

**NGL FINE-CHEM LIMITED**



**ANNUAL  
REPORT  
2011 - 2012**

**BOARD OF DIRECTORS**

Rahul J. Nachane  
Rajesh N. Lawande  
Ramchandra N. Bhalerao  
Milind V. Shinde  
Suman S Lad

Managing Director  
Executive Director  
Independent Director  
Independent Director  
Independent Director

**REGISTERED OFFICE & FACTORY**

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

**ADMINISTRATIVE OFFICE**

2, New Metalage Industrial Premises,  
Subhash Road, Jogeshwari East,  
Mumbai 400 060  
Tel : (+91 22) 40539999  
Email : ngl@vsnl.com

**SHARE TRANSFER AGENTS**

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

**AUDITORS**

Bharat Gandhi & Co  
Chartered Accountants

**SHARES LISTED AT**

Bombay Stock Exchange Ltd., Mumbai  
Madras Stock Exchange Ltd., Chennai  
(in the process of voluntary delisting)  
(Listing fees paid for 2012-13)

**31st ANNUAL GENERAL MEETING**

Date : August 17, 2012  
Day : Friday  
Time : 11.30 a.m  
Place : W-142 (C) TTC MIDC Industrial Area,  
Pawane Village, Thane Belapur Road,  
Navi Mumbai – 400 705

<b>CONTENTS</b>	<b>Page Number</b>
Notice	1
Directors' Report	1
Annexure A to the Directors' Report	3
Annexure B: Corporate Governance Report	4
Management Discussion & Analysis	8
Compliance Certificate from Company Secretary	9
Auditors' Report	12
Balance Sheet	14
Statement of Profit & Loss	15
Cash Flow Statement	17
Notes	19
Proxy Form & Attendance Slip	33



## NOTICE

**NOTICE** is hereby given that the Thirty First Annual General Meeting of the Members of NGL Fine-Chem Limited will be held at W-142(C) TTC, MIDC Industrial Area, Pawane Village, Thane Belapur Road, Navi Mumbai - 400 705 on Friday, August 17, 2012, at 11.30 a.m. to transact the following business.

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2012, Statement of Profit & Loss & Cash Flow Statement for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Ramchandra N. Bhalerao, Director who retires by rotation & being eligible offers himself for re-appointment as Director.
3. To appoint M/s Bharat Gandhi & Co, Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

Notes:

- 1) **A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company.**
- 2) **Proxies in order to be effective must be deposited at the Registered Office of the Company not less than fortyeight hours before the time fixed for the commencement of the Meeting.**

- 3) The Register of Members and Share Transfer Register in respect of equity shares of the Company will remain closed from **Thursday, August 9, 2012 to Friday, August 17, 2012** (both days inclusive).
- 4) As a measure of economy, copies of the Annual Reports and Accounts will not be distributed at the Meeting. Members are therefore, requested to bring their copies to the Meeting.
- 5) In furtherance of Green Initiative in Corporate Governance by Ministry of Corporate Affairs, the Shareholders are requested to register their email id with the Company or with the Registrar and Transfer Agents.
- 6) Members/Proxies are requested to produce the attendance slip duly signed, sent along with the Annual Report and Accounts, for admission to the meeting hall.
- 7) Members who are holding shares in identical order or names in more than one folio are requested to write to the company to enable the company to consolidate their holdings in one folio.
- 8) Members whose shareholding is in the electronic mode are requested to direct change of address notifications and updation of Savings Bank Account details to their respective Depository Participants.

Registered Office  
W142 C TTC MIDC Industrial Area,  
Pawane Village, Off Thane Belapur Road,  
Navi Mumbai 400 705  
Place: Mumbai  
Date: May 21, 2012.

By Order of the Board  
  
Rahul Nachane  
Managing Director

## DIRECTORS' REPORT TO THE MEMBERS

Your Directors have pleasure in presenting the Thirty First Annual Report with the Audited Balance Sheet, Statement of Profit & Loss and the notes and schedules thereon for the year ended 31st March 2012

### A. OPERATING RESULTS

The operating results of the Company for the year ended 31st March 2012 are as follows:

	Year ended on 31.03.2012 Rupees	Year ended on 31.03.2011 Rupees
Profit before Depreciation	2,91,60,803	4,78,47,039
Less: Depreciation	(1,35,32,279)	(93,61,004)
Net Profit before Tax	1,56,28,525	3,84,86,035
Less: Provision for Income Tax	(48,14,878)	(1,29,46,361)
Provision for Deferred Tax	(3,43,922)	(14,31,008)
Net Profit after Tax	1,04,69,725	2,41,08,666
Add: Previous years profit brought forward	10,70,23,705	8,29,15,039
Balance Profit carried forward	11,74,93,430	10,70,23,705

### B. REVIEW OF OPERATIONS

During the year under review your company achieved a sale of Rs. 3610.81 lakhs (previous year Rs. 3537.77 lakhs) resulting in an increase of 2% over the previous year. The profit before tax is at Rs. 156.29 lakhs (previous year Rs. 384.86 lakhs) resulting in a decrease of 59%.

