

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Not applicable

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2023 (Current Financial Year)	FY 2022 (Previous Financial Year)
Total Waste Generated (in metric tonnes)		
Plastic waste (A)	2.742	3.62
E-waste (B)	0.275	0.28
Bio-medical waste (C)	NA	NA
Construction and demolition waste (D)	NA	NA
Battery waste (E)	NA	NA
Radioactive waste (F)	NA	NA
Other Hazardous waste. Please specify, if any. (G)	417.733	441.37
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	NA	0.45
Total (A+B + C + D + E + F + G + H)	420.75	445.72
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	NA	NA
(ii) Re-used	NA	NA
(iii) Other recovery operations	NA	NA
Total		



Parameter	FY 2023 (Current Financial Year)	FY 2022 (Previous Financial Year)
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	2.95	1.97
(ii) Landfilling	2.31	1.21
(iii) Other disposal operations	NA	NA
Total	5.26	3.18

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **No**

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The Company integrates a waste management plan with a comprehensive approach towards waste minimisation. The Company has dedicated Standard Operating Procedures for waste management system EHS/008 and for the disposal of hazardous waste, which is disposed of through Government approved partners.

10.

If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

The Company doesn't have any of its manufacturing plants in an ecologically sensitive area.

11.

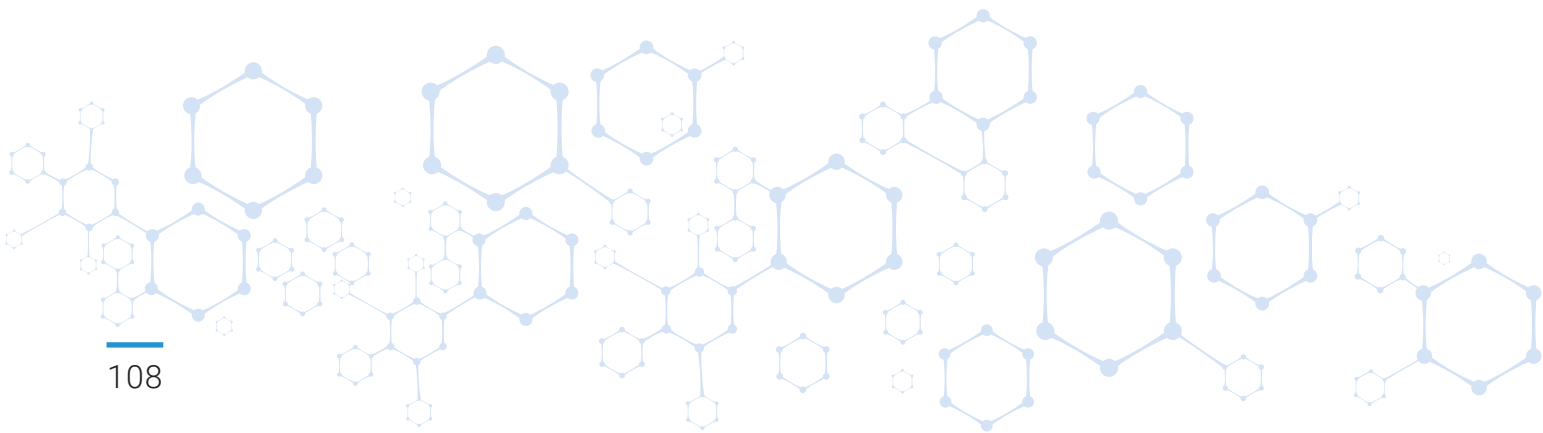
Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

No Environmental Impact assessments were undertaken during the year.

12.

Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes, all the plants of the Company are in compliance with applicable National and State environmental laws, rules, regulations and guidelines.



RESPONSIBLE PUBLIC ADVOCACY



PRINCIPLE

7

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations. **Two**
- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

	Name of the trade and industry chambers / associations	Reach of trade and industry chambers / associations (State / National)
1.	Pharmaceutical Export Promotion Council of India	National (PAN-India Basis)
2.	Indian Merchants Chamber	National (PAN-India Basis)

2. **Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.**

Not applicable, for the year, there were no cases issued against the Company for issues pertaining to anti-competitive conduct.

COMMUNITY UPLIFTMENT



PRINCIPLE

8

Businesses should promote inclusive growth and equitable development

Essential Indicators

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

In the reporting year, the Company did not undertake any social impact assessment.

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

In the reporting year, the Company did not undertake any ongoing Rehabilitation and resettlement (R and R) project.

3. **Describe the mechanisms to receive and redress grievances of the community.**

The Company reaches out to various communities in and around its operating locations to help the communities through the Gram Panchayat with several projects like Water Regeneration and increasing green coverage



through plantation drives undertaken by the Company. Further, the Company has Whistle Blower Policy where workers, employees and others may lodge their grievances through the email ID provided in the said Policy/ mechanism. The same has been uploaded on the website of the Company and can be accessed at the below link: <https://www.nglfinechem.com/images/pdf/vigil-mechanism-policy.pdf>

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2023 (Current Financial Year)	FY 2022 (Previous Financial Year)
Directly sourced from MSMEs / small producers	80	34
Sourced directly from within the district and neighbouring districts	40	20

CONSUMER WELLBEING



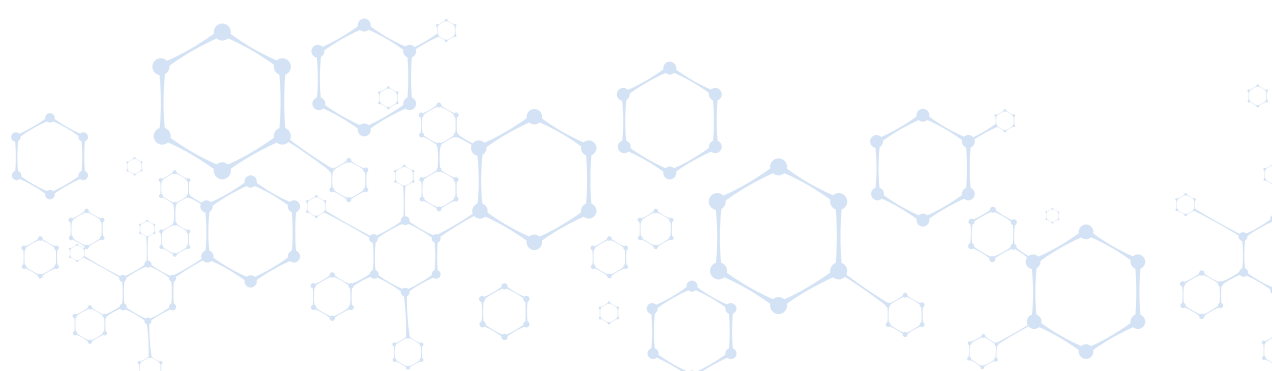
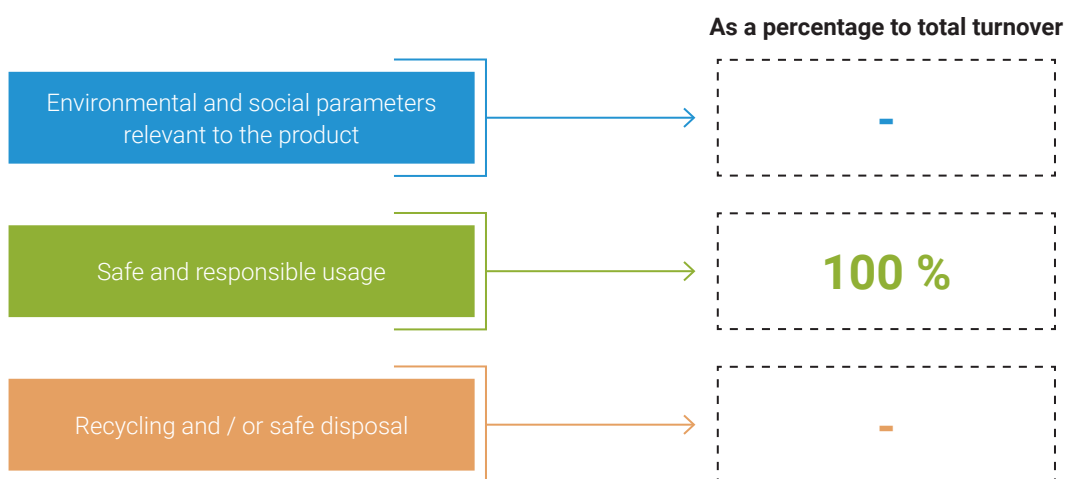
PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

- The Company has a dedicated email id (info@nglfinechem.com) through which customers can register their complaints. The same is monitored by the Whole-Time Director of the Company.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:



3. Number of consumer complaints in respect of the following:

	FY 2023 Current Financial Year			FY 2022 Previous Financial Year		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data Privacy	Nil	Nil		Nil	Nil	
Advertising	Nil	Nil		Nil	Nil	
Cyber-Security	Nil	Nil		Nil	Nil	
Delivery of essential services	Nil	Nil		Nil	Nil	
Restrictive trade practices	Nil	Nil		Nil	Nil	
Unfair trade practices	Nil	Nil		Nil	Nil	
Other	Nil	Nil		Nil	Nil	

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary Calls	-	-
Forced recalls	-	-

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy

Yes, the Company has adopted Risk Management Policy, which is hosted on the Company's website and can be accessed at the below link: <https://www.nglfinechem.com/images/pdf/risk-management-policy.pdf>

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on of products / services.

Not applicable



MANAGEMENT DISCUSSION AND ANALYSIS

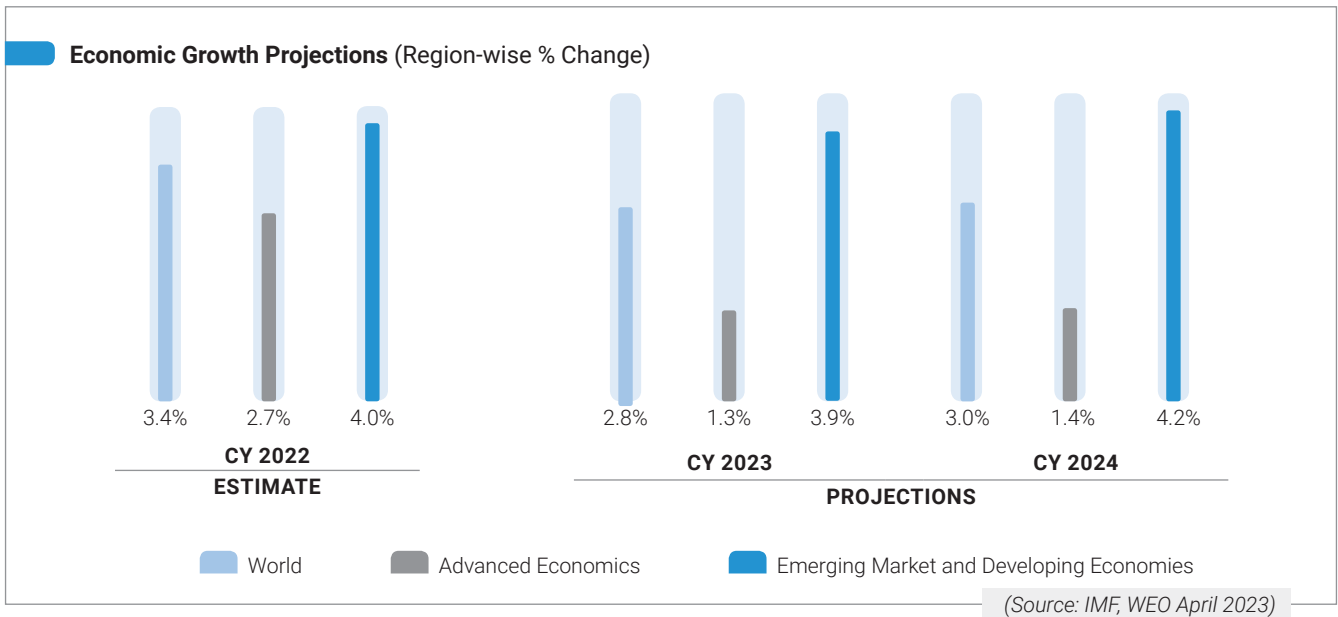
GLOBAL ECONOMIC OVERVIEW

Due to several challenges faced in the past year on account of inflation, trade conflicts, and geopolitical tensions, the global economy growth is expected to slow down to 2.8% in 2023 before settling at 3% in 2024. Governments around the world have contributed to building strength by implementing well-calibrated monetary policies, resulting in tempering inflation from 8.7% in 2022 to 7% in 2023. The rapid economic rebound worldwide has paved the way for a brighter future, fuelled by optimism about moderating inflation.

Inflation has proven to be more persistent than what was predicted just a few months ago, in January 2023. According to the International Monetary Fund's World Economic Outlook, published in April 2023, the global economy grew by 3.4% in CY 2022. Although the global economy grew by 3.4% in CY 2022, a decline in global inflation was primarily due to drops in energy and food prices. However, in many countries, core inflation (excluding energy and food sectors) is yet to peak and is expected to decrease to 5.1% by the end

of the year, a significant upward adjustment of 0.6% points from the January report. Despite this figure being above the target rate, some countries have successfully contained inflation through incremental interest rates after inflationary pressures hindered the swift resurgence of economic activities following the COVID-19 pandemic.

Advanced economies experienced a slowdown in economic growth due to inflationary pressures. However, emerging markets are expected to register higher growth rates, with a projected growth rate of 3.9% in CY 2023 and 4.2% in CY 2024. The global economy's resurgence is expected to be fuelled by robust labour markets, significant household consumption, and business investment, with additional support provided by the expansion in consumer demand. The outlook for CY 2023 is anticipated to be moderate, with a projected global growth rate of 2.8% in CY 2023 and 3.0% in CY 2024. To promote economic stability and facilitate sustained growth, contractionary monetary policies and fiscal policies are being implemented in response to inflationary pressures.



INDIAN ECONOMIC OVERVIEW

Despite the global headwinds stifling global growth momentum, India emerged as one of the fastest-growing major economies worldwide. This growth was primarily driven by private sector spending and intensified Government efforts to improve the country's infrastructure. The National Statistical Organisation (NSO) projected India's strong economic performance, with a growth rate of 7.2% by the end of FY 2022-23, as per the advanced estimates.

During the first quarter of FY 2022-23, the Reserve Bank of India (RBI) adjusted its monetary policies towards a tighter stance due to prolonged inflationary pressure. The RBI raised its repo rate in six consecutive increments, with

the latest increase of 25 basis points to 6.50% in February 2023. As a result, inflationary pressure decreased, and the third quarter of FY 2022-23 experienced a moderated rate. This favourable economic transformation is improving the demand scenario in the domestic market and allowing increased momentum in the country's economic growth.

India's strong underlying economic fundamentals are expected to keep the impact of short-term turbulence on the long-term outlook marginal. Gradual implementation of growth-enhancing policies and schemes such as the Production Linked Incentive, the Government's focus on self-reliance, and increased infrastructure spending are resulting in a stronger multiplier effect on jobs, income,

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

and productivity. This, while bringing in more efficiency, is leading to accelerated economic growth. Furthermore, the emphasis on manufacturing in India, various Government incentives, and rising services exports on the back of stronger digitisation and technology transformation worldwide are expected to aid the economy's growth. Several spillover effects of geopolitical conflicts between Russia and Ukraine are likely to enhance India's status as a preferred alternate investment destination. Global in-house centres and multinationals are preferring India over Eastern European markets, particularly those bordering Ukraine, to shift their current operations or open new facilities.

Despite the worldwide repercussions, agencies across the globe are still forecasting India to be the fastest-growing major economy, with a projected growth rate pegged at 6.5-7.0% for FY 2022-23. This optimistic outlook is

partially attributed to the Indian economy's resilience, as demonstrated by the smooth transition of private consumption taking over as the primary driver of growth replacing the export stimuli. Despite potential challenges from global spillovers, high inflation, and aggressive monetary policies, the growth of the Indian economy in FY 2023-24 is expected to be driven by domestic demand and increased capital investment. The financial system is well-prepared to support the country's economic progress, and the rebound in private sector investment is anticipated to continue. India's large foreign exchange reserves further strengthen the economy. Although the growth rate may be slower than FY 2022-23, the fundamentals of the economy remain strong, and growth is anticipated to be supported in a non-disruptive manner through a steady and measured withdrawal of liquidity.



GLOBAL PHARMACEUTICAL INDUSTRY

The growth of the global pharmaceutical market is driven by various factors, such as companies restructuring their operations and recovering from the impact of COVID-19 pandemic. This growth is reflected in the industry's valuation, which increased from US\$ 1,454.66 Billion in CY 2021 to US\$ 1,587.05 Billion in CY 2022, indicating a CAGR of 9.1%. The market is expected to continue to grow and reach a valuation of US\$ 3,201.02 Billion in CY 2026, representing a CAGR of 19.2%.

Global Animal Healthcare

The animal healthcare segment was a significant contributor to the global pharmaceutical market. It held the largest revenue share of over 40% in CY 2022. The global animal healthcare market size was valued at US\$ 58.66 Billion in

CY 2022, and is expected to register a CAGR of 8.8% from CY 2023 to CY 2030. Despite the negative impacts of the COVID-19 pandemic, such as decreased sales, supply chain or distribution disruptions, low demand and purchasing rates, and operational hurdles due to changing regulations worldwide, the market remained resilient owing to a surge in pet adoption, increasing pet humanisation, and growing concerns over zoonoses. In fact, the trend for telemedicine witnessed significant growth during the COVID-19 pandemic. Online channels, such as e-commerce, emerged as the most preferred distribution channels by pet owners for purchasing vet products and pet food. Additionally, the market is also being driven by technological advancements in veterinary healthcare, and it is anticipated to offer future growth opportunities.

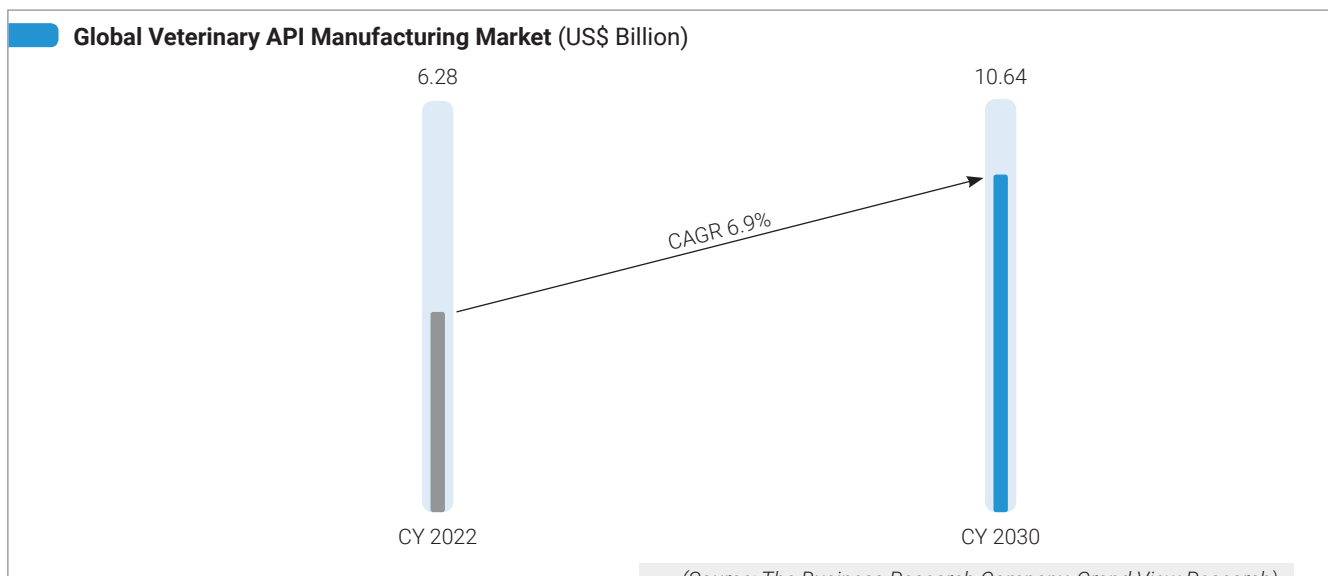


MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

Global Veterinary API Manufacturing Market

The global veterinary active pharmaceutical ingredients manufacturing market size was estimated at US\$ 6.28 Billion in CY 2022, and is expected to witness a lucrative CAGR of 6.9% to reach US\$ 10.64 Billion in CY 2030. The market is primarily driven by the growing demand for veterinary drugs owing to the rising prevalence of zoonotic diseases, the

increasing number of veterinary pharmaceutical players, and the growing animal population, pet ownership, pet humanisation & pet expenditure. Going ahead, a rise in the number of pet owners is also expected to accelerate the overall market, led by pet owners seeking treatment options for taking care of their pets.



The growing focus on innovation in animal healthcare has given rise to certain measures that are strengthening market growth prospects. The increasing global animal population is further driving the demand for manufacturing veterinary APIs used in the formulation of efficient drugs. Herein, increased production of animal-based food products will significantly reduce prices, facilitating easy access to pet food at affordable prices. Technological advancements, such as the advent of efficient information management systems, mobile technology placing animal owners at the centre of the developments, and vaccine banks are also driving market growth.

Source:

[https://www.thebusinessresearchcompany.com/report/pharmaceuticals-global-market-report#:~:text=The%20global%20pharmaceuticals%20market%20size,\(CAGR\)%20of%209.1%25](https://www.thebusinessresearchcompany.com/report/pharmaceuticals-global-market-report#:~:text=The%20global%20pharmaceuticals%20market%20size,(CAGR)%20of%209.1%25)

<https://www.grandviewresearch.com/industry-analysis/animal-health-market#:~:text=How%20big%20is%20the%20animal,USD%2062.40%20Bn%20in%202023>

<https://www.grandviewresearch.com/industry-analysis/veterinary-active-pharmaceutical-ingredients-manufacturing-market>

INDIAN PHARMACEUTICAL INDUSTRY

The Indian pharmaceutical industry expanded at a CAGR of 7.7% from about US\$ 35.4 Billion in FY 2017-18 to around US\$ 47.6 Billion in FY 2021-22. An increase in the size of

both the domestic and export markets primarily drove this growth. The domestic market saw a CAGR of 6.2% from US\$ 18.1 Billion in FY 2017-18 to US\$ 23.0 Billion in FY 2021-22, led by improving access to healthcare facilities and rising per capita income. Meanwhile, pharma exports from India experienced a faster CAGR of 9.2%, growing from US\$ 17.3 Billion in FY 2017-18 to US\$ 24.6 Billion in FY 2021-22. With demand from both domestic and international markets, the outlook for the Indian pharma industry remains positive.

According to the Economic Survey 2022-23, India's domestic pharmaceutical market is anticipated to reach US\$ 130 Billion by CY 2030, and the pharma sector has maintained its growing pace following the COVID-19 pandemic. The Ayushman Bharat Digital Mission seeks to provide the framework required to sustain the nation's integrated digital health infrastructure. The digitalisation, innovation, and R&D in the pharma sector will help India maintain its leading role globally.

The animal healthcare industry in India has transformed itself in recent years from disease control and treatment activities to a complete healthcare provider. The Indian animal health market size reached ₹ 73.4 Billion in CY 2022. Looking forward, IMARC Group expects the market to reach ₹ 120.3 Billion by CY 2028, exhibiting a CAGR of 8.94% during CY 2023-2028. India is one of the fastest-growing animal healthcare markets globally. Going ahead,

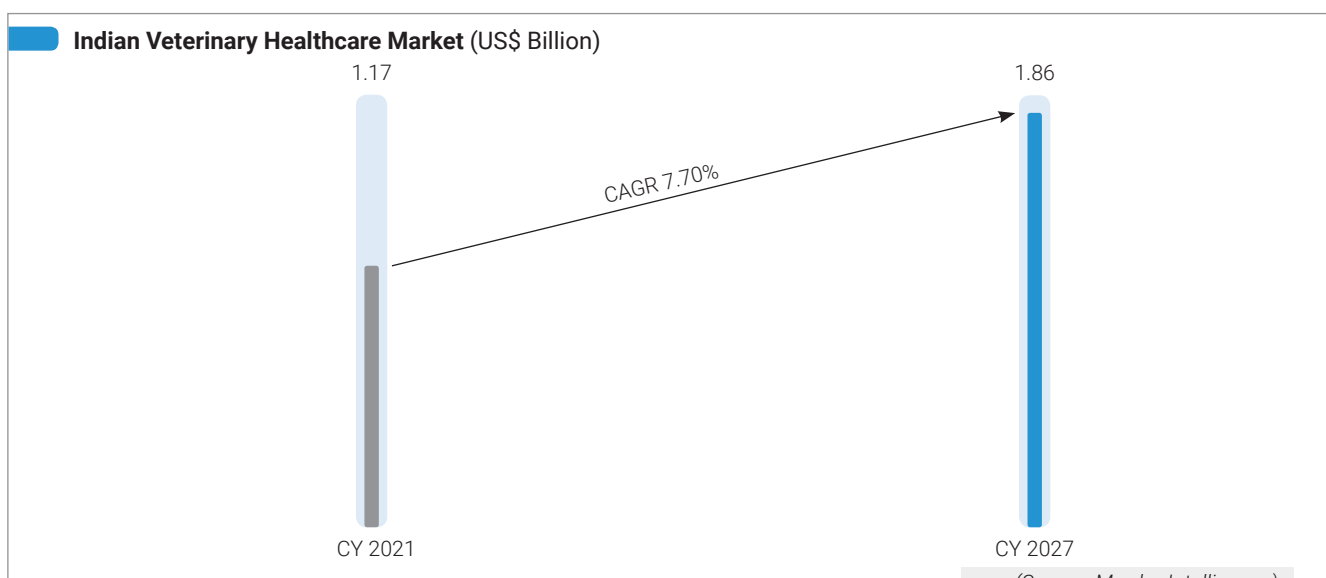
MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

it is expected to grow at an annual rate of 10-11% against 2-3% global growth average.

The Indian veterinary healthcare market was valued at approximately US\$ 1.17 Billion in CY 2021, and it is expected to reach US\$ 1.86 Billion by CY 2027. Thus, registering a CAGR of more than 7.70% during CY 2022-2027. The growth in the Indian animal healthcare industry is driven by several factors, including the rising prevalence of zoonotic diseases and the Government's focus on improving

animal healthcare, given the animal dependency of the dairy industry. Additionally, the expanding veterinary pharmaceutical sector and the integration of animal health monitoring solutions with the Internet of Things (IoT) contribute to the industry's growth. Other factors, such as the increasing popularity of pets, and the use of mobile sensors & wearables to track animal health & behaviour are also playing a vital role.

(Source: CareEdge Research, IMARC Group, Mordor Intelligence)



<https://www.imarcgroup.com/india-animal-health-market>

<https://www.mordorintelligence.com/industry-reports/india-veterinary-healthcare-market-industry>

(Source: Mordor Intelligence)

OPPORTUNITIES

Increase in Incidence of Zoonotic Diseases

The animal healthcare market in India is poised for growth, fuelled by the increasing incidence of zoonotic diseases in the country. Demographic changes, land encroachment, and agricultural practices are responsible for the rise in the prevalence of these diseases, which also affect animal populations. Consequently, the Government is taking preventive measures to control the spread of zoonotic diseases. Market stakeholders are also raising awareness about these diseases and their prevention, contributing to the growth of the animal healthcare market. With more people becoming aware of the need for precautionary measures, the demand for animal healthcare services is expected to rise significantly. The availability of various treatment options further supports the growth of the animal healthcare market in India.

Rise in the Number of Online Veterinary Pharmacies in India

The expanding presence of retail and hospital pharmacies offering veterinary drugs, nutritional supplements, and pet vaccines in India presents a major opportunity for

animal healthcare market players. Online pharmacies and e-commerce channels drive demand for animal medicines and other healthcare products due to their discounted prices and ease of transaction. This trend is fuelled by the increasing number of pet owners purchasing routine vaccines, disease-preventive medicines, and pharmaceutical drugs for their pets online. The resulting surge in demand for animal healthcare products from online pharmacies further drives growth in the Indian animal healthcare market. As a result, market players have a significant opportunity to capitalise on this trend and expand their reach in the Indian market.

Increase in Government Support to Boost Indian Animal Healthcare Market

Indian Government's rising investment to improve animal healthcare services presents significant growth opportunities for market stakeholders. Stringent laws and regulations to promote awareness about animal health, coupled with the increasing incidence of zoonotic and foodborne diseases in animals, are driving the market. The Government's investment in R&D activities to develop efficient vaccines and financial grants to veterinary research laboratories are further fuelling the market growth. Moreover, animal treatment and vaccination facilities are being improved, and



MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

animal welfare activists are advocating for animal rights, resulting in a growing population of animal enthusiasts and increased government support for animal healthcare products.

Need to Improve Health of Animals Drive Adoption of Telemedicine Tools

The Indian Government's growing focus on promoting telemedicine tools in the animal healthcare industry is creating a valuable opportunity for market participants. The use of digital products by pet owners to adopt telemedicine practices is driving the demand for remote consultations and pet health monitoring. As a result, animal healthcare market players are investing heavily in R&D activities, contributing to the growth of the animal healthcare market in India. These advancements are ultimately boosting the provision of veterinary healthcare services across the country.

THREATS

Geopolitical Risk

The Russia-Ukraine war, foreign exchange shortages faced by various countries, political uprisings, are affecting various parts of the world. Currency shortages are especially affecting the ability of customers to import goods and more specifically APIs. While pharmaceuticals are being placed in priority lists for imports in such countries, the overall currency shortages are affecting the market.

Dependency on Imports from China

India's significant dependency on imports of API/bulk drugs/intermediates poses a threat to the country's pharma industry. With more than 60% of APIs sourced from other countries and import dependence reaching 80%-90% for specific APIs, any disruption in the supply chain could severely impact the manufacturing capabilities of the Indian API/bulk drugs industry. The high import dependency on China, which accounts for 66% of the total bulk drugs and intermediate drug imports by India, poses a significant risk as any disruption in China's bulk drugs market directly influences the Indian pharma industry. The COVID-19 pandemic-induced supply chain disruptions highlight the importance of reducing the dependency on a single source to avoid further threats to the pharma industry. Although the Government has announced schemes to encourage domestic manufacturing of APIs/bulk drugs, the continued reliance on imports remains a significant threat.

Regulatory Dependence

The Indian pharmaceutical industry faces a significant threat from the regulatory barriers imposed by the US Food and Drug Administration (USFDA) in the past. The Indian pharmaceutical industry relies heavily on the US market, and any increased scrutiny by the USFDA for compliance with GMP regulations can lead to significant delays or even rejection of product approvals. Additionally, the regulatory

clearance process in India is much slower than in other countries, taking 20-40% longer on average, which can severely impact the launch of new products. Such regulatory obstacles and delays pose a significant threat to the growth and success of the Indian pharmaceutical industry.

Rapid Technological Obsolescence

Technological obsolescence in drug development processes, manufacturing automation, precision medicines, and drug testing techniques pose a significant threat to business models. This can disrupt operations, reduce the need for staff, and increase the risk of cybersecurity threats. As technology rapidly evolves, companies that fail to keep up with advancements, risk becoming outdated and unable to compete in the market. This could lead to significant revenue and market share losses as competitors who have adapted to the latest technologies take over the market. Additionally, businesses may face increased cybersecurity risks as they adopt new technologies, potentially leading to data breaches or other security incidents that could damage their reputation and financial stability.

COMPANY OVERVIEW

NGL Fine-Chem Limited ('NGL' or 'The Company') is a pharmaceutical and intermediates manufacturer with a specialisation in producing APIs for both veterinary and human health. The Company's veterinary pharmaceutical raw materials are primarily utilised in the animal health business, while their APIs and intermediates cater to both veterinary and human health sectors.

Established in 1981 by Mr Narayan Ganesh Lawande, NGL sells a wide range of products that cater to farm animals, and today, the Company's market reach spans over 50 countries. With a focus on providing exceptional quality and value-added goods, the Company has established a strong presence in Latin America, Asia, and Europe.

Approximately 65% of the global animal APIs and intermediates market is aimed at the livestock industry, which is also the primary target of NGL's product line. The Company emphasises cost-effectiveness, while maintaining the highest level of product quality. With solid client ties to over 400 customers in more than 45 countries, NGL has become a well-known player in the industry.

Looking towards the future, NGL's long-term strategic goal is to become a global leader in the animal health APIs market. To achieve this, the Company will continue to expand the business' product line and reach new markets across the globe.

PRODUCT-WISE PERFORMANCE

The veterinary API sector is a crucial contributor to NGL's revenue stream. With 26 APIs in production, this division produces compounds utilised in various treatment categories, including ecto and endo parasiticides, anthelmintics and growth nutrients.

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

Moreover, NGL is also actively involved in producing three APIs that are specifically designed for human health. These APIs are utilised in the treatment of common ailments, such as diarrhea, angina and malaria. The Company is dedicated to delivering high-quality APIs that meet its customers' needs, whether in the veterinary or human health sectors.

During FY 2022-23 NGL added four new products to the portfolio, while the fifth one is still under development.

FINANCIAL PERFORMANCE

In FY 2022-23, the Company's total revenue decreased by 13.7% as compared to the previous year. Total sales revenue in FY 2022-23 was ₹ 275.06 Crores as against ₹ 318.66 Crores in FY 2021-22, EBITDA stood at ₹ 35.70 Crore. PAT stood at ₹ 20.12 Crore for FY 2022-23 as compared to ₹ 78.21 Crore and ₹ 52.24 Crores for FY 2021-22. The R&D cost of the Company expanded in the current financial year by ₹ 0.17 Crore, while the EPS decreased by 61.5%, reaching ₹ 32.56 per equity share.

(₹ in Crores)

Particulars	FY 2022-23	FY 2021-22
Revenue	275.05	318.66
R&D Expense	2.61	2.44
Earnings Before Interest, Tax and Depreciation & Amortisation	35.70	78.20
Profit Before Tax	26.60	68.98
Profit After Tax	20.88	52.24
Total Assets	288.11	205.80
EPS (In ₹)	32.56	89.79

Name of Metric	FY 2022-23	FY 2021-22	% Change Increase (Decrease)	Explanation in Case Change is 25% or More, As Compared To The Previous Year
Inventory Turnover	6.02	5.44	10.66%	
Current Ratio	2.81	2.69	4.46%	
Debt Equity Ratio	0.14	0.15	6.67%	
Debtors' Turnover	4.15	6.13	32.3%	Higher credit provided to debtors resulted in lower turn of receivables
Operating Profit Margin	12.54%	24.54%	48.9%	Due to higher operating costs, the margins for the year have decreased
Net Profit Margin	7.31%	16.39%	55.4%	Due to higher operating costs, the margins for the year have decreased
Return on Net Worth	10.72%	29.57%	63.75%	Due to higher operating costs, the margins for the year have decreased
Interest Coverage Ratio	30.00	50.12	58.85%	Due to higher operating costs, the margins for the year have decreased

MANUFACTURING CAPACITY

NGL prides itself on having state-of-the-art facilities that enable it to offer a wide variety of high-quality products. The Company's production facilities, located at Navi Mumbai and Tarapur in Maharashtra, which have a total production capacity of 600 tonnes of APIs. The Company's factories span 10,800 m² and are equipped with 194 m³ stainless-steel reactors, 12 m³ gas-induction reactors, and 102 m³ glass-lined reactors.

Throughout the year, leading up to 31st March, 2023, the Company maintained an average capacity utilisation rate of 75-80%. As the Company continues to grow, it plans to invest approximately ₹ 150 Crores in capital expenditures over the next three years.

Greenfield:

- Undertook 50% capacity expansion with sufficient capacity to meet demand for new products in the pipeline
- Estimated Capex of ₹ 140 Crores to be funded through debt and internal accrual
- Civil construction is being implemented and the facility is expected to commercialise in FY 2024-25

Brownfield:

- Completed ₹ 26 Crores expansion in subsidiary Macrotech
- Brought in additional capacities of intermediates
- Started commercial production



MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

RISK MANAGEMENT

NGL has implemented an effective risk management system to identify, evaluate, and manage risks that may

impact its business. The Company's internal control systems are also designed to help identify and mitigate risks, thereby protecting NGL's assets and ensuring the business's financial records' accuracy and completeness.

Risk	Impact	Mitigation
Competition Risk	A rise in competition poses a risk to NGL's market share, profit profile, and return on capital employed. This risk could arise from the entry of new players in the market, aggressive pricing strategies by competitors, or technological advancements that give competitors a competitive edge.	<ul style="list-style-type: none"> The Company has established a strong brand image and has built long-standing client connections. This has helped in retaining strong market share and building customer loyalty. The Company has gained market share over the past fiscal year due to faster product delivery than competitors. This has been particularly important for consumers who prioritised expediency. The Company continuously invests in R&D to develop new products, enhance product quality, and improve production efficiency.
Environmental Regulations and Compliance Risk	This risk arises from the possibility of non-compliance with environmental regulations, which may result in fines, penalties, or plant shutdowns causing disruptions to operations.	<ul style="list-style-type: none"> The Company takes several steps to mitigate this risk, including modernising its facilities to comply with environmental regulations, implementing zero-discharge facilities, and using environmental friendly fuels. The Company's Tarapur plant, which was temporarily shut down due to suspected violations, has now received conditional restart orders from the Maharashtra Pollution Control Board.
Foreign Currency Exchange Rate Risk	This risk arises from fluctuating foreign currency exchange rates, which may impact the Company's revenue and profitability.	<ul style="list-style-type: none"> The Company has established a foreign-exchange-hedge system to minimise this risk. It helps manage the impact of foreign currency exchange rate fluctuations on the Company's revenue and profitability.
Customer Concentration Risk	This risk arises from the potential loss of revenue and profitability due to a high dependence on a small number of customers.	<ul style="list-style-type: none"> The Company has a diverse customer base of approximately 400 customers, with no single customer accounting for more than 6% of revenue. Thereby, reducing the impact of customer concentration risk.
Product Quality Risk	This risk arises from the possibility of a decline in product quality, which could lead to the loss of customer trust and revenue.	<ul style="list-style-type: none"> The Company has a strict quality control system to ensure its products' high quality. The Company has never experienced a product fault in the last decade, despite using contract manufacturers for 15% of its overall output.
Raw Material Supply Risk	This risk arises from the dependence on a single or few suppliers for raw materials, which may lead to supply disruptions and impact production.	<ul style="list-style-type: none"> The Company seeks to diversify its supply base by looking for additional suppliers. China supplies approximately 22% of the Company's total raw materials.
Product Concentration Risk	This risk arises from the dependence on a single or few products for a significant portion of the Company's revenue.	<ul style="list-style-type: none"> The Company plans to introduce two to four new product lines per year in the animal health area to diversify its product portfolio and reduce its dependence on veterinary APIs, accounting for over 80% of the Company's total income currently.
Climate Risk	This risk refers to the potential adverse impacts on the Company's business activities, including its assets, operations, and financial condition due to climate change-related events, such as natural disasters, changes in weather patterns, and regulatory actions aimed at reducing greenhouse gas emissions.	<ul style="list-style-type: none"> The Company regularly conducts climate risk assessments to identify potential risks and opportunities related to climate change and takes appropriate actions to mitigate these risks. The Company has set a target to reduce its carbon footprint by 30% by 2030. NGL also has put in place measures to track and report on its progress towards this goal.

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

INTERNAL CONTROL SYSTEM

NGL places a high priority on adhering to local regulatory standards for the orderly and efficient business conduct. The Company has established internal control systems. These help track and report day-to-day activities, including asset protection, detection and prevention of frauds and mistakes, accounting record sufficiency and completeness, and timely preparation of trustworthy financial information.

Regulatory Compliance

NGL is committed to complying with numerous laws and regulations, and policy requirements. By following these regulations, NGL ensures that the business' operations lie within the legal framework and maintains ethical business practices. The Company's internal control systems are also used to monitor conformity to these requirements efficiently.

Internal Auditing

NGL's internal auditors confirm the effectiveness of the Company's internal checks and control systems. The internal audit team plays a vital role in monitoring and regulating the Company's day-to-day activities to ensure compliance with regulatory standards. The team also provides recommendations for improving and enhancing certain areas of the Company's internal control systems.

HUMAN RESOURCE

At NGL, the Company emphasises on building a strong work culture, prioritising performance, role clarity, cooperation and mutual respect. In line with this objective, it invests in its people and procedures, making each employee feel valued.

Training and Development Programmes

To nurture a motivated and skilled workforce, NGL has been offering regular training and development programmes. The

Company believes that investing in the development of its employees is crucial to keeping up with industry trends and technological advancements. Therefore, it ensures that its employees are well-equipped to tackle evolving business needs.

Recognition Programmes

NGL also recognises and rewards excellent performance to encourage and motivate employees. It has a range of recognition programmes to acknowledge outstanding contributions by its employees. These programmes help foster a culture of excellence and drive performance, ultimately benefitting the Company and customers.

Health and Safety Measures

NGL prioritises the safety, security, and health of its employees. It has stringent health and safety protocols in place to ensure a safe working environment for all employees. Its operations lie within compliance with all applicable laws and regulations related to occupational health and safety, while it also regularly reviews and updates policies to ensure continuous improvement.

As of 31st March, 2023, NGL's employee strength stood at 343.

CAUTIONARY STATEMENT

Estimates and expectations stated in this Management Discussion and Analysis may be 'forward-looking' within the meaning of applicable securities, laws and regulations.

Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations, include economic conditions in the Government regulations, tax laws, other statutes and other incidental factors.



FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To,
The Members,

NGL FINE-CHEM LIMITED

REPORT ON THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying standalone financial statements of **M/S. NGL FINE-CHEM LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Key Audit Report	How was the matter addressed in our audit
<p>Revenue Recognition</p> <p>Revenue is recognized upon transfer of control of promised goods to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those goods. Revenue is measured based on transaction price, which is the consideration, adjusted for rebates, discounts and incentives as also estimated sales returns.</p> <p>Revenue is one of the key profit drivers and therefore, accounting of revenue is considered as a key audit matter. [Refer Note 2.07 to the financial statements]</p>	<p>Our audit procedures, among other things, included the following:</p> <ul style="list-style-type: none"> • Considered the appropriateness of the Company's accounting policies regarding revenue recognition • Testing controls, automated and manual, around dispatches/deliveries/shipments inventory reconciliations and process of confirmation of receivable balances, testing for cut-offs and analytical review procedures. • Assessed the disclosures in accordance with the requirements of Ind AS 115 on "Revenue from Contracts with Customers".
<p>Valuation of inventories</p> <p>The Company has complex product manufacturing process and thus, the overhead absorption over each process is quite complex and more particularly, to have the basis of absorption. The Company has worked out the overhead absorption cost rate based on the consumption of electricity of each process and apply the same for all other overheads.</p> <p>Due to significance of arriving at the overhead absorption rate for the valuation of inventories, it is considered to be a key audit matter. [Refer Note 2.06 to the financial statements]</p>	<p>Our audit procedures, among other things, included the following.</p> <ul style="list-style-type: none"> • Evaluated the appropriateness of the basis applied to arrive at the overhead absorption rate; • Examined the workings of the absorption of over heads to arrive at the cost of inventories. • Our audit methodology involves process adopted to ascertain and evaluate the methods used are reasonable and absorbs overheads in an appropriate & logical manner. • Assessed the disclosures in accordance with the requirements of Ind AS 2 on "Inventories".