### C. DIVIDEND

Your directors do not recommend dividend for the year ended 31st March 2012 with a view to conserve resources.

### D. FUTURE PROSPECTS

The company plans to commission its plant at Navi Mumbai at Unit NGL during Q1 of the year. We anticipate this plant to work at optimum capacity from Q4 of the current year.

The company has expanded its product range and now sells over 12 APIS, in addition to this, the company also sells a range of intermediates and formulations.

### E. PARTICULARS OF EMPLOYEES

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



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

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

**G. VOLUNTARY DELISTING**

The Company in compliance with the clause 6 (a) of Securities And Exchange Board of India (Delisting of Equity Shares) Regulation, 2009 has voluntarily delisted its Equity Shares from Ahmedabad Stock Exchange Limited w.e.f. 30/03/2012.

The Company has also filed an application with Madras Stock Exchange for getting its Equity Shares delisted. However the application is under process.

**H. OTHER DISCLOSURES**

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

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

**I. DIRECTORS RESPONSIBILITY STATEMENT**

The Board of Directors of the Company hereby confirm:

- (i) That in the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure.
- (ii) That the selected accounting policies were applied consistently and the directors made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2012, and that of the profit of the Company for the year ended on that date.
- (iii) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) That the annual accounts have been prepared on a going concern basis.

**J. DIRECTORS**

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

**K. AUDITORS**

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

**L. COST AUDITOR**

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

Accordingly the Company has appointed M/s Krishna S & Associates, Cost Accountant for the financial year ending March 31, 2012.

The Report of the Cost Auditor is awaited.

**M. SUBSIDIARY COMPANIES**

The company does not have any subsidiary company and therefore provision with respect to Section 212 of the Companies Act, 1956 is not applicable to the Company.

**N. CORPORATE GOVERNANCE REPORT**

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

**O. COMPLIANCE CERTIFICATE**

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

**P. COMMITTEES OF THE BOARD**

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

**Q. ACKNOWLEDGEMENTS**

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

For and on behalf of the Board of Directors

Rahul Nachane  
Chairman & Managing Director  
Mumbai, May 21, 2012.



## ANNEXURE B TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31st MARCH 2012.

### CORPORATE GOVERNANCE REPORT

#### 1. Company's philosophy

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

#### 2. Board of Directors

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

None of the Directors have any pecuniary or business relationship with the Company except to the extent as disclosed in Note 26 (g). No Director of the Company is either member in more than ten committees and/or Chairman of more than five committees across all Companies in which he is Director.

During the year there were in total four board meetings held on 21st May 2011, 30th July 2011, 5th November 2011 and 3rd February 2012. The time gap between the two meetings was not more than four months. All the information required to be furnished to the Board was made available to them along with detailed Agenda notes.

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

Name of Director	Category of Directorship	No. of Board Meetings attended	Attendance at the last AGM	No. of other Directorships	Committee Memberships in other Companies
R. J. Nachane	MD	4	Yes	1	--
R. N. Lawande	ED	4	Yes	1	--
R. N. Bhalerao	NED	2	Yes	--	--
M. V. Shinde	NED	4	Yes	--	--
S. S. Lad	NED	4	Yes	2	--

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

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

- a. Name of Director: Ramchandra N. Bhalerao
- b. Age: 68 years
- c. Qualifications: B. Tech (Chemical Engg)
- d. Expertise in functional areas: Over 40 years experience in the chemical industry. He has headed the project division in his erstwhile company and is a renowned consultant in the industry today.
- e. Directorships in other Indian public limited companies & other firms as on 31.03.2012 Nil
- f. Shareholding 1000 equity shares

#### 3. Committees of the Board:

##### a. Audit Committee

Pursuant to the provisions of section 292(A) of The Companies Act, 1956 & clause 49 of the Listing Agreement, an Audit Committee comprising of 3 Non Executive Independent Directors & 1 Executive Director was constituted.

Following are the members of the Committee.

1. Mr. Suman S. Lad – Chairman
2. Mr. Milind V. Shinde – Member
3. Mr. Rajesh N. Lawande – Member
4. Mr. R. N. Bhalerao – Member

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

Name of Director	Category of Directorship	No. of Committee Meetings attended
S. S. Lad	NED	4
M. V. Shinde	NED	4
R. N. Bhalerao	NED	2
R. N. Lawande	ED	4

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

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

##### b. Remuneration Committee

The Stock Exchange Listing Agreement non-mandatory requirement stipulates that the Remuneration Committee should comprise of at least two Non Executive Independent Directors. However as stipulated in Schedule XIII of Companies Act, 1956, the Remuneration Committee should comprise of at least 3 (Three) Non Executive Independent Directors. The Remuneration Committee of the Company comprises of 3 ( Three ) Non Executive Independent Directors.