INDEPENDENT AUDITOR'S REPORT (Contd.)

Key Audit Report	How was the matter addressed in our audit
<p>Allowance for Expected Credit Loss of Trade Receivables</p> <p>Provision for impairment by way of Allowance for Expected Credit Loss (ECL) of Trade Receivables require –</p> <ul style="list-style-type: none"> • the appropriateness of accounting policies for determination of Allowance for ECL; • operational procedures and systems of internal control in estimation of ECL. • estimation of expected losses and appropriate assumptions and significant judgments on the recoverability of receivables; • the completeness, accuracy, relevance and reliability of historical information; • the Company's overall review of the estimate; and • the clarity and reasonableness of related ECL disclosures. <p>In view of the determination of the basis and quantum of Allowance of ECL, it is a significant item in the financial statements and hence, considered to be a key audit matter.</p> <p>[Refer Note 2.15 to the standalone financial statements]</p>	<p>Our audit procedures included, among others, the following :</p> <ul style="list-style-type: none"> • Obtained sufficient and appropriate audit evidence about whether policies, operational procedures, internal control systems and other relative assumptions for estimation and determination of Allowance for ECL are reasonable. • Objectively evaluated the estimates made in the broader context of the financial statements as a whole; • Assessed the estimates and assumptions adopted by the Company in determining the need to recognize a provision and, where applicable, its amount; • Evaluated the completeness of disclosures in respect of Allowance for Expected Credit Loss.

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

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

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

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

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

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity

of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015 as amended, and other accounting principles generally accepted in India.

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud

INDEPENDENT AUDITOR'S REPORT (Contd.)

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.



INDEPENDENT AUDITOR'S REPORT (Contd.)

e) On the basis of the written representations received from the directors as on March 31st, 2023 taken on record by the Board of Directors, none of the directors are disqualified as on March 31st, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

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

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

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

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

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

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

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

(iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including

foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

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

(v) As stated in Note 55 to the standalone financial statements

(a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

(b) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

INDEPENDENT AUDITOR'S REPORT (Contd.)

(vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

SHAILESH MANEK

Partner

Membership number: 034925

UDIN: 23034925BGXJNK1023

Mumbai

Dated: 15th May, 2023



ANNEXURE - A TO THE AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of **M/S. NGL FINE-CHEM LIMITED** ("the Company") as of 31st March, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

SHAILESH MANEK
Partner

Mumbai
Dated: 15th May, 2023

Membership number: 034925
UDIN: 23034925BGXJNK1023

ANNEXURE - B TO THE AUDITORS' REPORT

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2023, we report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and relevant details of right-of-use assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a regular programme of physical verification of its property, plant and equipment by which property, plant and equipment are verified in a phased manner over three years. In accordance with this programme, certain property, plant and equipment were verified during the year and the material discrepancies which were noticed have been properly dealt with in the books of account. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (d) The company has not revalued its property, plant and equipment (including right of use assets) and intangible assets during the year.
- (e) In our opinion and according to the information and explanations given to us, no proceedings

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

Particulars	Loans
Aggregate amount granted/ provided during the year :-	
Wholly owned subsidiary	₹ 3.7276
Balance outstanding as at balance sheet date in respect of above	
Wholly owned subsidiary	₹ 2,945.14 (Principal: ₹ 2,486.20 and Interest ₹ 458.93)

- (a) (B) The Company has not granted any unsecured loans or provide advances in the nature of loans or stood guarantee, or provide security to parties other than its subsidiary.
- (b) In our opinion, the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company's interest

has been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder and therefore provision of clause 3(i)(e) of the order are not applicable to the company.

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

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

- (b) The company has availed working capital limits in excess of five crore rupees during the financial year, in aggregate, from banks or financial institutions on the basis of security of current assets. The management has been regular in furnishing returns/statements of book debts and inventories which are primary securities for the purpose of the working capital loans. In our opinion, based on the representation made by the management in note no 51 to the standalone financial statements and based upon our verification of the quarterly returns/ statements of inventories and trade receivables with the books of accounts, we have observed that, the data submitted to the bank vary with the books of accounts by 1 to 3%, due to the complexities involved in the valuation procedure. However, the management has made revised submissions at the end of each quarter and thereon the data submitted to the banks are in agreement with books of accounts.

- (c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has not been stipulated.
- (d) Since the terms of repayment are not stipulated, there is no overdue amount of such loan and its interest.



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

(e) Since there are no over dues on the loans granted by the company during the year, reporting under paragraph 3(iii)(e) of the Order is not applicable to the Company

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

Particulars	All Parties	Promoters	Related Parties
Aggregate amount of loans Repayable on demand (A) – Agreement does not specify any terms or period of repayment (B)	Nil	Nil	₹ 2,945.14
Total (A+B)	Nil	Nil	₹ 2,945.14
Percentage of loans to the total loans	Nil	Nil	98.95%

(viii) In our opinion and according to the information and explanations given to us, there are no transactions that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) and hence the provision of clause 3 (viii) of the order is not applicable.

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

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

(c) During the year, the term loan raised were applied for the purposes for which those are raised.

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

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

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

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

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

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

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

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

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

(xiii) According to information and explanation given to us, all the transactions with related parties are in compliance with the provisions of sections 177 and 188 of Companies Act, 2013 where applicable. The details

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

of related party transactions have been disclosed in the Ind As financial statements, as required under the applicable Accounting Standards.

- (xiv) (a) In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date.
- (xv) During the financial year, the Company has not entered into any non-cash transactions with directors or persons connected with him and therefore, the provisions of clause 3(xv) of the Order are not applicable to the company.
- (xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii) In our opinion, the company has not incurred cash losses in the financial year and in the immediately preceding financial year
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly provisions of clause 3(xviii) of the Order is not applicable
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence

supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

- (xx) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- (b) There are no amounts that remains unspent under section (5) of section 135 of the Companies Act, pursuant to any ongoing project.
- (xxi) In our opinion, there have been no qualifications or adverse remarks by the auditor in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statement.

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

SHAILESH MANEK
Partner

Mumbai
Dated: 15th May, 2023

Membership number: 034925
UDIN: 23034925BGXJNK1023



STANDALONE BALANCE SHEET

AS AT 31ST MARCH, 2023

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	Notes	For the year ended 31st March, 2023	For the year ended 31st March, 2022
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	3	5,932.18	5,837.28
(b) Capital work-in-progress	3	2,631.22	630.97
(c) Other Intangible assets	4	16.68	30.44
(d) Financial assets			
(i) Investments	5	372.51	372.51
(ii) Loans	6	2,945.13	3,104.11
(iii) Others	7	858.68	676.89
(e) Other non-current assets	8	136.02	115.75
Total non-current assets		12,892.42	10,767.95
(2) Current assets			
(a) Inventories	9	2,696.13	5,512.31
(b) Financial assets			
(i) Investments	10	3,946.17	2,872.06
(ii) Trade receivables	11	6,518.28	6,489.89
(iii) Cash and cash equivalents	12	782.27	63.69
(iv) Bank balances other than (iii) above	13	512.51	10.05
(v) Others	14	475.91	799.43
(c) Other current assets	15	987.52	1,256.70
Total current assets		15,918.79	17,004.13
Total Assets		28,811.21	27,772.08
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	16	308.90	308.90
(b) Other equity			
(i) Reserves and surplus	17	22,243.13	20,347.57
Total Equity		22,552.03	20,656.47
(2) LIABILITIES			
(I) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	207.31	343.60
(b) Provisions	19	259.86	249.54
(c) Deferred tax liabilities	20	117.96	193.66
(d) Net employee defined benefit liabilities	21	9.09	16.55
Total non-current liabilities		594.22	803.35
(II) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	22	2,840.56	2,342.77
(ii) Trade payables	23	2,295.55	3,463.50
(iii) Other financial liabilities	24	367.24	443.78
(b) Provisions	19	67.38	58.71
(c) Current Tax Liabilities (Net)	25	94.15	3.27
(d) Other Current Liabilities	26	0.08	0.23
Total current liabilities		5,664.96	6,312.26
Total Liabilities		6,259.18	7,115.61
Total Equity and Liabilities		28,811.21	27,772.08

(The accompanying notes 1 to 57 are an integral part of the financial statements)

As per our report of even date attached

For and on behalf of the Board of Directors

For **Manek & Associates**

Chartered Accountants

Firm Registration Number: 126679W

Rahul Nachane

Managing Director

DIN: 00223346

Rajesh Lawande

Whole-Time Director & CFO

DIN: 00327301

Shailesh Manek

Partner

Membership Number: 034925

Pallavi Pednekar

Company Secretary

ACS : A33498

Place: Mumbai

Date: 15th May, 2023

Place: Mumbai

Date: 15th May, 2023

STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2023

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	Notes	For the year ended 31st March, 2023	For the year ended 31st March, 2022
INCOME			
Income from Operations	27	27,505.25	31,866.74
Other income	28	761.23	1,263.99
Total income		28,266.48	33,130.73
EXPENSES			
Cost of materials consumed	29	11,657.67	17,034.64
Changes in inventories of finished goods and work in progress	30	2,328.83	(2,203.14)
Employee benefits expense	31	3,425.47	3,305.04
Other expenses	32	7,284.93	7,173.32
Finance Cost	33	119.72	156.16
Depreciation expense	3	789.88	767.31
Total expenses		25,606.50	26,233.33
Profit before tax from continuing operations		2,659.98	6,897.40
Current tax	45	(720.00)	(1,715.00)
Less: MAT Credit		-	-
Current tax expense relating to prior years		(1.06)	-
Deferred tax		72.95	42.25
Income tax expense		(648.11)	(1,672.75)
Profit for the year from continuing operations		2,011.87	5,224.65
Other comprehensive income (OCI)			
Other comprehensive income not to be reclassified to profit and loss in subsequent periods:			
Profit/(Loss) on actuarial valuation of post employment benefits		(10.95)	(7.13)
Add/(Less): Income tax expense		2.76	1.79
Other comprehensive income for the year, net of tax		(8.19)	(5.34)
Total comprehensive income for the year		2,003.68	5,219.31
Earnings per equity share (for continuing operations)			
Basic (₹)		32.56	84.57
Diluted (₹)		32.56	84.57

(The accompanying notes 1 to 51 are an integral part of the financial statements)

As per our report of even date attached

For and on behalf of the Board of Directors

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

Rahul Nachane
Managing Director
DIN: 00223346

Rajesh Lawande
Whole-Time Director & CFO
DIN: 00327301

Shailesh Manek
Partner
Membership Number: 034925

Pallavi Pednekar
Company Secretary
ACS : A33498

Place: Mumbai
Date: 15th May, 2023

Place: Mumbai
Date: 15th May, 2023

STANDALONE STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

(2) Previous reporting period

(All amounts are in ₹ Lakhs unless stated otherwise)

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

(The accompanying notes 1 to 57 are an integral part of the financial statements)

As per our report of even date attached

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

Shailesh Manek
Partner
Membership Number: 034925
Place: Mumbai
Date: 15th May, 2023

For and on behalf of the Board of Directors

Rahul Nachane
Managing Director
DIN: 00223346

Pallavi Pednekar
Company Secretary
ACS : A33498
Place: Mumbai
Date: 15th May, 2023

Rajesh Lawande
Whole-Time Director & CFO
DIN: 00327301



STANDALONE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2023

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before extraordinary items and tax	2,659.98	6,897.41
Adjustments for:		
Depreciation and amortisation expense	789.88	767.31
Finance costs	119.72	156.16
Dividend income	(62.54)	(36.50)
Interest income	(248.12)	(218.58)
Other Comprehensive Income	(8.19)	(5.34)
Operating profit before working capital changes	3,250.73	7,560.46
Changes in working capital:		
Adjustments for (increase)/ decrease in operating assets:		
Inventories	2,816.18	(1,727.26)
Trade receivables	(28.39)	(2,734.15)
Other current financial assets	(1,253.04)	(198.87)
Other current assets	269.18	(136.62)
	1,803.93	(4,796.90)
Adjustments for increase/ (decrease) in operating liabilities:		
Trade payables	(1,167.95)	765.50
Other current financial liabilities	(76.54)	(168.22)
Other current provisions	8.67	(3.98)
Other current liabilities	90.74	(61.52)
Other non current liabilities	(83.17)	(47.00)
Other non-current provisions	10.32	6.30
	(1,217.93)	491.08
Cash generated from operations	3,836.73	3,254.64
Net income tax paid	(648.11)	(1,672.75)
Net cash flow from operating activities (A)	3,188.62	1,581.89
B. CASH FLOW FROM INVESTING ACTIVITIES		
Dividend income	62.54	36.50
Interest Income	248.12	218.58
Finance Cost	(119.72)	(156.16)
Non current Loans	158.98	(1,566.89)
Long term borrowings	(136.29)	(269.53)
Short term borrowings	497.79	1,859.60
Other non current financial assets	(181.79)	(256.89)
Other non-current assets	(20.27)	(56.33)
Purchases of property, plant and equipment	(2,911.10)	(1,485.55)
Disposal of property, plant and equipment	39.82	63.40
Net cash flow used in investing activities (B)	(2,361.92)	(1,613.27)

STANDALONE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
C. Cash flow from financing activities		
Issue of Share Capital	-	-
Dividend Paid	(108.12)	(108.12)
Net cash flow from/ (used in) financing activities (C)	(108.12)	(108.12)
Net increase/ (decrease) in Cash and cash equivalents (A+B+C)	718.58	(139.50)
Add: Cash and cash equivalents at the beginning of the year	63.69	203.20
Cash and cash equivalents at the end of the year *	782.27	63.70

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Cash and cash equivalents at the end of the year*		
*Comprises of:		
(a) Cash on hand	27.79	22.33
(b) Balances with banks	-	-
(i) In current accounts	754.48	41.37
	782.27	63.70

* Includes Unpaid Dividend of ₹ 12.66 Lakh (Previous year: ₹ 9.87 Lakh)
(The accompanying notes 1 to 57 are an integral part of the financial statements)

As per our report of even date attached

For and on behalf of the Board of Directors

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

Rahul Nachane
Managing Director
DIN: 00223346

Rajesh Lawande
Whole-Time Director & CFO
DIN: 00327301

Shailesh Manek
Partner
Membership Number: 034925
Place: Mumbai
Date: 15th May, 2023

Pallavi Pednekar
Company Secretary
ACS : A33498
Place: Mumbai
Date: 15th May, 2023



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

1. CORPORATE INFORMATION

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

2. SIGNIFICANT ACCOUNTING POLICIES

2.01 Basis of preparation

Financial statements for the year ended 31st March, 2023 are prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 together with comparative period data as at and for the year ended 31st March, 2022.

2.02 Functional currency and presentation currency

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

The financial statements are presented in Indian Rupees.

Transactions and balances

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

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

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

2.03 Use of estimates

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

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

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

2.04 Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when

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

The Company classifies all other liabilities as non-current.

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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

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

2.05 Fair value measurement

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

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

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

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

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

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

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

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

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

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

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

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

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

2.06 Inventories

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

2.07 Revenue recognition

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

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

Revenue from sale of goods

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



NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

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

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

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

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

Other income

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

2.08 Property, plant and equipment

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

equipment up to the period such property, plant and equipment is ready for use is capitalised and added to the cost of such items.

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

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

Subsequent cost

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

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

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

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

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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

2.09 Intangible assets

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

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

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

Asset Class	Estimated useful life (number of years)
Computers Software	3.00

Subsequent expenditure

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

Amortisation of intangible assets with finite useful lives:

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

2.10 Earning per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later

date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

2.11 Taxes

Current income tax

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

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

Deferred tax

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

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

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction affects neither the accounting profit nor taxable profit or loss.
- The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.



NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

- Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.
- Deferred tax relating to items recognised outside the statement of profit and loss is recognised in other comprehensive income. Deferred tax items are recognised in correlation to the underlying transaction in OCI.
- Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same tax authority.

2.12 Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing cost directly attributable to the cost of acquisition or construction of the fixed assets is capitalised as part of the cost of the assets, upto the date the asset is put to use. Other borrowing costs are charged to the Statement of Profit and Loss in the year in which they are incurred. Costs in connection with the borrowing of funds are charged to statement of profit and loss.

2.13 Provisions and contingent liabilities

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

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

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

2.14 Impairment of non-financial assets

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

2.15 Financial instruments

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

Financial asset

Initial recognition and measurement

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

Investment in subsidiaries are carried at cost less impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

Subsequent measurement

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

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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)**Financial assets at amortised cost**

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

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

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

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

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

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

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

De-recognition

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

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an

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

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

Impairment of financials assets

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

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

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

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

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



NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

Financial liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

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

Loans and borrowings

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

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

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

De-recognition

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

Embedded derivatives

Embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract - with the effect that some of the cash flows of the combined instrument vary in a way like a stand-alone derivative. Embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to

be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through the statement of profit and loss.

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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

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

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

Offsetting of financial instruments

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

2.16 Cash and cash equivalents

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

2.17 Employee benefits

i) Defined contribution plans (Provident Fund)

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

ii) Defined benefit plans (Gratuity)

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



NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

iii) **Compensated absences**

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilised accrued absence and utilise it in future periods or receive cash compensation at retirement or termination of employment for the unutilised accrued compensated absence. The Company recognises an obligation for compensated absences in the period in which the employee renders the services. The Company provides for the expected cost of compensated absence in the statement of profit and loss as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated based on actuarial valuations carried out by an independent actuary at the balance sheet date.

2.18 Segment reporting

The Company has presented data relating to its segments based on its consolidated financial statements which are presented in the same Integrated Annual Report. Accordingly in terms of paragraph 4 of the Indian Accounting Standard (Ind AS 108) "Operating Segments" no disclosures related to segments are presented in these standalone financial statements .

2.19 Leases

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

Company as a lessee

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

Operating lease payments are generally recognised as an expense in the profit or loss on a straight-line basis over the lease term. Where the rentals are structured

solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

Ind AS 116 Leases:

In March 2019, the Ministry of Corporate Affairs, issued the Companies (Indian Accounting Standards) Amendment Rules 2018, notifying Ind AS 116 "Leases" which replaces Ind AS 17 "Leases". The new standard shall require lessees to recognise the Leases on their Balance Sheet with limited exemptions related to low value asset and assets with a lease term of less than 12 months.

Lessees will use a single accounting model for all leases. Accordingly, the lessee is required to recognise "Right of Use" asset representing its right to use the underlying asset and a "Lease Liability" representing its obligations to make lease payments.

2.20 Government Grants

Government grants are initially recognised at fair value if there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant;

- In case of capital grants, the amount of grant received is set off against the value of the property, plant and equipment against which the grant has been given.
- In case of grants that compensate the Company for expenses incurred are recognised in Statement of Profit and Loss on a systematic basis in the periods in which the expenses are recognised.

Export benefits available under prevalent schemes are accrued in the year in which the goods are exported and there is no uncertainty in receiving the same.

2.22 Recent accounting pronouncements

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

Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after 1st April, 2023. The Company has evaluated the amendment and the impact of the

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

amendment is insignificant in the standalone financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after 1st April, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after 1st April, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statement.

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



3 PROPERTY, PLANT AND EQUIPMENT

(1) Current reporting period

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	GROSS BLOCK			DEPRECIATION/AMORTISATION			NET BLOCK		
	As on 01st April, 2022	Additions	Deductions	As at 31st March, 2023	For the year	Additions/ (-)Deductions	As at 31st March, 2023	As at 31st March, 2023	As on 01st April, 2022
Leasehold land	312.91	144.25	-	457.15	4.94	-	24.95	432.21	292.90
Buildings	1,991.05	33.48	-	2,024.53	70.70	-	392.89	1,631.64	1,668.86
Plant and Equipment	6,490.87	638.83	(66.55)	7,063.15	663.57	(28.23)	3,391.16	3,671.99	3,735.06
Furniture and Fixtures	50.11	5.03	-	55.14	3.90	-	33.18	21.96	20.84
Vehicles	206.47	80.40	(29.22)	257.65	24.18	(27.76)	102.23	155.42	100.65
Office Equipments	63.24	7.12	(0.98)	69.38	7.08	(0.93)	50.43	18.96	18.96
Total	9,114.65	909.11	(96.75)	9,927.00	774.37	(56.92)	3,994.84	5,932.18	5,837.27
Capital work-in-progress	630.97	2,010.16	(9.91)	2,631.22	-	-	-	2,631.22	630.97

(2) Previous reporting period

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	GROSS BLOCK			DEPRECIATION/AMORTISATION			NET BLOCK		
	As on 01st April, 2021	Additions	Deductions	As at 31st March, 2022	For the year	Additions/ (-)Deductions	As at 31st March, 2022	As at 31st March, 2022	As at 31st March, 2021
Leasehold land	312.91	-	-	312.91	3.31	-	20.00	292.90	296.21
Buildings	1,989.93	36.93	(35.82)	1,991.05	80.26	(35.20)	322.19	1,668.86	1,712.81
Plant and Equipment	5,846.32	816.75	(172.21)	6,490.87	637.60	(109.44)	2,755.81	3,735.06	3,618.67
Furniture and Fixtures	42.49	7.62	-	50.11	5.08	-	29.27	20.84	18.30
Vehicles	142.28	64.19	-	206.47	18.17	-	105.82	100.65	54.63
Office Equipments	54.68	8.56	-	63.24	6.87	-	44.27	18.96	17.28
Total	8,388.61	934.05	(208.03)	9,114.65	751.29	(144.64)	3,277.36	5,837.27	5,717.90
Capital work-in-progress	90.97	604.48	(64.47)	630.97	-	-	-	630.97	90.97

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)**Capital-work-in progress ageing schedule:****(1) Current reporting period**

(All amounts are in ₹ Lakhs unless stated otherwise)

CWIP	Amount in CWIP for a period of				Total
	< 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2,000.25	630.97	-	-	2,631.22
Projects temporarily suspended	-	-	-	-	-

(2) Previous reporting period

(All amounts are in ₹ Lakhs unless stated otherwise)

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

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



4 INTANGIBLE ASSETS

(1) Current reporting period

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	GROSS BLOCK			DEPRECIATION/AMORTISATION			NET BLOCK		
	As on 01st April, 2021	Additions	Deductions	As at 31st March, 2023	For the year	Additions/ (-)Deductions	As at 31st March, 2023	As at 31st March, 2023	As on 01st April, 2021
Computer Software	97.77	1.74	-	99.50	15.50	-	82.82	16.68	30.44
Goodwill	-	-	-	-	-	-	-	-	-
Total	97.77	1.74	-	99.50	15.50	-	82.82	16.68	30.44

(2) Previous reporting period

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	GROSS BLOCK			DEPRECIATION/AMORTISATION			NET BLOCK		
	As on 01st April, 2020	Additions	Deductions	As at 31st March, 2021	For the year	Additions/ (-)Deductions	As at 31st March, 2021	As at 31st March, 2021	As at 31st March, 2020
Computer Software	86.27	11.49	-	97.77	16.02	-	67.33	30.44	34.96
Goodwill	-	-	-	-	-	-	-	-	-
Total	86.27	11.49	-	97.77	16.02	-	67.33	30.44	34.96

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

Intangible assets under development aging schedule:

(1) Current reporting period

(All amounts are in ₹ Lakhs unless stated otherwise)

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

(2) Previous reporting period

(All amounts are in ₹ Lakhs unless stated otherwise)

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

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

5. NON CURRENT FINANCIAL ASSETS - INVESTMENTS

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Investment in fully paid equity shares of Macrotech Polychem Private Limited- wholly owned subsidiary (unquoted)	372.51	372.51
Total	372.51	372.51

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

6. NON CURRENT FINANCIAL ASSETS - LOANS

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Loan to Macrotech Polychem Private Limited- wholly owned subsidiary	2,945.13	3,104.11
Total	2,945.13	3,104.11

7. OTHER NON CURRENT FINANCIAL ASSETS

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Others		
Fixed deposit with bank	438.68	256.89
Earnest money deposit	420.00	420.00
Total	858.68	676.89



NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

8. OTHER NON CURRENT ASSETS

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Capital advances	136.02	115.75
Total	136.02	115.75

9. OTHER NON CURRENT ASSETS

(At cost or realisable value whichever is lower)

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Raw materials	1,078.59	1,557.33
Work-in-progress	1,114.47	2,652.55
Finished goods	472.32	1,263.08
Fuel & Oil	7.77	7.29
Consumables	15.08	22.10
Packing Materials	7.90	9.95
Total	2,696.13	5,512.30

10. CURRENT INVESTMENTS

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	For the year ended 31st March, 2023		For the year ended 31st March, 2022	
	No. of units	Amount	No. of units	Amount
Investments in Equity Instruments				
Quoted				
Tata Consultancy Services Limited.	1,168	37.44	1,168	43.67
Investment in mutual funds				
Investment in mutual funds				
Quoted				
ABSL Arbitrage Fund Gr. - Direct	13,84,467	332.83	-	-
ABSL CRISIL IBX AAA	14,83,151	156.20	-	-
ABSL Floating Rate Fund-WIDCW-Direct	2,16,724	217.61	-	-
ABSL Income Fund	2,10,232	238.18	2,10,232	230.17
ABSL Midcap Fund	-	-	19,962	99.63
ABSL Multicap Fund	-	-	2,59,987	31.72
ABSL Short Term Fund	19,57,166	837.03	19,57,166	793.42
ABSL Small Cap Fund	-	-	88,818	50.29
ABSL Arbitrage Fund	-	-	13,84,467	315.02
ABSL Floating Rate Fund	-	-	2,05,653	207.16
ABSL Flexi Cap Fund (G)	-	-	7,368	91.03
ABSL Flexi Cap Fund	-	-	2,00,297	351.56
ABSL Balanced Advantage Fund	-	-	1,57,957	114.27
AXIS Bluechip Fund	50,703	7.65	1,73,114	31.25
AXIS Balanced Advantage Fund	-	-	8,07,073	113.72
HDFC Balanced Advantage Fund - IDCW Plan	2,72,157	79.64	1,09,104	31.36
HDFC Index Fund - NIFTY	14,759	23.80	14,759	23.77
HDFC MID-CAP Opportunities Fund Growth	21,789	21.73	21,788	19.78
HDFC MID-CAP Opportunities Fund IDCW	2,22,744	74.79	87,745	29.60

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	For the year ended 31st March, 2023		For the year ended 31st March, 2022	
	No. of units	Amount	No. of units	Amount
HDFC Multi Cap Fund regular Growth	12,80,315	137.85	-	-
HSBC Balanced Advantage Fund	2,22,703	69.97	-	-
ICICI Prudential Smallcap Fund	2,64,562	139.24	-	-
ICICI Prudential Technology Fund	1,17,384	154.97	-	-
IDFC Mutual Fund - G Sec Fund	9,37,943	101.91	-	-
Kotak Bluechip Fund - Growth	30,156	112.01	-	-
Kotak Equity Arbitrage Fund- Dividend	9,28,924	99.75	-	-
Kotak Equity Arbitrage Fund-Growth	3,20,011	101.81	-	-
Kotak Equity Opportunities Fund	2,31,861	82.24	94,215	32.24
Kotak Emerging Equity Scheme	-	-	1,46,862	104.86
Kotak NASDAQ 100 FOF	8,36,592	90.52	-	-
Mirae Asset Hybrid-Equity Fund	-	-	4,85,111	105.75
Mirae Asset Hybrid Equity Fund Regular IDCW	-	-	1,95,080	29.57
Mirae Asset Midcap Fund regular Growth	7,61,443	155.27	-	-
Motilal Oswal S&P 500 Index Fund	6,60,037	98.62	-	-
Navi Nifty Bank Index Fund regular Growth	15,64,102	162.79	-	-
Nippon India Balanced Advantage Fund-Growth	55,881	69.96	-	-
SBI Arbitrage Opportunities Fund - Dividend	6,71,567	101.58	-	-
SBI Arbitrage Opportunities Fund - Growth	3,53,993	101.82	-	-
SBI Bluechip Fund	-	-	36,972	22.24
SBI Focused Equity Fund regular Growth	63,822	138.96	-	-
Total		3,946.17		2,872.08

Details of quoted investments

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Book Value	3,729.86	2,550.18
Market Value	3,946.17	2,872.06

11. TRADE RECEIVABLES

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Unsecured considered good	6,535.32	6,506.70
Unsecured considered doubtful	-	-
	6,535.32	6,506.70
Less: Allowance for doubtful debts	(17.04)	(16.81)
Total Receivables	6,518.28	6,489.89
Current	6,518.28	6,489.89
Non-current	-	-



NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

Outstanding for following periods from due date of payment

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
Year ended 31st March, 2023	₹	₹	₹	₹	₹	₹
i) Undisputed Trade receivables – considered good	6,535.32	-	-	-	-	6,535.32
ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-
iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
	6,535.32	-	-	-	-	6,535.32
Less: Allowance for doubtful debts						(17.04)
Net Trade Receivables						6,518.28
Year ended 31st March, 2021						
i) Undisputed Trade receivables – considered good	6,506.70	-	-	-	-	6,506.70
ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-
iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
	6,506.70	-	-	-	-	6,506.70
Less: Allowance for doubtful debts						(16.81)
Net Trade Receivables						6,489.89

12. CASH AND CASH EQUIVALENTS

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Cash and cash equivalents		
- Cash on hand	27.79	22.33
- Balances with banks	754.48	41.36
Total	782.27	63.69

13. BANK BALANCES OTHER THAN ABOVE

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Fixed deposits with bank	512.51	10.05
Total	512.51	10.05

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

14. OTHER CURRENT FINANCIAL ASSETS

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Unsecured, considered good		
Advance to vendors	50.95	361.53
Security deposits	314.99	272.69
Interest accrued on FDR	22.88	34.53
Advances to employees	31.04	34.52
Advance Income Tax (net)	25.00	-
Others	31.05	96.17
Total	475.91	799.44

15. OTHER CURRENT ASSETS

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Prepaid expenses	163.56	132.18
Balance with government authorities	823.95	1,115.12
Unrealised Gains on Forex Derivative	-	9.40
Total	987.51	1,256.70

16. SHARE CAPITAL

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	For the year ended 31st March, 2023		For the year ended 31st March, 2022	
	Number	Amount	Number	Amount
Authorised share capital				
At the beginning of the year	1,00,00,000	500.00	1,00,00,000	500.00
Increase/ (decrease) during the year	-	-	-	-
At the end of the year	1,00,00,000	500.00	1,00,00,000	500.00
Issued share capital				
At the beginning of the year	61,78,024	308.90	61,78,024	308.90
Increase/ (decrease) during the year	-	-	-	-
At the end of the year	61,78,024	308.90	61,78,024	308.90

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



NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

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

Name of the shareholder	For the year ended 31st March, 2023			For the year ended 31st March, 2022		
	Number	% Holding	% Change during the year	Number	% Holding	% Change during the year
Rajesh N Lawande	13,52,366	21.89%	-	13,52,366	21.89%	-
Rahul J Nachane	10,83,450	17.54%	-	10,83,450	17.54%	-
Sunita Sandip Potdar	8,75,848	14.18%	(0.28)%	8,92,957	14.45%	-
Ajita Rahul Nachane	7,13,449	11.55%	-	7,13,449	11.55%	-
PCI Fermone Chemicals (I) Private Limited.	5,17,871	8.38%	-	5,17,871	8.38%	-

c) Details of Shareholding of Promoter :

Name of the shareholder	For the year ended 31st March, 2023			For the year ended 31st March, 2022		
	Number	% Holding	% Change during the year	Number	% Holding	% Change during the year
Rahul J Nachane	10,83,450	17.54%	-	10,83,450	17.54%	-
Rajesh N Lawande	13,52,366	21.89%	-	13,52,366	21.89%	-

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

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	For the year ended 31st March, 2023		For the year ended 31st March, 2022	
	Number	Amount	Number	Amount
Outstanding at the beginning of the year	61,78,024	308.90	61,78,024	308.90
Issued during the year	-	-	-	-
Outstanding at the end of the year	61,78,024	308.90	61,78,024	308.90

17. RESERVES AND SURPLUS

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Capital reserve		
Balance at the beginning of the year	150.00	150.00
Add: Additions during the year	-	-
Balance at the end of the year	150.00	150.00
Securities premium		
Balance at the beginning of the year	11.74	11.74
Add: Additions during the year	-	-
Balance at the end of the year	11.74	11.74
General reserve		
Balance at the beginning of the year	59.29	59.29
Add: Additions during the year	-	-
Balance at the end of the year	59.29	59.29
Retained earnings		
Opening Balance	20,126.55	15,015.34
Add: Profit for the year	2,003.68	5,219.33
Less: Appropriations		
Dividend on Equity Shares (₹ 1.75/- Per Share)	-108.12	-108.12
Closing Balance	22,022.11	20,126.55
Total	22,243.14	20,347.58

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

18. NON CURRENT BORROWINGS

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Secured		
Term loans from banks:		
Term Loans from HDFC Bank	131.34	312.12
Vehicle Loan from HDFC Bank	75.97	31.49
Total	207.31	343.61

Terms and conditions of loans

Interest on term loan from HDFC Bank is @ 9.4% p.a. (Previous Year: @ 8.1% p.a.) and repayment to be made in 60 monthly instalments, secured by exclusive mortgage & charge on all of the Companys assets including moveable & immovable property, hypothecation of inventories and book debts and personally guaranteed by Mr. Rahul Nachane, Managing Director and Mr Rajesh Lawande, Executive Director.

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

19. PROVISIONS

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Non-current		
Leave Encashment	158.59	165.65
Gratuity	101.27	83.89
	259.86	249.54
Current		
Leave Encashment	21.43	17.38
Gratuity	33.30	31.46
Others	12.65	9.87
	67.38	58.71
Total	327.24	308.25

20. DEFERRED TAX LIABILITIES (NET)

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Opening balance as at April 1	193.66	237.70
Tax (Income)/Expense during the period recognised in:		
(i) Statement of Profit and Loss in Profit or Loss section	(72.95)	(42.25)
(ii) Statement of Profit and Loss under OCI Section	(2.76)	(1.79)
(iii) Retained earnings		
Closing balance	117.95	193.66



NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

21. OTHER NON CURRENT LIABILITIES

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Lease equalisation reserve	9.09	16.55
Total	9.09	16.55

22. CURRENT BORROWINGS

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Secured		
From banks for working capital	2,840.56	2,342.77
Total	2,840.56	2,342.77

- (a) Working capital loans are personally guaranteed by Mr Rahul Nachane, Managing Director and Mr. Rajesh Lawande, Executive Director
- (b) Working capital loans comprise of loans repayable on demand in the form of cash credit, pre shipment finance and post shipment finance. These are secured by hypothecation of inventories, trade receivables and book debts. Interest payable on these loans is MCLR + 0.75% p.a. (Previous Year: MCLR + 0.75% p.a.)

23. TRADE PAYABLES

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Current		
Trade payables		
Acceptances	288.18	355.97
Other than Acceptances	2,007.37	3,107.53
Total	2,295.55	3,463.50

Outstanding for following periods from due date of payment

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Year ended 31st March, 2023	₹	₹	₹	₹	₹
Trade payables					
i) MSME	519.15	-	-	-	519.15
ii) Others	1,776.41	-	-	-	1,776.41
iii) Disputed dues - MSME	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	-
	2,295.56	-	-	-	2,295.56
Year ended 31st March, 2022					
Trade payables					
i) MSME	939.97	-	-	-	939.97
ii) Others	2,523.52	-	-	-	2,523.52
iii) Disputed dues - MSME	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	-
	3,463.49	-	-	-	3,463.49

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

Notes

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Of the above,		
payables to Micro and Small Enterprises	519.15	939.97

This information as required to be disclosed under the Micro, Small & Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company. This information has been relied upon by the auditors.

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
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	-	-

Note: The Company has not received full information from all the Vendors regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to amounts unpaid as at the year end together with interest paid / payable under this Act has been given to the extent, the said information is available. The auditor has relied on the same.

24. OTHER FINANCIAL LIABILITIES

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Current		
Current Maturities of Long Term Debt (Refer note 18)	202.06	313.77
Payables for Capital Purchases	165.18	130.01
Total	367.24	443.78

25. CURRENT TAX LIABILITIES

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Provision for taxation (net of taxes paid)	94.15	3.27
Total	94.15	3.27

26. OTHER CURRENT LIABILITIES

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Interest payable	0.08	0.23
Total	0.08	0.23



NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

27. INCOME FROM OPERATIONS

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Sale of products	26,961.35	31,399.15
Trading Sales	101.57	-
Other operating Income	442.33	467.59
Total Income from operations	27,505.25	31,866.74

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

28. OTHER INCOME

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Interest income	248.12	218.58
Dividend income	-	-
- from current investments	62.54	36.50
Other non-operating income (net of expenses directly attributable to such income)	174.25	566.77
Gain on exchange fluctuations	276.32	442.15
Gain on exchange fluctuations	442.15	145.77
Total	761.23	1,264.00

29. COST OF MATERIALS CONSUMED

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Raw materials at the beginning of the year	1,557.33	2,044.33
Add: Purchases	11,178.93	16,547.64
Less: Raw material at the end of the year	(1,078.59)	(1,557.33)
Total cost of raw materials consumed	11,657.67	17,034.64

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

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Inventories at the beginning of the year:		
Finished goods	1,263.08	629.31
Work-in-progress	2,652.55	1,083.17
	3,915.63	1,712.48
Less: Inventories at the end of the year:		
Finished goods	472.32	1,263.08
Work-in-progress	1,114.47	2,652.55
	1,586.79	3,915.63
Total changes in inventories of finished goods and work-in-progress	2,328.84	(2,203.15)

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

31. EMPLOYEE BENEFITS EXPENSE

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Salaries and wages	3,237.60	3,128.17
Contribution to provident fund and other funds	119.78	108.09
Staff welfare expense	68.09	68.77
Total	3,425.47	3,305.03

Disclosure pursuant to Ind AS 19 - "Employee Benefits"

(i) Defined contribution plans: Note 2.17

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Contribution to provident fund	76.71	70.54

(ii) Defined benefit plans: Note 2.17

Gratuity Plan

(a) Funded status of the plan

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	As at 31st March, 2023	As at 31st March, 2022
A) Present value of defined benefit obligation		
- Wholly funded	283.02	263.97
- Wholly unfunded	-	-
	283.02	263.97
Less: Fair value of plan assets	(148.45)	(148.62)
Amount to be recognised as liability or (asset)	134.57	115.35
B) Amounts reflected in Balance Sheet		
Liabilities	134.57	115.35
Assets	-	-
Net liability/(asset)	134.57	115.35
Net liability/(asset) - current	33.30	31.46
Net liability/(asset) - non current	101.27	83.89

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

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	As at 31st March, 2023	As at 31st March, 2022
1. Current service cost	31.46	26.96
2. Past service cost and loss/(gain) on curtailments and settlements	-	-
3. Interest cost	6.92	5.79
Total charge to Profit & Loss	38.38	32.75

(c) The amount recognised in Other Comprehensive Income

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Components of actuarial gain/(losses) on obligations		
Due to change in financial assumptions	(13.05)	(14.53)
Due to change in demographic assumptions	-	-
Due to experience adjustments	20.42	21.99
Return on plan assets excluding amount included in interest income	3.59	-0.33
Amount recognised in Other Comprehensive Income	10.96	7.13



NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

(d) Reconciliation of defined benefit obligation

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	At at 31st March, 2023	At at 31st March, 2022
Opening defined benefit obligation	263.97	245.42
Transfer in/(out) obligation	-	-
Current service cost	31.46	26.96
Interest cost	17.33	14.52
Actuarial loss/(gain) due to change in financial assumptions	(13.05)	(14.53)
Actuarial loss/(gain) due to change in demographic assumptions	-	-
Actuarial loss/(gain) due to experience adjustments	20.42	21.99
Past service cost	-	-
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	(37.11)	(30.40)
Closing defined benefit obligation	283.02	263.96

(e) Reconciliation of plan assets

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	At at 31st March, 2023	At at 31st March, 2022
Opening value of plan assets	148.62	140.69
Transfer in/(out) of plan assets	-	-
Interest income	10.41	8.73
Return on plan assets excluding amount included in interest income	(3.59)	0.33
Assets distributed on settlements	-	-
Contributions by employer	30.12	29.26
Assets acquired in an amalgamation in the nature of purchase	-	-
Exchange differences on foreign plans	-	-
Benefits paid	(37.11)	(30.40)
Adjustment to the opening fund	-	-
Closing balance of plan assets	148.45	148.61

(f) Reconciliation of net defined benefit liability

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	At at 31st March, 2023	At at 31st March, 2022
Net opening provision in books of account	115.35	104.73
Transfer in/(out) obligation	-	-
Transfer in/(out) plan assets	-	-
Employee benefit expense (from (b) above)	38.39	32.76
Amounts recognised in other comprehensive income (from (c) above)	10.95	7.13
	164.69	144.62
Contribution to plan assets	(30.12)	(29.26)
Closing provision in books of accounts	134.57	115.36

(g) Composition of plan assets

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	At at 31st March, 2023	At at 31st March, 2022
Policy of insurance	100%	100%

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

(h) Principal actuarial assumptions

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	At at	
	31st March, 2023	31st March, 2022
Discount rate (p.a.)	6.95%	6.35%
Salary growth rate (p.a.)	6.00%	6.00%
Withdrawal rates	10% at younger ages reducing to 2% at older ages	10% at younger ages reducing to 2% at older ages
Rate of return on plan assets (p.a.)	6.26%	6.35%

(i) Expected cash flows based on past service liability

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	As at		As at	
	31st March, 2023		31st March, 2022	
	₹	%	₹	%
Year 1 Cash Flow	26.42	4.20%	29.24	5.30%
Year 2 Cash Flow	18.85	3.00%	22.51	4.10%
Year 3 Cash Flow	23.41	3.70%	15.83	2.90%
Year 4 Cash Flow	17.86	2.80%	19.69	3.60%
Year 5 Cash Flow	19.93	3.20%	14.81	2.70%
Year 6 to Year 10 Cash Flow	139.91	22.20%	133.77	24.30%

(j) Sensitivity analysis of key assumptions

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	As at		As at	
	31st March, 2023		31st March, 2022	
	DBO	Change in DBO %	DBO	Change in DBO %
Discount rate varied by 0.5%				
+ 0.5%	270.87	(4.29)%	252.80	(4.23)%
- 0.5%	296.07	4.61%	275.98	4.55%
Salary growth rate varied by 0.5%				
+ 0.5%	293.71	3.78%	273.95	3.78%
- 0.5%	272.56	(3.69)%	254.20	(3.70)%
Withdrawal rate (WR) varied by 10%				
WR x 110%	284.72	0.60%	265.04	0.41%
WR x 90%	280.86	(0.76)%	262.87	0.42%

(iii) Employee benefits (leave encashment)

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

Particulars	At at	
	31st March, 2023	31st March, 2022
Salaries - leave encashment	31.66	25.21



NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

32. OTHER EXPENSES

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Power and Fuel	1,525.77	1,446.64
Consumable Stores	171.34	280.28
Packing Materials	226.68	257.84
Processing Charges	1,495.17	1,567.54
Factory Expenses	476.42	366.54
Water Charges	19.02	34.45
Repairs to		
Plant & Machinery	643.01	667.85
Factory Buildings	134.15	84.35
Other Assets	4.95	15.03
Insurance	196.80	130.70
Laboratory Expenses	271.40	237.35
Payment to Auditors (See note below)	16.52	15.23
Postage & Telephone Expenses	35.49	29.76
Legal and Professional Fees	272.71	196.59
Bank Charges and Commission	63.04	35.06
Rent, Rates and Taxes	156.90	143.47
Printing & Stationery	38.50	36.19
Vehicle Expenses	27.32	25.59
Advertisement & Business Promotion	68.61	26.90
Commission on Sales	180.15	193.56
Travelling Expenses	131.25	57.56
Freight, Coolie & Cartage	521.01	867.37
Miscellaneous Expenses	608.72	457.47
Total	7,284.93	7,173.32

(a) Details about payment to auditors

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
(i) Payment to statutory auditors (net of GST input)		
As auditors - statutory audit & tax audit	9.50	9.25
As auditors - other services	3.00	2.25
sub total (i)	12.50	11.50
(ii) Payment to internal auditors and cost auditors (net of GST input)		
Internal Audit Fees	4.02	3.73
Cost Audit Fees	-	-
sub total (ii)	4.02	3.73
Total (i + ii)	16.52	15.23

33. FINANCE COSTS

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Interest expense on:		
-Long term borrowings	33.98	70.87
-Short term borrowings	85.74	85.29
Total	119.72	156.16

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

34. CONTINGENT LIABILITY

(All amounts are in ₹ Lakhs unless stated otherwise)

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

35. COMMITMENTS

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
(i) Estimated amount of contracts remaining to be executed on capital account and not provided		
Tangible assets	1,263.96	1,395.59
(ii) Other commitments (specify nature)		
Guarantees issued by banks on behalf of the Company	9.40	9.40
Letters of credit established for which goods are yet to be received	99.18	19.01

36. RELATED PARTIES DISCLOSURES

Disclosures as required by IND AS 24 - "Related Party Disclosures" are given below

- (a) Related Parties with whom transactions have taken place during the year
- Associates Companies/Firms in which Directors or their relatives are interested
Nupur Remedies Private Limited
 - Key management personnel and their relatives with whom the Company has transacted

Name	Designation	Relatives
Rahul Nachane	Managing Director	Ajita Nachane & Ahaan Nachane
Rajesh Lawande	Whole time Director & CFO	Ajita Nachane
Ajita Nachane	Non Independent Director	Rahul Nachane, Ahaan Nachane & Rajesh Lawande
Milind Shinde	Independent Director	--
Jayaram Sitaram	Independent Director	--
Kumarapuram V Subramanian	Independent Director	--
Sarala Menon	Women Independent Director	--
Ahaan Nachane	Vice President	Ajita Nachane & Rahul Nachane
Pallavi Pednekar	Company Secretary	--

- (iii) Subsidiaries of the Company

Name	% of Holding
Macrotech Polychem Private Limited	100%



NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

(b) Nature of transaction

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
	Amount (₹)	Amount (₹)
(i) Expenses		
Rent		
Nupur Remedies Private Limited	53.37	49.11
Rahul Nachane	34.92	33.25
Rajesh Lawande	34.92	33.25
Managerial Remuneration		
Rahul Nachane	85.66	85.66
Rajesh Lawande	84.22	84.22
Ahaan Nachane	36.38	25.18
Pallavi Pednekar	7.58	6.38
Commission on profits		
Rahul Nachane	74.22	181.27
Rajesh Lawande	74.22	181.27
Legal & Professional Fee		
Nupur Remedies Private Limited	66.00	66.00
Director's Sitting Fee		
Ajita Nachane	4.70	4.03
Milind Shinde	5.25	4.45
Jayaram Sitaram	4.40	4.23
Sarala Menon	3.50	1.20
Processing Charges		
Macrotech Polychem Private Limited	1,147.21	693.29
Purchase of Raw Material		
Macrotech Polychem Private Limited	92.13	52.81
(ii) Income		
Interest on Loan given		
Macrotech Polychem Private Limited	225.38	200.96
Sales		
Macrotech Polychem Private Limited	268.05	119.80
(iii) Deposits		
Nupur Remedies Private Limited	3.50	3.50
Rahul Nachane - Office Deposit	20.00	20.00
Rajesh Lawande - Office Deposit	20.00	20.00
(iv) Outstanding balances		
Nupur Remedies Private Limited (Trade Payable)	10.92	10.68
Macrotech Polychem Private Limited- Advance to Suppliers	-	-
Macrotech Polychem Private Limited- Loan given	2,945.14	3,104.11
Macrotech Polychem Private Limited- Debtors	51.23	96.20

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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

37. FAIR VALUES

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

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

Carrying amount of financial assets and liabilities:

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

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Financial assets		
Investments	3,946.17	2,872.06
Cash and cash equivalents	782.27	63.69
Bank balances other than above	512.51	10.05
Trade receivables	6,518.28	6,489.89
Other financial assets	475.91	799.43
At end of the year	12,235.14	10,236.12
Financial liabilities		
Borrowings	2,840.56	2,342.77
Trade payables	2,295.55	3,463.50
Other current financial liabilities	367.24	443.78
At end of the year	5,503.35	6,250.05

39. CREDIT RISK

Credit risk arises from the possibility that customers shall not be able to settle their obligations as agreed and arises principally from the Company's receivables from customers, loans and investments. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the 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 mitigates risk from non-performance of these securities by ensuring that it does not have any significant concentration of exposures to specific industry sectors or specific country risks.

Trade receivables

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



NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

Ageing of trade receivable

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	Days			Allowance for Doubtful Debts	Net Receivable
	0-180	180-365	Above 365		
As on 31st March, 2023	6,520.05	15.28	-	(17.04)	6,518.28
As on 31st March, 2022	6,506.70	-	-	(16.81)	6,489.89

40. MARKET RISK

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

41. FOREIGN CURRENCY RISK

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

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Currency	₹ Lakhs	Currency	₹ Lakhs
Payables				
Advances from customers	USD 2,100	1.73	USD 8,976	6.69
Trade Payables	USD 4,09,804	342.02	USD 5,48,739	422.03
Trade Payables	USD 9,180	8.37	USD 9,180	7.90
Receivables				
Trade Receivables	USD 63,28,357	5,171.22	USD 63,62,080	4,741.02
Advances to Suppliers	USD 0	0.00	USD 1,99,500	153.44

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

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Currency	₹ Lakhs	Currency	₹ Lakhs
Net foreign currency assets US\$				
	USD	4,827.48	USD	4,465.73
	59,16,453		58,04,365	
Impact on profit or loss: Income/(Expense)				
US\$ - Increase by 5%		241.37		223.29
US\$ - Decrease by 5%		(241.37)		(223.29)
Net foreign currency liabilities EUR				
	EUR 9,180	8.37	EUR 9,180	7.90
Impact on profit or loss: Income/(Expense)				
EUR - Increase by 5%		(0.42)		(0.40)
EUR - Decrease by 5%		0.42		0.40
Net Impact - increase by 5%		240.96		222.89
Net Impact - decrease by 5%		(240.96)		(222.89)

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

42. INTEREST RATE RISK

Company's interest rate risk arises from borrowings. The long term borrowings are at fixed interest rate while the short term borrowing are at floating interest rate. The interest rate profile of the Company's interest-bearing financial instruments is as follows:

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Fixed rate instruments		
Financial Assets	512.51	10.05
Financial liabilities	409.37	657.37
Variable rate instruments		
Financial Assets	3,946.17	2,872.06
Financial liabilities	2,840.56	2,342.77

Interest rate sensitivity

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

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Long term variable interest rate borrowings	-	-
Short term variable interest rate borrowings	2,840.56	2,342.77
	2,840.56	2,342.77

Cash flow sensitivity analysis for variable-rate instruments:

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

(All amounts are in ₹ Lakhs unless stated otherwise)

Year ended	Increase/ (decrease) in basis points	Effect on profit before tax increase/ (decrease)
31st March, 2023	100	(28.41)
	(100)	28.41
31st March, 2022	100	(23.43)
	(100)	23.43

43. LIQUIDITY RISK

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

The Company manages the liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The Company invests its surplus funds in bank fixed deposits and liquid & debt 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.



NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	On demand	Upto 1 year	1 to 5 years	More than 5 years	Total
	₹	₹	₹	₹	₹
Year ended 31st March, 2023					
Trade payables	-	2,295.55	-	-	2,295.55
Other financial liabilities	-	367.24	-	-	367.24
	-	2,662.79	-	-	2,662.79
Year ended 31st March, 2022					
Trade payables	-	3,463.50	-	-	3,463.50
Other financial liabilities	-	443.78	-	-	443.78
	-	3,907.28	-	-	3,907.28

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

44. CAPITAL MANAGEMENT

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

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

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	As at	As at
	31st March, 2023	31st March, 2022
Loans and borrowings	3,047.87	2,686.37
Trade payables	2,295.55	3,463.50
Other payables	528.86	505.99
Less: Cash and cash equivalents	(1,294.78)	(73.74)
Net debt (A)	4,577.50	6,582.12
Equity	22,552.04	20,656.47
Capital (B)	22,552.04	20,656.47
Capital gearing ratio (A/B)	0.20	0.32

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

45. INCOME TAX

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

Income statement

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	As at	As at
	31st March, 2023	31st March, 2022
Current income tax:		
Current income tax charge	(720.00)	(1,715.00)
Adjustments in respect of current income tax of previous year	(1.05)	-
Deferred tax:		
Relating to origination and reversal of temporary differences	72.95	42.25
Relating to origination and reversal of temporary differences through OCI	2.76	1.79
Income tax expense reported in the income statement	(645.34)	(1,670.96)

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

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

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	As at	
	31st March, 2022	31st March, 2021
Profit before tax	2,659.98	6,897.41
Income tax expense calculated at 25.17%	(669.52)	(1,736.08)
Effect of income that is exempt from taxation	-	-
Effect of expenses that are deductible in determining taxable profits	24.17	65.12
Total tax expense	(645.34)	(1,670.96)

The tax rate used for the reconciliations above is the corporate tax rate of 25.17% payable by corporate entities in India on taxable profits under tax law in the Indian jurisdiction.

46. ADDITIONAL INFORMATION

(a) Earnings per share (EPS)

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

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

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

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	As at	
	31st March, 2023	31st March, 2022
Profit for the year from continuing operations	2,011.87	5,224.65
Weighted average number of equity shares for basic EPS*	61,78,024	61,78,024
Weighted average number of equity shares adjusted for the effect of dilution*	61,78,024	61,78,024
Face value per share	5	5
Basic earning per share (₹)	32.56	84.57
Diluted earning per share (₹)	32.56	84.57

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

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	As at		As at	
	31st March, 2023		31st March, 2022	
(b) Value of imports calculated on CIF basis:				
Raw materials		2,761.59		3,021.20
Capital goods		48.00		55.62
Total		2,809.59		3,076.82
(c) Expenditure in foreign currency:				
Professional and consultation fees		-		-
Other matters		233.66		180.90
Total		233.66		180.90
(d) Details of consumption of imported and indigenous items				
(i) Raw materials Consumed				
Indigenous	73.2%	8,535.55	78.9%	13,436.90
Imported	26.8%	3,122.12	21.1%	3,597.74
Total	100.0%	11,657.67	100.0%	17,034.64
(ii) Stores and spares Consumed				
Indigenous	100.0%	171.34	100.0%	280.28
Imported	-	-	0.0%	-
Total	100.0%	171.34	100.0%	280.28
(e) Earnings in foreign exchange :				
Export of goods calculated on FOB basis		20,659.84		23,250.51
Other (Insurance & Freight)		285.32		516.98



NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	As at 31st March, 2023	As at 31st March, 2022
(f) Operating Lease		
The Company's significant leasing arrangements are in respect of office and laboratory in Mumbai and warehouses at Tarapur and Navi Mumbai. The leasing arrangements are usually renewed by consent on an agreeable basis. The aggregate lease rentals payable is charged as "Rent" under Other Expenses.		
Future minimum rentals (excluding taxes) payable under operating leases are as follows:		
Within one year	161.87	147.71
Later than one year but not later than five years	341.05	217.10
Later than five years	-	-
Rental expense relating to operating lease:		
Minimum lease payments	161.87	147.71
Total rental expense relating to operating lease	161.87	147.71

47. SEGMENTAL INFORMATION

The Company has presented data relating to its segments based on its consolidated financial statements, which are presented in the same Annual Report. Accordingly, in terms of paragraph 4 of the Indian Accounting Standard (Ind AS 108) "Operating Segments", no disclosures related to segments are presented in these standalone financial statements.

48. REMEASUREMENT OF SECURITY DEPOSIT

Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the Company has recorded these security deposits at fair value under Ind AS. Differences between the fair value and the transaction value of the security deposits have been recognised as prepaid rent.

49. CLASSIFICATION AND PRESENTATION OF ASSETS AND LIABILITIES

Under Ind AS, the Company is required to present its assets and liabilities bifurcated between financial assets/ financial liabilities and non-financial assets/ non-financial liabilities. Accordingly, the Company has classified and presented the assets and liabilities.

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

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

(1) Current reporting period

(All amounts are in ₹ Lakhs unless stated otherwise)

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoters	-	-
Directors	-	-
KMPs	-	-
Related Parties		
Macrotech Polychem Private Limited	2,945.14	99%

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

(2) Previous reporting period

(All amounts are in ₹ Lakhs unless stated otherwise)

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

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

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

(All amounts are in ₹ Lakhs unless stated otherwise)

MONTH	Stocks and Receivables submitted to Bank	Stocks and Receivables as per books	Difference	Difference %
April/22	11,343.56	11,343.56	-	0%
May/22	11,090.25	11,090.25	-	0%
June/22	10,082.12	10,082.12	-	0%
July/22	10,762.23	10,762.23	-	0%
August/22	9,993.46	9,993.46	-	0%
September/22	9,861.39	9,861.39	-	0%
October/22	10,250.23	10,250.23	-	0%
November/22	10,232.39	10,232.39	-	0%
December/22	9,739.36	9,739.36	-	0%
January/23	8,954.25	8,954.25	-	0%
February/23	9,980.89	9,980.89	-	0%
March/23	9,503.77	9,503.77	-	0%

Stock statements and trade receivable details as at the end of the month are submitted to the bank within seven days of close of the succeeding month. Monthly account finalisation takes place subsequently along with valuation of stocks. If there is any variation in the valuation, a revised statement of stocks and receivables is submitted to the bank.

52. RELATIONSHIP WITH STRUCK OFF COMPANIES

(All amounts are in ₹ Lakhs unless stated otherwise)

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



NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

53. RATIO ANALYSIS

Ratio	As at 31st March, 2023	As at 31st March, 2022	% of Variance	Numerator	Denominator	Remarks
Current Ratio	2.81	2.69	4.3%	Current Assets	Current Liabilities	Ratio has increased, indicating improved liquidity position.
Debt-Equity Ratio	0.14	0.15	(0.8)%	Current Borrowings + Non Current Borrowings	Total Equity	Slight reduction in ratio indicating lower borrowings
Debt Service Coverage Ratio	9.17	13.09	(30.0)%	Profit after Tax + Finance Costs + Depreciation + Loss on sale of FA	Finance Cost + Current Maturities of Long Term Debt	Ratio has decreased due to reduction in profits. However it still indicates strong debt servicing capability
Return on Equity Ratio	0.09	0.29	(67.7)%	Profit After Tax	Average Shareholder's Equity	Due to higher operating costs, the margins for the year have decreased
Inventory turnover ratio	6.02	5.44	10.5%	Cost of Goods Sold	Average Inventory	Large reduction in inventory levels has improved the ratio
Trade Receivables turnover ratio	4.15	6.13	(32.4)%	Sale of Products	Average Accounts Receivable	Higher credit provided to debtors has resulted in lower turn of receivables
Trade payables turnover ratio	8.58	8.22	4.4%	Cost of Goods Sold	Average Trade Payables	Lower credit is being availed from vendors
Net capital turnover ratio	2.63	2.94	(10.5)%	Sale of Products	Working Capital Gap	Capital turnover has decreased slightly
Net profit ratio	7.46%	16.64%	(55.2)%	Profit After Tax	Sale of Products	Due to higher operating costs, the margins for the year have decreased
Return on Capital employed	10.72%	29.57%	(63.7)%	Earnings before interest and tax	Total Equity + Total Debt + Deferred Tax Liabilities	Due to higher operating costs, the margins for the year have decreased
Return on investment	(38.53)%	673.46%	(105.7)%	Change in market value of equity share + Dividend	Market value of equity share as on Balance Sheet date	Return is negative as the share price in current year is lower than the share price at end of last year.

54. CORPORATE SOCIAL RESPONSIBILITY

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	As at 31st March, 2023
(a) amount required to be spent by the Company during the year	104.45
(b) amount of expenditure incurred	105.08
(c) excess amount spent at the end of the year	0.64
(d) total of previous years shortfall	(79.32)
(e) reason for shortfall	Current years excess expenditure of ₹ 0.64 will be carried forward. Unspent amount pertaining to earlier years was due to inability to identify suitable projects
(f) nature of CSR activities	Setting up science laboratories at school in Tarapur, restoration of water bodies in Kumbhavli, Boisar, education in rural areas, modernising an operation theatre in a charitable hospital, medical aid to needy, promotion of Indian art & culture
(g) details of related party transactions	NIL
(h) provision made with respect to a liability incurred by entering into a contractual obligation.	NIL

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)**55. SUBSEQUENT EVENTS**

- i) The final dividend on shares is recorded as a liability on the date of approval by the shareholders. Income tax consequences of dividends on financial instruments classified as equity will be recognised according to where the entity originally recognised those past transactions or events that generated distributable profits. The Company declares and pays dividends in Indian rupees. Companies are required to pay/distribute dividend after deducting applicable taxes. The remittance of dividends outside India is governed by Indian law on foreign exchange and is also subject to withholding tax at applicable rates. The Board of Directors have recommended a dividend of ₹ 1.75 per fully paid up equity share of ₹ 5 each aggregating to ₹ 108.12 Lakhs for the Financial Year 2022-23, which is based on relevant share capital as on 31st March, 2023.
- ii) The Company evaluated all events and transactions that occurred after 31st March, 2023 through 15st May, 2023; the date on which the financial statements are issued. Based on the evaluation, the Company is not aware of any events or transactions that would require recognition or disclosure in the financial statements other than that mentioned above.

56. Reporting under Rule 11 (e) (i) and Rule 11 (f) of the Companies (Audit and Auditors) Rules, 2014

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

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

(The accompanying notes 1 to 57 are an integral part of the financial statements)

As per our report of even date attached

For and on behalf of the Board of Directors

For **Manek & Associates**

Chartered Accountants

Firm Registration Number: 126679W

Rahul Nachane

Managing Director

DIN: 00223346

Rajesh Lawande

Whole-Time Director & CFO

DIN: 00327301

Shailesh Manek

Partner

Membership Number: 034925

Place: Mumbai

Date: 15th May, 2023

Pallavi Pednekar

Company Secretary

ACS : A33498

Place: Mumbai

Date: 15th May, 2023



INDEPENDENT AUDITOR'S REPORT

To,
The Members,

NGL FINE-CHEM LIMITED

REPORT ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated Ind AS financial statements of **M/S.NGL FINE-CHEM LIMITED** ("hereinafter referred to as the Holding Company") and its wholly owned subsidiary M/s. Macrotech Polychem Private Limited (Holding Company along with its subsidiary together referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2023, the consolidated statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of changes in Equity and the consolidated Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March

31, 2023, the consolidated profit and total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Key Audit Report	How was the matter addressed in our audit
<p>Revenue Recognition</p> <p>Revenue is recognized upon transfer of control of promised goods to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those goods. Revenue is measured based on transaction price, which is the consideration, adjusted for rebates, discounts and incentives as also estimated sales returns.</p> <p>Revenue is one of the key profit drivers and therefore, accounting of revenue is considered as a key audit matter. [Refer Note 2.08 to the consolidated financial statements]</p>	<p>Our audit procedures, among other things, included the following:</p> <ul style="list-style-type: none"> • Considered the appropriateness of the Group's accounting policies regarding revenue recognition • Testing controls, automated and manual, around dispatches/deliveries/shipments inventory reconciliations and process of confirmation of receivable balances, testing for cut-offs and analytical review procedures. • Assessed the disclosures in accordance with the requirements of Ind AS 115 on "Revenue from Contracts with Customers".
<p>Valuation of inventories</p> <p>The Group has complex product manufacturing process and thus, the overhead absorption over each process is quite complex and more particularly, to have the basis of absorption. The Group has worked out the overhead absorption cost rate based on the consumption of electricity of each process and apply the same for all other overheads.</p> <p>Due to significance of arriving at the overhead absorption rate for the valuation of inventories, it is considered to be a key audit matter. [Refer Note 2.07 to the consolidated financial statements]</p>	<p>Our audit procedures, among other things, included the following.</p> <ul style="list-style-type: none"> • Evaluated the appropriateness of the basis applied to arrive at the overhead absorption rate; • Examined the workings of the absorption of over heads to arrive at the cost of inventories. • Our audit methodology involves process adopted to ascertain and evaluate the methods used are reasonable and absorbs overheads in an appropriate & logical manner. • Assessed the disclosures in accordance with the requirements of Ind AS 2 on "Inventories".

INDEPENDENT AUDITOR'S REPORT (Contd.)

Key Audit Report	How was the matter addressed in our audit
<p>Allowance for Expected Credit Loss of Trade Receivables</p> <p>Provision for impairment by way of Allowance for Expected Credit Loss (ECL) of Trade Receivables require –</p> <ul style="list-style-type: none"> the appropriateness of accounting policies for determination of Allowance for ECL; operational procedures and systems of internal control in estimation of ECL. estimation of expected losses and appropriate assumptions and significant judgments on the recoverability of receivables; the completeness, accuracy, relevance and reliability of historical information; the Group's overall review of the estimate; and the clarity and reasonableness of related ECL disclosures. <p>In view of the determination of the basis and quantum of Allowance of ECL, it is a significant item in the financial statements and hence, considered to be a key audit matter. [Refer Note 2.16 to the consolidated financial statements]</p>	<p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> Obtained sufficient and appropriate audit evidence about whether policies, operational procedures, internal control systems and other relative assumptions for estimation and determination of Allowance for ECL are reasonable. Objectively evaluated the estimates made in the broader context of the financial statements as a whole; Assessed the estimates and assumptions adopted by the Group in determining the need to recognize a provision and, where applicable, its amount; Evaluated the completeness of disclosures in respect of Allowance for Expected Credit Loss.
<p>Change in Depreciation Method</p> <p>During the year, accounting policy with respect to depreciation in Macrotech Polychem Private Limited was changed from Written Down Value Method to Straight Line Method. This was in order to align its depreciation policy in conformance with its holding company.</p> <p>Consequent to the change in method, the depreciation for the year is lower by Rs. 275.89 lakh and the profit for the year is higher by Rs. 275.89 lakh.</p>	<p>Our audit procedures included, among others, the following :</p> <ul style="list-style-type: none"> Verified the correctness of the computation of depreciations according to the Management's estimates for the change in the method of depreciation. Verified that there are no indicators of impairment of property, plant and equipment that require an impairment review.

Information Other than the consolidated Ind AS Financial Statements and Auditor's Report Thereon

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

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

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

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

Management's Responsibility for the consolidated Ind AS Financial Statements

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

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and



INDEPENDENT AUDITOR'S REPORT (Contd.)

presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the consolidated Ind AS Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the

Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding Independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our Independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

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

INDEPENDENT AUDITOR'S REPORT (Contd.)

- c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss including Other Comprehensive Income, consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31st, 2023 taken on record by the Board of Directors, none of the directors are disqualified as on March 31st, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Group's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Group to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Group has disclosed the impact of pending litigations on its consolidated financial position in its consolidated Ind AS Financial Statements- Refer Note 32 to the consolidated Ind AS Financial Statements.
- (ii) The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- (iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- (v) (a) The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.



INDEPENDENT AUDITOR'S REPORT (Contd.)

- (v) (b) As stated in note 54 to the financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
- (vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023
2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO report issued by us for the Company and its subsidiary included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

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

(SHAILESH MANEK)
Partner
Membership number: 034925
UDIN: 23034925BGXJNL3107

Mumbai
Dated: 15th May, 2023

ANNEXURE - A TO THE AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of the Group as of 31st March, 2023 in conjunction with our audit of the consolidated financial statements of the Group for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Group has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2023, based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

(SHAILESH MANEK)

Partner
Membership number: 034925
UDIN: 23034925BGXJNL3107

Mumbai
Dated: 15th May, 2023



CONSOLIDATED BALANCE SHEET

AS AT 31ST MARCH, 2023

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	Notes	For the year ended 31st March, 2023	For the year ended 31st March, 2022
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	3	8,758.65	8,831.48
(b) Capital work-in-progress	3	2,631.22	643.24
(c) Investment Property			
(d) Goodwill	4	15.27	15.27
(e) Other Intangible assets	4	17.30	30.43
Loan to Subsidiary		-	-
(g) Investment in an associate or a joint venture		-	-
(e) Financial assets			
(i) Investments		-	-
(ii) Trade receivables		-	-
(iii) Loans		-	-
(iv) Others	5	874.94	696.53
(f) Other non-current assets	6	144.82	126.59
Total non-current assets		12,442.20	10,343.54
(2) Current assets			
(a) Inventories	7	2,699.32	5,600.75
(b) Financial assets			
(i) Investments	8	3,946.15	2,872.08
(ii) Trade receivables	9	6,587.14	6,397.66
(iii) Cash and cash equivalents	10	782.84	64.38
(iv) Bank balances other than (iii) above	11	521.26	18.44
(v) Others	12	499.99	822.32
(c) Other current assets	13	1,228.97	1,573.57
Total current assets		16,265.67	17,349.20
Total Assets		28,707.87	27,692.74
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	14	308.90	308.90
(b) Other equity			
(i) Reserves and surplus	15	21,946.01	20,012.89
Total Equity		22,254.91	20,321.79
(2) LIABILITIES			
(I) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	16	207.31	343.61
(b) Provisions	17	270.38	254.96
(c) Deferred tax liabilities	18	137.01	190.79
(d) Net employee defined benefit liabilities	19	9.09	16.55
Total non-current liabilities		623.79	805.91
(II) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	20	2,840.56	2,342.77
(ii) Trade payables	21	2,458.64	3,715.54
(iii) Other financial liabilities	22	367.23	443.78
(b) Provisions	17	68.51	59.45
(c) Current Tax Liabilities (Net)	23	94.15	3.27
(d) Other Current Liabilities	24	0.08	0.23
Total current liabilities		5,829.17	6,565.04
Total Liabilities		6,452.96	7,370.95
Total Equity and Liabilities		28,707.87	27,692.74

(The accompanying notes 1 to 55 are an integral part of the financial statements)

As per our report of even date attached

For and on behalf of the Board of Directors

For **Manek & Associates**

Chartered Accountants

Firm Registration Number: 126679W

Rahul Nachane

Managing Director

DIN: 00223346

Rajesh Lawande

Whole-Time Director & CFO

DIN: 00327301

Shailesh Manek

Partner

Membership Number: 034925

Pallavi Pednekar

Company Secretary

ACS : A33498

Place: Mumbai

Date: 15th May, 2023

Place: Mumbai

Date: 15th May, 2023

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2023

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	Notes	For the year ended 31st March, 2023	For the year ended 31st March, 2022
INCOME			
Income from Operations	25	27,808.08	31,750.30
Other income	26	553.03	1,068.25
Total income		28,361.11	32,818.55
EXPENSES			
Cost of materials consumed	27	11,640.72	16,967.13
Changes in inventories of finished goods and work in progress	28	2,391.35	(2,268.02)
Employee benefits expense	29	3,687.35	3,485.27
Other expenses	30	6,656.64	6,781.47
Finance Cost	31	119.72	156.16
Depreciation expense	3	1,129.11	1,036.90
Total expenses		25,624.90	26,158.91
Profit before tax from continuing operations		2,736.20	6,659.64
Current tax	43	(727.00)	(1,715.00)
Less: MAT Credit		-	-
Current tax expense relating to prior years		(10.53)	-
Deferred tax		50.96	45.09
Income tax expense		(686.57)	(1,669.91)
Profit for the year from continuing operations		2,049.63	4,989.73
Other comprehensive income (OCI)			
Other comprehensive income not to be reclassified to profit and loss in subsequent periods:			
Profit/(Loss) on actuarial valuation of post employment benefits		(11.21)	(7.49)
Add/(Less): Income tax expense		2.82	1.89
Other comprehensive income for the year, net of tax		(8.39)	(5.60)
Total comprehensive income for the year		2,041.24	4,984.13
Earnings per equity share (for continuing operations)			
Basic		33.18	80.77
Diluted		33.18	80.77

(The accompanying notes 1 to 55 are an integral part of the financial statements)

As per our report of even date attached

For and on behalf of the Board of Directors

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

Rahul Nachane
Managing Director
DIN: 00223346

Rajesh Lawande
Whole-Time Director & CFO
DIN: 00327301

Shailesh Manek
Partner
Membership Number: 034925

Pallavi Pednekar
Company Secretary
ACS : A33498

Place: Mumbai
Date: 15th May, 2023

Place: Mumbai
Date: 15th May, 2023

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

(2) Previous reporting period

(All amounts are in ₹ Lakhs unless stated otherwise)

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

(The accompanying notes 1 to 55 are an integral part of the financial statements)

As per our report of even date attached

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

Shailesh Manek
Partner
Membership Number: 034925
Place: Mumbai
Date: 15th May, 2023

For and on behalf of the Board of Directors

Rahul Nachane
Managing Director
DIN: 00223346

Pallavi Pednekar
Company Secretary
ACS : A33498
Place: Mumbai
Date: 15th May, 2023

Rajesh Lawande
Whole-Time Director & CFO
DIN: 00327301



CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2023

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before extraordinary items and tax	2,736.20	6,659.64
Adjustments for:		
Depreciation and amortisation expense	1,129.11	1,036.90
Finance costs	119.72	156.16
Dividend income	(62.54)	(36.50)
Interest income	(24.79)	(17.80)
Loss/(Gain) on MTM of investments	-	-
Other Comprehensive Income - Profit/(Loss) on actuarial valuation of post employment benefits	(8.39)	(5.60)
Operating profit before working capital changes	3,889.32	7,792.80
Changes in working capital:		
Adjustments for (increase)/ decrease in operating assets:		
Inventories	2,901.43	(1,815.70)
Other non current financial assets	(178.41)	(270.89)
Other non-current assets	(18.23)	85.90
Trade receivables	(189.48)	(2,641.92)
Other current financial assets	(1,254.56)	(234.57)
Other current assets	344.60	(350.16)
	1,605.35	(5,227.34)
Adjustments for increase/ (decrease) in operating liabilities:		
Trade payables	(1,256.90)	762.10
Other current financial liabilities	(76.55)	(168.21)
Other current provisions	9.06	-3.45
Other current liabilities	90.73	(61.51)
Other non current liabilities	(61.24)	(49.93)
Other non-current provisions	15.42	7.91
	(1,279.48)	486.91
Cash generated from operations	4,215.19	3,052.37
Net income tax paid	(686.57)	(1,669.91)
Net cash flow from operating activities (A)	3,528.62	1,382.46
B. CASH FLOW FROM INVESTING ACTIVITIES		
(Loss)/Gain on sale of investments	-	-
Dividend income	62.54	36.50
Fixed Deposit Matured	-	-
Interest Income	24.79	17.80
Finance Cost	(119.72)	(156.16)
Non current Investments	-	-
Non current Loans	-	-
Long term borrowings	(136.30)	(269.52)
Short term borrowings	497.79	1,859.59
Purchases of Property,Plant and Equipment	(3,140.67)	(5,637.64)
Disposal of Property,Plant and Equipment	109.54	2,729.14
Net cash flow used in investing activities (B)	(2,702.04)	(1,420.29)

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
C. Cash flow from financing activities		
Issue of Share Capital	-	-
Dividend Paid	(108.12)	(108.12)
Share application money	-	-
Share Premium	-	-
Net cash flow from/ (used in) financing activities (C)	(108.12)	(108.12)
Net increase/ (decrease) in Cash and cash equivalents (A+B+C)	718.46	(145.95)
Add: Cash and cash equivalents at the beginning of the year	64.38	210.33
Cash and cash equivalents at the end of the year *	782.84	64.38

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Cash and cash equivalents at the end of the year*		
*Comprises of:		
(a) Cash on hand	28.16	22.80
(b) Balances with banks		
(i) In current accounts	754.68	41.58
	782.84	64.38

* Includes Unpaid Dividend of ₹ 12.66 Lakh (Previous year: ₹ 9.87 Lakh)

(The accompanying notes 1 to 57 are an integral part of the financial statements)

As per our report of even date attached

For and on behalf of the Board of Directors

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

Rahul Nachane
Managing Director
DIN: 00223346

Rajesh Lawande
Whole-Time Director & CFO
DIN: 00327301

Shailesh Manek
Partner
Membership Number: 034925

Pallavi Pednekar
Company Secretary
ACS : A33498

Place: Mumbai
Date: 15th May, 2023

Place: Mumbai
Date: 15th May, 2023



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

1. CORPORATE INFORMATION

NGL Fine-Chem Limited (Company) together with its subsidiary – Macrotech Polychem Private Limited (Subsidiary) is hereinafter referred to as “Group”. NGL Fine-Chem Limited is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956 (CIN: L24110MH1981PLC025884). Its shares are listed on the Bombay Stock Exchange. The Company is a manufacturer of pharmaceuticals and intermediates for usage in veterinary and human health. The Company caters to various global companies to custom manufacture high quality pharmaceuticals. Macrotech Polychem Private Limited, a private company domiciled in India and incorporated under the provisions of the Companies Act, 1956 (CIN: U24100MH2004PTC145189) is a 100% subsidiary of NGL Fine-Chem Limited.

2. SIGNIFICANT ACCOUNTING POLICIES

2.01 Basis of preparation

Financial statements for the year ended 31st March, 2023 are prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 together with comparative period data as at and for the year ended 31st March, 2022.

2.02 Functional currency and presentation currency

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

The financial statements are presented in Indian Rupees.

Transactions and balances

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

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

Non-monetary items that are measured in terms of historical cost in foreign currency are translated using the exchange rates at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the

date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation difference on items whose fair value gain or loss is recognised in the statement of Other Comprehensive Income (OCI) or the statement of profit or loss is also recognised in the statement of OCI or the statement of profit or loss, respectively).

2.03 Use of estimates

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

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

- Valuation of financial instruments.
- Useful life of property, plant and equipment.
- Useful life of intangible assets (excluding Goodwill).
- Provisions.

2.04 Principles of Consolidation

Subsidiaries

Subsidiaries are all entities that are controlled by the Company. Control exists when the Company is exposed to or has rights, to variable returns from its involvement with the entity, and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive. The financial statements of subsidiaries are included in these consolidated financial statements from the date that control commences until the date that the control ceases. The financial statements of the Company and its subsidiary have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances as mentioned in those policies, unless otherwise mentioned separately under these notes.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

Transactions eliminated on consolidation

Intra-group balances and transactions and any unrealised income and expenses arising from intra-group transactions, are eliminated in full while preparing these consolidated financial statements.

2.05 Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when

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

The Group classifies all other liabilities as non-current.

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

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

2.06 Fair value measurement

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

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

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

The fair value of an asset or a liability is measured using

the assumptions that market participants would use when pricing the asset or liability, if market participants act in their economic best interest.

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

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

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

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

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

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

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



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

reasonable. For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

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

2.07 Inventories

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

2.08 Revenue recognition

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

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

Revenue from sale of goods and services

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

Revenue includes only the gross inflows of economic benefits. Amounts collected on behalf of third parties such as goods and service tax are excluded from revenue.

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

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

- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

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

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the group;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

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

Other income

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

2.09 Property, plant and equipment

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

Gains and losses on disposal are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

and are recognised net within "other income/other expenses" in the statement of profit and loss.

Depreciation in accounts is charged on Straight Line Method for both - NGL Fine-Chem Limited & for Macrotech Polychem Private Limited based on the management's estimate of useful life of each class of assets and considering the useful life prescribed by Schedule II of the Companies Act, 2013 on the cost, as reduced by the amount of Excise Cenvat, GST and VAT setoff claimed.

For Macrotech Polychem Private Limited the depreciation was provided on Written Down Value basis till the previous year ended 31st March, 2022.

Subsequent cost

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

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

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

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

2.10 Intangible assets

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

Goodwill represents the purchase consideration in excess of the Group's interest in the net fair value of identifiable assets, liabilities and contingent liabilities of the acquired entity. When the net fair value of the identifiable assets, liabilities and contingent liabilities acquired exceeds the purchase consideration, the fair value of net assets acquired is reassessed and the bargain purchase gain is recognised in capital reserve.

All revenue expenses pertaining to research are charged to the profit and loss account in the year in which they are incurred. Expenditure of capital nature is capitalised as fixed assets and depreciated as per the Group's policy.

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

Asset Class	Estimated useful life (number of years)
Computers Software	3.00

Subsequent expenditure

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

Amortisation of intangible assets with finite useful lives:

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

Goodwill is measured at cost less accumulated impairment losses. Impairment Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a CGU is less than its carrying amount. For the impairment test, goodwill is allocated to the CGU or groups of CGUs which benefit from the synergies of the acquisition. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Impairment occurs when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of future cash flows expected to be derived from the CGU. Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the



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CGU pro-rata on the basis of the carrying amount of each asset in the CGU. An impairment loss on goodwill is recognised in the Consolidated Statement of Profit and Loss and is not reversed in the subsequent period.

2.11 Earning per share

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

2.12 Taxes

Current income tax

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

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

Minimum Alternate Tax (MAT) is accounted as current tax when the Group is subjected to such provisions of

the Income Tax Act. However, credit of such MAT paid is available when the Group is subjected to tax as per normal provisions in the future. Credit because of MAT is recognised as an asset based on the management's estimate of its recoverability in the future.

Deferred tax

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

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

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

2.13 Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing cost directly attributable to the cost of acquisition or construction of the fixed assets is capitalised as part of the cost of the assets, upto the date the asset is put to use. Other borrowing costs are charged to the Statement of Profit and Loss in the year in which they are incurred.

2.14 Provisions and contingent liabilities

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

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

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

2.15 Impairment of non-financial assets

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

2.16 Financial instruments

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

Financial asset

Initial recognition and measurement

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

Investment in subsidiaries are carried at cost less impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

Subsequent measurement

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

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

Financial assets at amortised cost

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

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

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

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.



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

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

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

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

De-recognition

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

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

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

Impairment of financials assets

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

The Group does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial

assets which are credit impaired on purchase/ origination.

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

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

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

Financial liabilities

Initial recognition and measurement

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

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

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

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.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

De-recognition

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

Embedded derivatives

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

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Group does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109

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

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

to the entire hybrid contract Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

Compound instruments

Reclassification of financial assets

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



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Offsetting of financial instruments

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

2.17 Cash and cash equivalents

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

2.18 Employee benefits

i) Defined contribution plans (Provident Fund)

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

ii) Defined benefit plans (Gratuity)

In accordance with applicable Indian Law, the Group provides for gratuity, a defined benefit retirement plan (the Gratuity Plan) covering eligible employees. The Gratuity Plan provides a lump sum payment to vested employees, at retirement or termination of employment, and amount based on respective last drawn salary and the years of employment with the Group. The Group's net obligation in respect of the Gratuity Plan is calculated by estimating the amount of future benefits that the employees have earned in return of their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service cost and the fair value of plan assets are deducted. The discount rate is the yield at reporting date on risk free government bonds that have maturity dates approximating the terms of the Group's obligation.

The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognised asset is limited to the total of any unrecognised past service cost and the present value of the economic benefits available in the form of any future refunds from the plan or reduction in future contribution to the plan. The Group recognises all re-measurements of net defined benefit liability/asset directly in other comprehensive income.

iii) Compensated absences

The employees of the Group are entitled to compensated absences. The employees can carry forward a portion of the unutilised accrued absence and utilise it in future periods or receive cash compensation at retirement or termination of employment for the unutilised accrued compensated absence. The Group recognises an obligation for compensated absences in the period in which the employee renders the services. The Group provides for the expected cost of compensated absence in the statement of profit and loss as the additional amount that the Group expects to pay as a result of the unused entitlement that has accumulated based on actuarial valuations carried out by an independent actuary at the balance sheet date.

2.19 Segment reporting

As the Group's business activities fall within a single primary business segment of pharmaceuticals, the disclosure requirements of Ind AS 108 in this regard are not applicable, except to the extent of reporting revenues based on different geographical areas.

2.20 Leases

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

Group as a lessee

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in profit or loss as

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

finance costs, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

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

Ind AS 116 Leases:

In March 2019, the Ministry of Corporate Affairs, issued the Companies (Indian Accounting Standards) Amendment Rules 2018, notifying Ind AS 116 "Leases" which replaces Ind AS 17 "Leases". The new standard shall require lessees to recognise the Leases on their Balance Sheet with limited exemptions related to low value asset and assets with a lease term of less than 12 months.

Lessees will use a single accounting model for all leases. Accordingly the lessee is required to recognise "Right of Use" asset representing its right to use the underlying asset and a "Lease Liability" representing its obligations to make lease payments.

2.21 Government Grants

Government grants are initially recognised at fair value if there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant;

- In case of capital grants, the amount of grant received is set off against the value of the fixed asset against which the grant has been given.
- In case of grants that compensate the Group for expenses incurred are recognised in Statement of Profit and Loss on a systematic basis in the periods in which the expenses are recognised.

Export benefits available under prevalent schemes are accrued in the year in which the goods are exported and there is no uncertainty in receiving the same.

2.22 Recent accounting pronouncements

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

Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after 1st April, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after 1st April, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after 1st April, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statement.

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



3 PROPERTY, PLANT AND EQUIPMENT

(1) Current reporting period

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	GROSS BLOCK			DEPRECIATION/AMORTISATION			NET BLOCK		
	As on 01st April, 2022	Additions	Deductions	As at 31st March, 2023	For the year	Additions/ (-)Deductions	As at 31st March, 2023	As at 31st March, 2023	As at 31st March, 2022
Leasehold land	312.91	144.25	-	457.16	4.94	-	24.94	432.22	292.91
Buildings	3,187.20	104.51	-	3,291.71	131.09	-	648.36	2,643.35	2,669.93
Plant and Equipment	8,938.03	734.82	(66.55)	9,606.30	933.82	(28.23)	4,187.91	5,418.39	5,655.71
Furniture and Fixtures	130.45	8.38	-	138.83	12.00	-	50.43	88.40	92.02
Vehicles	206.47	80.40	(29.22)	257.65	24.18	(27.76)	102.24	155.41	100.65
Office Equipments	64.57	8.21	(0.98)	71.80	7.52	(0.93)	50.92	20.88	20.24
Total	12,839.63	1,080.57	(96.75)	13,823.45	1,113.55	(56.92)	5,064.80	8,758.65	8,831.46
Capital work-in-progress	643.24	2,057.69	(69.71)	2,631.22	-	-	-	2,631.22	643.24

(2) Previous reporting period

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	GROSS BLOCK			DEPRECIATION/AMORTISATION			NET BLOCK		
	As on 01st April, 2021	Additions	Deductions	As at 31st March, 2022	For the year	Additions/ (-)Deductions	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2021
Leasehold land	312.91	-	-	312.91	3.30	-	19.99	292.92	296.22
Buildings	2,594.11	628.90	(35.83)	3,187.18	141.04	(35.20)	517.25	2,669.93	2,182.70
Plant and Equipment	6,343.82	2,766.42	(172.21)	8,938.03	840.57	(109.44)	3,282.31	5,655.72	3,792.64
Furniture and Fixtures	46.54	83.91	-	130.45	10.85	-	38.43	92.02	18.96
Vehicles	142.28	64.19	-	206.47	18.17	-	105.82	100.65	54.63
Office Equipments	54.68	9.89	-	64.57	6.93	-	44.33	20.24	17.28
Total	9,494.34	3,553.31	(208.04)	12,839.61	1,020.86	(144.64)	4,008.13	8,831.48	6,362.43
Capital work-in-progress	1,235.15	2,046.67	(2,638.58)	643.24	-	-	-	643.24	1,235.15

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)**Capital-work-in progress ageing schedule:****(1) Current reporting period**

(All amounts are in ₹ Lakhs unless stated otherwise)

Current Year	Amount in CWIP for a period of				Total
	< 1 year	1-2 years	2-3 years	> than 3 years	
Projects in progress	2,000.25	630.97	-	-	2,631.22
Projects temporarily suspended	-	-	-	-	-

(2) Previous reporting period

(All amounts are in ₹ Lakhs unless stated otherwise)

Previous Year	Amount in CWIP for a period of				Total
	< 1 year	1-2 years	2-3 years	> than 3 years	
Projects in progress	630.97	-	-	-	630.97
Projects temporarily suspended	-	-	-	-	-

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



4 INTANGIBLE ASSETS

(1) Current reporting period

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	GROSS BLOCK			DEPRECIATION/AMORTISATION			NET BLOCK			
	Computer Software	Additions	Deductions	As at 31st March, 2023	As on 01st April, 2022	For the year	Additions/(-)Deductions	As at 31st March, 2023	As at 31st March, 2022	"As at 31st March, 2022"
Goodwill	97.77	2.42	-	100.19	67.33	15.56	-	82.89	17.30	30.44
Total	15.27	-	-	15.27	-	-	-	-	15.27	15.27
Total	113.04	2.42	-	115.46	67.33	15.56	-	82.89	32.57	45.71

(2) Previous reporting period

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	GROSS BLOCK			DEPRECIATION/AMORTISATION			NET BLOCK			
	As on 01st April, 2021	Additions	Deductions	As at 31st March, 2022	As on 01st April, 2021	For the year	Additions/(-)Deductions	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2021
Computer Software	86.27	11.49	-	97.76	51.31	16.02	-	67.33	30.43	34.96
Goodwill	15.27	-	-	15.27	-	-	-	-	15.27	15.27
Total	101.54	11.49	-	113.03	51.31	16.02	-	67.33	45.70	50.23

Intangible assets under development aging schedule:

(All amounts are in ₹ Lakhs unless stated otherwise)

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

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

5. OTHER NON CURRENT FINANCIAL ASSETS

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	As at	
	31st March, 2023	31st March, 2022
Others		
Fixed deposit with bank	438.69	256.89
Earnest money deposit	420.00	420.00
Advance income tax (Net of provision)	16.25	19.64
Total	874.94	696.53

6. OTHER NON CURRENT ASSETS

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	As at	
	31st March, 2023	31st March, 2022
Capital advances	144.82	126.59
Total	144.82	126.59

7. INVENTORIES

(At cost or realisable value whichever is lower)

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	As at	
	31st March, 2023	31st March, 2022
Raw materials	1,078.59	1,580.26
Work-in-progress	1,114.47	2,652.55
Finished goods	474.68	1,327.96
Fuel & Oil	7.77	7.29
Consumables	15.08	22.10
Packing Materials	8.73	10.59
Total	2,699.32	5,600.75

8. CURRENT INVESTMENTS

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	As at		As at	
	31st March, 2023		31st March, 2022	
	No. of units	Amount	No. of units	Amount
Investments in Equity Instruments				
Quoted				
Tata Consultancy Services Limited.	1,168	37.44	1,168	43.67
Investment in mutual funds				
Investment in mutual funds				
Quoted				
ABSL Arbitrage Fund Gr. - Direct	13,84,467	332.83	-	-
ABSL CRISIL IBX AAA	14,83,151	156.20	-	-
ABSL Floating Rate Fund-WIDCW-Direct	2,16,724	217.61	-	-
ABSL Income Fund	2,10,232	238.18	2,10,232	230.17
ABSL Midcap Fund	-	-	19,962	99.63
ABSL Multicap Fund	-	-	2,59,987	31.72
ABSL Short Term Fund	19,57,166	837.03	19,57,166	793.42
ABSL Small Cap Fund	-	-	88,818	50.29



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	No. of units	Amount	No. of units	Amount
ABSL Arbitrage Fund	-	-	13,84,467	315.02
ABSL Floating Rate Fund	-	-	2,05,653	207.16
ABSL Flexi Cap Fund (G)	-	-	7,368	91.03
ABSL Flexi Cap Fund	-	-	2,00,297	351.56
ABSL Balanced Advantage Fund	-	-	1,57,957	114.27
AXIS Bluechip Fund	50,703	7.65	1,73,114	31.25
AXIS Balanced Advantage Fund	-	-	8,07,073	113.72
HDFC Balanced Advantage Fund - IDCW Plan	2,72,157	79.64	1,09,104	31.36
HDFC Index Fund - NIFTY	14,759	23.80	14,759	23.77
HDFC MID-CAP Opportunities Fund Growth	21,789	21.73	21,788	19.78
HDFC MID-CAP Opportunities Fund IDCW	2,22,744	74.79	-	-
HDFC Multi Cap Fund regular Growth	12,80,315	137.85	87,745	29.60
HSBC Balanced Advantage Fund	2,22,703	69.97	-	-
ICICI Prudential Smallcap Fund	2,64,562	139.24	-	-
ICICI Prudential Technology Fund	1,17,384	154.97	-	-
IDFC Mutual Fund - G Sec Fund	9,37,943	101.91	-	-
Kotak Bluechip Fund - Growth	30,156	112.01	-	-
Kotak Equity Arbitrage Fund- Dividend	9,28,924	99.74	-	-
Kotak Equity Arbitrage Fund-Growth	3,20,011	101.81	-	-
Kotak Equity Opportunities Fund	2,31,861	82.24	94,215	32.24
Kotak Emerging Equity Scheme	-	-	1,46,862	104.86
Kotak NASDAQ 100 FOF	8,36,592	90.52	-	-
Mirae Asset Hybrid-Equity Fund	-	-	4,85,111	105.75
Mirae Asset Hybrid Equity Fund Regular IDCW	-	-	1,95,080	29.57
Mirae Asset Midcap Fund regular Growth	7,61,443	155.27	-	-
Motilal Oswal S&P 500 Index Fund	6,60,037	98.62	-	-
Navi Nifty Bank Index Fund regular Growth	15,64,102	162.79	-	-
Nippon India Balanced Advantage Fund-Growth	55,881	69.96	-	-
SBI Arbitrage Opportunities Fund - Dividend	6,71,567	101.58	-	-
SBI Arbitrage Opportunities Fund - Growth	3,53,993	101.81	-	-
SBI Bluechip Fund	-	-	36,972	22.24
SBI Focused Equity Fund regular Growth	63,822	138.96	-	-
Total		3,946.15		2,872.08

Details of quoted investments

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Book Value	3,729.86	2,550.18
Market Value	3,946.15	2,872.08

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

9. TRADE RECEIVABLES

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Unsecured considered good	6,604.18	6,414.47
Unsecured considered doubtful	-	-
	6,535.32	6,506.70
Less: Allowance for doubtful debts	(17.04)	(16.81)
Total Receivables	6,587.14	6,397.66
Current	6,587.14	6,397.66
Non-current	-	-

Outstanding for following periods from due date of payment

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
Year ended 31st March, 2023	₹	₹	₹	₹	₹	₹
i) Undisputed Trade receivables – considered good	6,588.90	15.28	-	-	-	6,604.18
ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-
iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
	6,588.90	15.28	-	-	-	6,604.18
Less: Allowance for doubtful debts						(17.04)
Net Trade Receivables						6,587.14
Year ended 31st March, 2022						
i) Undisputed Trade receivables – considered good	6,414.47	-	-	-	-	6,414.47
ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-
iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
	6,414.47	-	-	-	-	6,414.47
Less: Allowance for doubtful debts						(16.81)
Net Trade Receivables						6,397.66

10. CASH AND CASH EQUIVALENTS

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Cash and cash equivalents		
- Cash on hand	28.16	22.80
- Balances with banks	754.68	41.58
Total	782.84	64.38



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

11. BANK BALANCES OTHER THAN ABOVE

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	As at	
	31st March, 2023	31st March, 2022
Fixed deposits with bank	521.26	18.44
Total	521.26	18.44

12. OTHER CURRENT FINANCIAL ASSETS

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	As at	
	31st March, 2023	31st March, 2022
Unsecured, considered good		
Advance to vendors	56.43	366.42
Security deposits	314.99	290.56
Interest accrued on FDR	40.76	34.53
Advances to employees	31.04	34.52
Advance Income Tax (net)	25.00	-
Others	31.77	96.29
Total	499.99	822.32

13. OTHER CURRENT ASSETS

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	As at	
	31st March, 2023	31st March, 2022
Prepaid expenses	170.48	138.46
Balance with government authorities	1,058.49	1,425.71
Unrealised Gains on Forex Derivative	-	9.40
Total	1,228.97	1,573.57

14. SHARE CAPITAL

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	As at		As at	
	31st March, 2023		31st March, 2022	
	Number	Amount	Number	Amount
Authorised share capital				
At the beginning of the year	1,00,00,000	500.00	1,00,00,000	500.00
Increase/ (decrease) during the year	-	-	-	-
At the end of the year	1,00,00,000	500.00	1,00,00,000	500.00
Issued share capital				
At the beginning of the year	61,78,024	308.90	61,78,024	308.90
Increase/ (decrease) during the year	-	-	-	-
At the end of the year	61,78,024	308.90	61,78,024	308.90

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

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

Name of the shareholder	For the year ended 31st March, 2023			For the year ended 31st March, 2022		
	Number	% Holding	% Change during the year	Number	% Holding	% Change during the year
Rahul J Nachane	10,83,450	17.54%	-	10,83,450	17.54%	-
Rajesh N Lawande	13,52,366	21.89%	-	13,52,366	21.89%	-
Sunita Sandip Potdar	8,92,957	14.45%	(0.28)%	8,92,957	14.45%	-
Ajita Rahul Nachane	7,13,449	11.55%	-	7,13,449	11.55%	-
PCI Fermone Chemicals (I) Private Limited.	5,17,871	8.38%	-	5,17,871	8.38%	-

- c) Details of Shareholding of Promoter :

Name of the shareholder	As at 31st March, 2023			As at 31st March, 2022		
	Number	% Holding	% Change during the year	Number	% Holding	% Change during the year
Rahul J Nachane	10,83,450	17.54%	-	10,83,450	17.54%	-
Rajesh N Lawande	13,52,366	21.89%	-	13,52,366	21.89%	-

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

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Number	Amount	Number	Amount
Outstanding at the beginning of the year	61,78,024	308.90	61,78,024	308.90
Issued during the year	-	-	-	-
Outstanding at the end of the year	61,78,024	308.90	61,78,024	308.90

15. RESERVES AND SURPLUS

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	As at 31st March, 2023	As at 31st March, 2022
	Capital reserve	
Balance at the beginning of the year	150.00	150.00
Add: Additions during the year	-	-
Balance at the end of the year	150.00	150.00
Securities premium		
Balance at the beginning of the year	11.74	11.74
Add: Additions during the year	-	-
Balance at the end of the year	11.74	11.74
General reserve		
Balance at the beginning of the year	59.29	59.29
Add: Additions during the year	-	-
Balance at the end of the year	59.29	59.29
Retained earnings		
Opening Balance	19,791.86	14,915.84
Add: Profit for the year	2,041.24	4,984.13
Less: Appropriations	-	-
Dividend on Equity Shares (~1.75/- Per Share)	(108.12)	(108.12)
Closing Balance	21,724.99	19,791.86
Total	21,946.01	20,012.89



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

16. NON CURRENT BORROWINGS

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Secured		
Term loans from banks:		
Term Loans from HDFC Bank	131.34	312.12
Vehicle Loan from HDFC Bank	75.97	31.49
Total	207.31	343.61

17. PROVISIONS

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Non-current		
Leave Encashment	165.75	169.45
Gratuity	104.63	85.51
	270.38	254.96
Current		
Leave Encashment	22.55	18.12
Gratuity	33.31	31.46
Others	12.65	9.87
	68.51	59.45
Total	338.89	314.41

18. DEFERRED TAX LIABILITIES (NET)

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Opening balance as at April 1	190.79	237.77
Tax (Income)/Expense during the period recognised in:	-	-
(i) Statement of Profit and Loss in Profit or Loss section	(50.96)	(45.09)
(ii) Statement of Profit and Loss under OCI Section	(2.82)	(1.89)
(iii) Retained earnings	-	-
Closing balance as at March 31	137.01	190.79

19. OTHER NON CURRENT LIABILITIES

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Lease equalisation reserve	9.09	16.55
Total	9.09	16.55

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

20. CURRENT BORROWINGS

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Secured		
From banks for working capital	2,840.56	2,342.77
Total	2,840.56	2,342.77

- (a) Working capital loans are personally guaranteed by Mr. Rahul Nachane, Managing Director and Mr. Rajesh Lawande, Executive Director
- (b) Working capital loans comprise of loans repayable on demand in the form of cash credit, pre shipment finance and post shipment finance. These are secured by hypothecation of inventories, trade receivables and book debts. Interest payable on these loans is MCLR + 0.75% p.a. (Previous Year: MCLR + 0.75% p.a.)

21. TRADE PAYABLES

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Current		
Trade payables		
Acceptances	288.18	355.97
Other than Acceptances	2,170.46	3,359.57
Total	2,458.64	3,715.54

Outstanding for following periods from due date of payment

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Year ended 31st March, 2023	₹	₹	₹	₹	₹
Trade payables					
i) MSME	526.58	-	-	-	526.58
ii) Others	1,932.06	-	-	-	1,932.06
iii) Disputed dues - MSME	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	-
	2,458.64	-	-	-	2,458.64
Year ended 31st March, 2022					
Trade payables					
i) MSME	981.66	-	-	-	981.66
ii) Others	2,733.88	-	-	-	2,733.88
iii) Disputed dues - MSME	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	-
	3,715.54	-	-	-	3,715.54

Notes

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Of the above, payables to Micro and Small Enterprises	526.58	981.66

This information as required to be disclosed under the Micro, Small & Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the group. This information has been relied upon by the auditors.



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	As at 31st March, 2023	As at 31st March, 2022
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	-	-

Note: The Company has not received full information from all the Vendors regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to amounts unpaid as at the year end together with interest paid / payable under this Act has been given to the extent, the said information is available. The auditor has relied on the same.

22. OTHER FINANCIAL LIABILITIES

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Current		
Current Maturities of Long Term Debt	202.05	313.77
Payables for Capital Purchases	165.18	130.01
Total	367.23	443.78

23. CURRENT TAX LIABILITIES

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Provision for taxation (net of taxes paid)	94.15	3.27
Total	94.15	3.27

24. OTHER CURRENT LIABILITIES

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Interest payable	0.08	0.23
Total	0.08	0.23

25. INCOME FROM OPERATIONS

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Sale of products	27,255.92	31,279.35
Sale of Services	0.00	3.36
Trading Sales	101.57	
Other operating Income	450.58	467.59
Total revenue from operations	27,808.08	31,750.30

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

26. OTHER INCOME

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Interest income	24.79	17.80
Dividend income	-	-
- from current investments	62.54	36.50
Other non-operating income (net of expenses directly attributable to such income)	189.38	571.80
Gain on exchange fluctuations	276.32	442.15
Gain on exchange fluctuations	442.15	145.77
Total	553.03	1,068.25

27. COST OF MATERIALS CONSUMED

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Raw materials at the beginning of the year	1,581.45	2,044.33
Add: Purchases	11,137.86	16,504.25
Less: Raw material at the end of the year	(1,078.59)	(1,581.45)
Total cost of raw materials consumed	11,640.72	16,967.13

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

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Inventories at the beginning of the year:		
Finished goods	1,327.96	629.31
Work-in-progress	2,652.55	1,083.17
	3,980.51	1,712.48
Less: Inventories at the end of the year:		
Finished goods	474.68	1,327.96
Work-in-progress	1,114.47	2,652.55
	1,589.16	3,980.51
Total changes in inventories of finished goods and work-in-progress	2,391.35	(2,268.02)

29. EMPLOYEE BENEFITS EXPENSE

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Salaries and wages	3,481.83	3,291.55
Contribution to provident fund and other funds	131.54	116.72
Staff welfare expense	73.99	77.01
Total	3,687.35	3,485.27



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

Disclosure pursuant to Ind AS 19 - "Employee Benefits"

(i) Defined contribution plans: Note 2.18

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Contribution to provident fund	85.69	77.25

(ii) Defined benefit plans: Note 2.18

Gratuity Plan

(a) Funded status of the plan

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
A) Present value of defined benefit obligation		
- Wholly funded	283.02	263.97
- Wholly unfunded	3.36	1.62
	286.38	265.59
Less: Fair value of plan assets	(148.45)	(148.62)
Amount to be recognised as liability or (asset)	137.93	116.97
B) Amounts reflected in Balance Sheet		
Liabilities	137.93	116.97
Assets	-	-
Net liability/(asset)	137.93	116.97
Net liability/(asset) - current	33.31	31.46
Net liability/(asset) - non current	104.63	85.51

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

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
1. Current service cost	32.83	27.51
2. Past service cost and loss/(gain) on curtailments and settlements	-	-
3. Interest cost	7.04	5.84
Total charge to Profit & Loss	39.87	33.35

(c) The amount recognised in Other Comprehensive Income

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Components of actuarial gain/(losses) on obligations		
Due to change in financial assumptions	-13.16	-14.63
Due to change in demographic assumptions	-	-
Due to experience adjustments	20.79	22.45
Return on plan assets excluding amount included in interest income	3.59	-0.33
Amount recognised in Other Comprehensive Income	11.21	7.49

(d) Reconciliation of defined benefit obligation

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Opening defined benefit obligation	265.59	246.09
Transfer in/(out) obligation	-	-
Current service cost	32.83	27.51
Interest cost	17.45	14.57
Actuarial loss/(gain) due to change in financial assumptions	(13.16)	(14.63)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Actuarial loss/(gain) due to change in demographic assumptions	-	-
Actuarial loss/(gain) due to experience adjustments	20.79	22.45
Past service cost	-	-
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	(37.11)	(30.40)
Closing defined benefit obligation	286.38	265.59

(e) Reconciliation of plan assets

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Opening value of plan assets	148.62	140.69
Transfer in/(out) of plan assets	-	-
Interest income	10.41	8.73
Return on plan assets excluding amount included in interest income	(3.59)	0.33
Assets distributed on settlements	-	-
Contributions by employer	30.12	29.26
Assets acquired in an amalgamation in the nature of purchase	-	-
Exchange differences on foreign plans	-	-
Benefits paid	(37.11)	(30.40)
Adjustment to the opening fund	-	-
Closing balance of plan assets	148.45	148.62

(f) Reconciliation of net defined benefit liability

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	At at 31st March, 2023	At at 31st March, 2022
Net opening provision in books of account	116.97	105.40
Transfer in/(out) obligation	-	-
Transfer in/(out) plan assets	-	-
Employee benefit expense (from (b) above)	39.87	33.35
Amounts recognised in other comprehensive income (from (c) above)	11.21	7.49
	168.05	146.23
Contribution to plan assets	(30.12)	(29.26)
Closing provision in books of accounts	137.93	116.97

(g) Composition of plan assets

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	At at 31st March, 2023	At at 31st March, 2022
Policy of insurance	1.00	1.00

(h) Principal actuarial assumptions

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	At at 31st March, 2023	At at 31st March, 2022
Discount rate	6.35%	6.55%
Salary growth rate	6.00%	6.00%
Withdrawal rates	10% at younger ages reducing to 2% at older ages	10% at younger ages reducing to 2% at older ages



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
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- (i) Expected cash flows based on past service liability

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	₹	%	₹	%
Year 1 Cash Flow	26.42	4.30%	29.24	5.40%
Year 2 Cash Flow	18.93	3.70%	22.51	4.20%
Year 3 Cash Flow	23.61	5.50%	15.88	3.80%
Year 4 Cash Flow	18.15	5.40%	19.81	5.70%
Year 5 Cash Flow	20.24	6.00%	14.97	5.50%
Year 6 to Year 10 Cash Flow	141.45	36.10%	134.46	36.80%

- (j) Sensitivity analysis of key assumptions

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	DBO	Change in DBO %	DBO	Change in DBO %
Discount rate varied by 0.5%				
+ 0.5%	274.03	(0.10)	254.32	(10.65)%
- 0.5%	299.66	0.11	277.72	11.64%
Salary growth rate varied by 0.5%				
+ 0.5%	297.30	0.10	275.68	10.92%
- 0.5%	275.72	(0.10)	255.72	(10.22)%
Withdrawal rate (WR) varied by 10%				
WR x 110%	288.06	(0.00)	266.63	(1.11)%
WR x 90%	284.25	(0.00)	264.51	1.88%

- (iii) Employee benefits (leave encashment)

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

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Salaries - leave encashment	35.99	27.38

30. OTHER EXPENSES

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Power and Fuel	1,826.70	1,585.61
Consumable Stores	171.34	280.28
Packing Materials	234.17	259.57
Processing Charges	347.96	874.25
Factory Expenses	511.50	382.09
Water Charges	26.16	43.70
Repairs to		
Plant & Machinery	716.54	744.50
Factory Buildings	138.06	84.80
Other Assets	5.20	15.12
Insurance	208.13	134.59
Laboratory Expenses	288.73	252.97
Payment to Auditors (See note below)	20.02	18.23

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
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(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Postage & Telephone Expenses	36.02	30.37
Legal and Professional Fees	283.48	201.07
Bank Charges and Commission	63.70	35.14
Rent, Rates and Taxes	158.12	143.47
Printing & Stationery	41.83	38.11
Vehicle Expenses	27.32	25.59
Advertisement & Business Promotion	68.61	26.90
Commission on Sales	180.15	193.56
Travelling Expenses	131.25	57.56
Freight, Coolie & Cartage	546.86	882.33
Insurance Claim w/off	-	-
Miscellaneous Expenses	624.80	471.65
Total	6,656.64	6,781.47

(a) Details about payment to auditors

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
(i) Payment to statutory auditors (net of GST)		
As auditors - statutory audit & tax audit	11.95	11.50
As auditors - other services	4.05	3.00
sub total (i)	16.00	14.50
(ii) Payment to internal auditors and cost auditors (net of GST)		
Internal Audit Fees	4.02	3.73
Cost Audit Fees	-	-
sub total (ii)	4.02	3.73
Total (i + ii)	20.02	18.23

31. FINANCE COSTS

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Interest expense on:		
-Long term borrowings	33.98	70.87
-Short term borrowings	85.74	85.29
Total	119.72	156.16

32. CONTINGENT LIABILITY

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Disputed demand from the Income Tax Department		
Macrotech Polychem Private Limited (AY 2010-11)	0.05	10.07
Disputed Goods and Service Tax Liability		
Macrotech Polychem Private Limited (FY 2019-20)	2.39	-
Provident Fund claim disputed		
NGL Fine-Chem Limited		
Demand raised on the Company by the provident fund department for amount payable by contractor .	17.76	17.76



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

33. COMMITMENTS

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
(i) Estimated amount of contracts remaining to be executed on capital account and not provided		
Tangible assets	1,280.34	1,424.12
(ii) Other commitments (specify nature)		
Guarantees issued by banks on behalf of the Group	11.40	12.40
Letters of credit established for which goods are yet to be received	99.18	19.01

34. RELATED PARTIES DISCLOSURES

Disclosures as required by IND AS 24 - "Related Party Disclosures" are given below

- (a) Related Parties with whom transactions have taken place during the year
- Associates Companies/Firms in which Directors or their relatives are interested
Nupur Remedies Private Limited
 - Key management personnel and their relatives with whom the Group has transacted

Name	Designation	Relatives
Rahul Nachane	Managing Director	Ajita Nachane & Ahaan Nachane
Rajesh Lawande	Wholetime Director & CFO	Ajita Nachane
Ajita Nachane	Non Independent Director	Rahul Nachane, Ahaan Nachane & Rajesh Lawande
Milind Shinde	Independent Director	--
Jayaram Sitaram	Independent Director	--
Kumarapuram V Subramanian	Independent Director	--
Sarala Menon	Women Independent Director	--
Ahaan Nachane	Vice President	Ajita Nachane & Rahul Nachane
Pallavi Pednekar	Company Secretary	--

- (b) Nature of transaction

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
	Amount (₹)	Amount (₹)
(i) Expenses		
Rent		
Nupur Remedies Private Limited	53.37	49.11
Rahul Nachane	34.92	33.25
Rajesh Lawande	34.92	33.25
Managerial Remuneration		
Rahul Nachane	85.66	85.66
Rajesh Lawande	84.22	84.22
Ahaan Nachane	36.38	25.18
Pallavi Pednekar	7.58	6.38
Commission on profits		
Rahul Nachane	74.22	181.27
Rajesh Lawande	74.22	181.27
Legal & Professional Fee		
Nupur Remedies Private Limited	66.00	66.00

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
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(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
	Amount (₹)	Amount (₹)
Director's Sitting Fee		
Ajita Nachane	4.70	4.03
Milind Shinde	5.25	4.45
Jayaram Sitaram	4.40	4.23
Sarala Menon	3.50	1.20
(ii) Deposits		
Nupur Remedies Private Limited	3.50	3.50
Rahul Nachane - Office Deposit	20.00	20.00
Rajesh Lawande - Office Deposit	20.00	20.00
(iii) Outstanding balances		
Nupur Remedies Private Limited (Trade Payable)	10.92	10.68

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

35. FAIR VALUES

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

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

Carrying amount of financial assets and liabilities:

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

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Financial assets		
Investments	3,946.15	2,872.08
Cash and cash equivalents	782.84	64.38
Bank balances other than above	521.26	18.44
Trade receivables	6,587.14	6,397.66
Other financial assets	499.99	822.32
At end of the year	12,337.38	10,174.88
Financial liabilities		
Borrowings	2,840.56	2,342.77
Trade payables	2,458.64	3,715.54
Other current financial liabilities	367.23	443.78
At end of the year	5,666.43	6,502.09



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

37. CREDIT RISK

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

Investments

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

Trade receivables

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

Ageing of trade receivable

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	Days			Provision for Doubtful Debts	Total
	0-180	180-365	Above 365		
As on 31st March, 2023	6,604.18	-	-	(17.04)	6,587.14
As on 31st March, 2022	6,414.47	-	-	(16.81)	6,397.66

38. MARKET RISK

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

39. FOREIGN CURRENCY RISK

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

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Currency	₹ Lakhs	Currency	₹ Lakhs
Payables				
Advances from customers	USD 2,100	1.73	USD 8,976	6.69
Trade Payables	USD 4,09,994	341.22	USD 5,48,739	422.03
Trade Payables	EUR 9,180	8.37	EUR 9,180	7.90
Receivables				
Trade Receivables	USD 64,76,857	5,378.49	USD 63,62,080	4,741.02
Advances to Suppliers	USD 26	0.02	USD 1,99,500	153.44

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
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Following table analyses the Group's Sensitivity to a 5% increase and a 5% decrease in the exchange rates of Foreign Currencies against ₹.

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Currency	₹ Lakhs	Currency	₹ Lakhs
Net foreign currency assets US\$	USD 60,64,763	5,035.55	USD 58,04,365	4,312.30
Impact on profit or loss: Income/(Expense)				
US\$ - Increase by 5%	USD 3,03,238	251.78	USD 2,90,218	215.61
US\$ - Decrease by 5%	USD -3,03,238	(251.78)	USD -2,90,218	(215.61)
Net foreign currency liabilities EUR	EUR 9,180	8.37	EUR 9,180	7.90
Impact on profit or loss: Income/(Expense)				
EUR - Increase by 5%		(0.42)	EUR 459	0.40
EUR - Decrease by 5%		0.42	-EUR 459	(0.40)
Net Impact - increase by 5%		251.36		216.01
Net Impact - decrease by 5%		(251.36)		(216.01)

40. INTEREST RATE RISK

Group's interest rate risk arises from borrowings. The long term borrowings are at fixed interest rate while the short term borrowing are at floating interest rate. The interest rate profile of the Group's interest-bearing financial instruments is as follows:

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Fixed rate instruments		
Financial Assets	521.26	18.44
Financial liabilities	409.36	657.38
Variable rate instruments		
Financial Assets	3,946.15	2,872.08
Financial liabilities	2,840.56	2,342.77

Interest rate sensitivity

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

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Long term variable interest rate borrowings	-	-
Short term variable interest rate borrowings	2,840.56	2,342.77
	2,840.56	2,342.77



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

Cash flow sensitivity analysis for variable-rate instruments:

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

(All amounts are in ₹ Lakhs unless stated otherwise)

Year ended	Increase/ (decrease) in basis points	Effect on profit before tax increase/ (decrease)
31st March, 2023	100	(28.41)
	(100)	28.41
31st March, 2022	100	(23.43)
	(100)	23.43

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 market risks. The Group also invests in equity schemes of mutual funds which carry liquidity and rate return risks.

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	On demand	Upto 1 year	1 to 5 years	More than 5 years	Total
	₹	₹	₹	₹	₹
Year ended 31st March, 2023					
Trade payables	-	2,458.64	-	-	2,458.64
Other financial liabilities	-	367.23	-	-	367.23
	-	2,825.87	-	-	2,825.87
Year ended 31st March, 2022					
Trade payables	-	3,715.54	-	-	3,715.54
Other financial liabilities	-	443.78	-	-	443.78
	-	4,159.32	-	-	4,159.32

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

42. CAPITAL MANAGEMENT

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

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

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Loans and borrowings	3,047.87	2,686.38
Trade payables	2,458.64	3,715.54
Other payables	529.97	506.73
Less: Cash and cash equivalents	(1,304.10)	(82.82)
Net debt (A)	4,732.38	6,825.83
Equity	22,254.91	20,321.79
Capital (B)	22,254.91	20,321.79
Capital gearing ratio (A/B)	0.21	0.34

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

43. INCOME TAX

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

Income statement

Particulars	(All amounts are in ₹ Lakhs unless stated otherwise)	
	As at 31st March, 2023	As at 31st March, 2022
Current income tax:		
Current income tax charge	(727.00)	(1,715.00)
Adjustments in respect of current income tax of previous year	(10.53)	-
Deferred tax:		
Relating to origination and reversal of temporary differences	48.14	43.20
Relating to origination and reversal of temporary differences through OCI	2.82	1.89
Income tax expense reported in the income statement	(686.57)	(1,669.91)

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

Particulars	(All amounts are in ₹ Lakhs unless stated otherwise)	
	As at 31st March, 2022	As at 31st March, 2021
Profit before tax	2,736.20	6,659.64
Income tax expense	(651.13)	(1,736.08)
Effect of income that is exempt from taxation	-	-
Deduction for carry forward losses	-	-
Effect of expenses that are deductible in determining taxable profits	(35.44)	66.17
Effect of expenses that are not deductible in determining taxable profits	-	-
Total tax expense	(686.57)	(1,669.91)

NGL Fine Chem Limited:

The tax rate used for the reconciliations above is the corporate tax rate of 25.17% payable by corporate entities in India on taxable profits under tax law in the Indian jurisdiction.

Macrotech Polychem Private Limited:

The tax rate used for the reconciliations above is the minimum alternate tax of 16.692% (Previous year 16.692%) payable by corporate entities in India on taxable profits under tax law in the Indian jurisdiction, in lieu of the standard corporate rate on account of carry forward losses.

44. ADDITIONAL INFORMATION**(a) Earnings per share (EPS)**

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

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding at the end of 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	(All amounts are in ₹ Lakhs unless stated otherwise)	
	As at 31st March, 2023	As at 31st March, 2022
Profit for the year from continuing operations	2,049.63	4,989.73
Weighted average number of equity shares for basic EPS*	61,78,024	61,78,024
Weighted average number of equity shares adjusted for the effect of dilution*	61,78,024	61,78,024
Face value per share (₹)	5.00	5.00
Basic earning per share (₹)	33.18	80.77
Diluted earning per share (₹)	33.18	80.77

* 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.



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(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	As at			
	31st March, 2023	31st March, 2022		
(b) Value of imports calculated on CIF basis:				
Raw materials	2,761.65	3,008.22		
Capital goods	55.21	55.62		
Total	2,816.86	3,063.84		
(c) Expenditure in foreign currency:				
Professional and consultation fees	-	-		
Other matters	250.24	180.90		
Total	250.24	180.90		
(d) Details of consumption of imported and indigenous items				
(i) Raw materials Consumed				
Indigenous	73.9%	8,861.51	78.9%	13,465.37
Imported	26.1%	3,122.18	21.1%	3,597.74
Total	100.0%	11,983.69	100.0%	17,063.11
(ii) Stores and spares Consumed				
Indigenous	100.0%	171.34	100.0%	280.28
Imported	-	-	0.0%	-
Total	100.0%	171.34	100.0%	280.28
(ii) Stores and spares Consumed				
Indigenous	100.0%	171.77	100.0%	280.28
Imported	0.0%	-	0.0%	-
Total	100.0%	171.77	100.0%	280.28
(e) Earnings in foreign exchange :				
Export of goods calculated on FOB basis		21,211.20		23,250.51
Other (Insurance & Freight)		296.58		516.98

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	As at	
	31st March, 2023	31st March, 2022
(f) Operating Lease		
The Group's significant leasing arrangements are in respect of office and laboratory in Mumbai and warehouses at Tarapur and Navi Mumbai. The leasing arrangements are usually renewed by consent on an agreeable basis. The aggregate lease rentals payable is charged as "Rent" under Other Expenses. Future minimum rentals (excluding taxes) payable under operating leases are as follows:		
Within one year	161.87	147.71
Later than one year but not later than five years	341.05	217.10
Later than five years	-	-
Rental expense relating to operating lease:		
Minimum lease payments	161.87	147.71
Total rental expense relating to operating lease	161.87	147.71

45. SEGMENTAL INFORMATION

a. Basis for segmentation

The operations of the Group are limited to one segment viz. Pharmaceutical and related products. The products being sold under this segment are of similar nature and comprises of pharmaceutical products only.

b. Geographic information

Geographical Distribution of Revenue	FY 2022-23	FY 2021-22
India	6,030.34	7,485.76
Europe	8,083.84	8,715.94
Asia Pacific	9,273.96	9,376.89
USA	550.80	983.98
Rest of the world	3,418.56	4,720.14
Total	27,357.50	31,282.71

46. REMEASUREMENT OF SECURITY DEPOSIT

Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the Group has recorded these security deposits at fair value under Ind AS. Differences between the fair value and the transaction value of the security deposits have been recognised as prepaid rent.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
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47. CLASSIFICATION AND PRESENTATION OF ASSETS AND LIABILITIES

Under Ind AS, the Group is required to present its assets and liabilities bifurcated between financial assets/ financial liabilities and non-financial assets/ non-financial liabilities. Accordingly, the Group has classified and presented the assets and liabilities.

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

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

(1) Current reporting period

(All amounts are in ₹ Lakhs unless stated otherwise)

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

(2) Previous reporting period

(All amounts are in ₹ Lakhs unless stated otherwise)

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoters	-	-
Directors	-	-
KMPs	-	-

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

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

(All amounts are in ₹ Lakhs unless stated otherwise)

MONTH	Stocks and Receivables submitted to Bank	Stocks and Receivables as per books	Difference	Difference %
Apr-22	11,343.56	11,343.56	-	-
May-22	11,090.25	11,090.25	-	-
Jun-22	10,082.12	10,082.12	-	-
Jul-22	10,762.23	10,762.23	-	-
Aug-22	9,993.46	9,993.46	-	-
Sep-22	9,861.39	9,861.39	-	-
Oct-22	10,250.23	10,250.23	-	-
Nov-22	10,232.39	10,232.39	-	-
Dec-22	9,739.36	9,739.36	-	-
Jan-23	8,954.25	8,954.25	-	-
Feb-23	9,980.89	9,980.89	-	-
Mar-23	9,503.77	9,503.77	-	-

Stock statements and trade receivable details as at the end of the month are submitted to the bank within seven days of close of the succeeding month. Monthly account finalisation takes place subsequently along with valuation of stocks. If there is any variation in the valuation, a revised statement of stocks and receivables is submitted to the bank.



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

50. RELATIONSHIP WITH STRUCK OFF COMPANIES

(All amounts are in ₹ Lakhs unless stated otherwise)

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

51. RATIO ANALYSIS

Ratio	FY 2022-23	FY 2021-22	Numerator	Denominator	Remarks	Remarks
Current Ratio	2.79	2.64	Current Assets	Current Liabilities	Ratio has increased demonstrating improved liquidity	Ratio has increased, indicating improved liquidity position.
Debt-Equity Ratio	0.15	0.15	Current Borrowings + Non Current Borrowings	Total Equity	No change in ratio maintaining status	Slight reduction in ratio indicating lower borrowings
Debt Service Coverage Ratio	12.38	16.71	Profit after Tax + Finance Costs + Depreciation + Loss on sale of FA	Finance Cost + Current Maturities of Long Term Debt	Ratio has decreased due to lower profitability	Ratio has decreased due to reduction in profits. However it still indicates strong debt servicing capability
Return on Equity Ratio	9%	25%	Profit After Tax	Total Equity	Due to higher operating costs, the margins for the year have decreased	Due to higher operating costs, the margins for the year have decreased
Inventory turnover ratio	5.87	5.32	Cost of Goods Sold	Average Inventories	Ratio has improved demonstrating improved inventory management	Large reduction in inventory levels has improved the ratio
Trade Receivables turnover ratio	4.28	6.25	Sale of Products	Average Trade Receivables	Higher credit provided to debtors has resulted in lower turn of receivables	Higher credit provided to debtors has resulted in lower turn of receivables
Trade payables turnover ratio	7.90	7.49	Cost of Goods Sold	Average Trade Payables	Ratio has decreased demonstrating lower dependence on trade credit	Lower credit is being availed from vendors
Net capital turnover ratio	2.62	3.33	Sale of Products	Average Working Capital Gap	Capital turnover has decreased demonstrating lower turn of assets	Capital turnover has decreased slightly
Net profit ratio	7.37%	15.72%	Profit After Tax	Sale of Products	Due to higher operating costs, the margins for the year have decreased	Due to higher operating costs, the margins for the year have decreased
Return on Capital employed	11.14%	28.99%	Earnings before interest and tax	Total Equity + Total Debt + Deferred Tax Liabilities	Due to higher operating costs, the margins for the year have decreased	Due to higher operating costs, the margins for the year have decreased
Return on investment	(38.53)%	27.76%	Change in market value of equity share + Dividend	Market value of equity share as on Balance Sheet date	Market price of the equity shares has decreased leading to a negative return	Return is negative as the share price in current year is lower than the share price at end of last year.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

52. CORPORATE SOCIAL RESPONSIBILITY

(All amounts are in ₹ Lakhs unless stated otherwise)

Particulars	FY 2022-23
(a) amount required to be spent by the Company during the year	104.45
(b) amount of expenditure incurred	105.08
(c) shortfall at the end of the year	0.64
(d) total of previous years shortfall	(79.32)
(e) reason for shortfall	Current years excess expenditure of ₹ 0.64 will be carried forward. Unspent amount pertaining to earlier years was due to inability to identify suitable projects
(f) nature of CSR activities	Setting up science laboratories at school in Tarapur, restoration of water bodies in Kumbhavli, Boisar, education in rural areas, modernising an operation theatre in a charitable hospital, medical aid to needy, promotion of Indian art & culture
(g) details of related party transactions	NIL
(h) provision made with respect to a liability incurred by entering into a contractual obligation.	NIL

53. Reporting under Rule 11 (e) (i) and Rule 11 (f) of the Companies (Audit and Auditors) Rules, 2014

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

54. SUBSEQUENT EVENTS

- The final dividend on shares is recorded as a liability on the date of approval by the shareholders. Income tax consequences of dividends on financial instruments classified as equity will be recognised according to where the entity originally recognised those past transactions or events that generated distributable profits. The Company declares and pays dividends in Indian rupees. Companies are required to pay/distribute dividend after deducting applicable taxes. The remittance of dividends outside India is governed by Indian law on foreign exchange and is also subject to withholding tax at applicable rates. Dividends declared by the Company are based on profits available for distribution. On 15th May, 2023, the Board of Directors of the Company have proposed a dividend of ₹ 1.75 per share in respect of the year ended 31st March, 2023 subject to the approval of shareholders at the Annual General Meeting, and if approved, would result in a cash outflow of ₹108.12 Lakh.
- The Group evaluated all events and transactions that occurred after 31st March, 2023 through 15th May, 2023; the date on which the financial statements are issued. Based on the evaluation, the Group is not aware of any events or transactions that would require recognition or disclosure in the financial statements other than that mentioned above.

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

(The accompanying notes 1 to 55 are an integral part of the financial statements)

As per our report of even date attached

For and on behalf of the Board of Directors

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

Rahul Nachane
Managing Director
DIN: 00223346

Rajesh Lawande
Whole-Time Director & CFO
DIN: 00327301

Shailesh Manek
Partner
Membership Number: 034925

Pallavi Pednekar
Company Secretary
ACS : A33498

Place: Mumbai
Date: 15th May, 2023

Place: Mumbai
Date: 15th May, 2023





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