The following are the members of the Committee.

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

There was no Remuneration Committee Meeting held during the financial year ended 31st March, 2012.

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

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



## Remuneration Policy

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

Details of remuneration paid to Executive Directors:

Name of Director	Designation	Salary	Provident Fund & Gratuity Fund
Mr. Rahul Nachane	MD	Rs. 30,00,000	Rs. 1,80,000
Mr. Rajesh Lawande	ED	Rs. 30,00,000	Rs. 1,80,000

Mr. Rahul Nachane is appointed as Managing Director with effect from 1st June 2011 for a period of 5 years, Mr. Rajesh Lawande has been reappointed as Executive Director with effect from 1st June 2010 for a period of 5 years.

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

Name	Rupees	No. of equity shares	Non convertible instruments
Mr. Ramchandra Bhalerao	10,000	1,000	Nil
Mr. Milind Shinde	20,000	Nil	Nil
Mr. Suman Lad	20,000	Nil	Nil

## Sitting Fees

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

### c. Shareholders/Investors Grievance Committee

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

Following are the members of the Committee.

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

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

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

The company received NIL complaints from the shareholders during the year, out of which none remained pending at the end of the year. Further, during the year ended on 31st March 2012 the company approved transfer of 1,800 and transmission of 187757 Equity shares of Rs.5/-.

## 4. General Body Meetings:

Financial Year	Date	Time	Venue	Special Resolution(s)
2008-09 AGM	August 28, 2009	11.00 am	Regd. Office	1. Re-appointment of Mr. Rajesh Lawande as Executive Director 2. Appointment of Mr. Arun Lawande as Consultant to the company
2009-10 AGM	August 20, 2010	11.00 am	Regd. Office	NIL
2010-11 AGM	August 18, 2011	11.30 am	Regd. Office	1. Appointment of Mr. Rahul Nachane as Managing Director

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

## 5. Disclosures

During the year under review, besides the transactions reported under Note 26 (g) to the Balance Sheet, there were no other related party transactions with the promoters, directors, the management or their relatives during the year with potential conflict of interest with the Company at large.

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

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

## 6. Means of Communication

The quarterly/yearly results are normally submitted to Stock Exchanges immediately after board meetings. The results are also published in Free Press Journal & Navshakti. The results are also displayed at the company's website at [www.nglfinechem.com](http://www.nglfinechem.com). Matters of material nature are communicated to the stock exchanges.

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

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

## 7. General Shareholder Information

- The 31st Annual General Meeting is proposed to be held on Friday, August 17, 2012 at 11.30 a.m. at Registered Office of the Company.
- The financial year of the company is from April to March.

### Financial calendar

* Audited annual results of year	By 3rd week of May
* Annual General Meeting	By 3rd week of August
* First Quarter results	By Mid August
* Second Quarter & Half year results	By Mid November
* Third Quarter results	By Mid February



#### Dates of book closure

Thursday, August 9, 2012 to Friday, August 17, 2012 (both days inclusive)

#### Dividend

The Board of Directors have not proposed any dividend for the year ended 31st March 2012 with a view to conserve resources.

#### Listing of equity shares on Stock Exchanges

The Companies Shares are listed on Bombay (BSE) with scrip code as 524774.

During the year the Equity Shares of the Company were voluntary delisted from Ahmedabad Stock Exchange and it is in process of voluntary delisting from Madras Stock Exchange.

#### Names of depositories for dematerialization of equity shares

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

#### Stock market price data for the year 2011-2012 (BSE)

Month	BSE		
	High	Low	Volume of shares traded (Nos)
April 2011	15.36	13.37	10,906
May 2011	14.50	12.55	10,189
June 2011	16.30	13.20	23,537
July 2011	17.48	13.37	18,309
August 2011	16.00	12.10	16,195
September 2011	15.50	12.40	3,807
October 2011	14.65	12.50	12,742
November 2011	16.15	13.81	43,709
December 2011	15.99	13.28	10,923
January 2012	16.98	14.00	7,283
February 2012	15.80	11.80	6,744
March 2012	14.38	10.67	15,910

#### Registrar and Share Transfer Agent

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

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

#### Share Transfer System

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

#### De-materialization of shares

As on 31.03.2012, 71.63% of the Company's total shares representing 44,25,208 shares were held in de-materialized form & the balance 28.37% representing 17,52,816 shares in paper form. The details are given below :

Type	No. of Shares Held	% Shareholding
<u>De-materialized shares</u>		
With N.S.D.L	29,40,128	47.59
With C.D.S.L	14,85,080	24.04
Total demat shares	44,25,208	71.63
Physical shares	17,52,816	28.37
	61,78,024	100.00

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

#### Categories of Shareholders as on March 31, 2012

Category	No. of Shares Held	% Shareholding
Bodies Corporate	6,85,459	11.09
Directors & their relatives	41,19,335	66.68
General Public	13,72,099	22.21
NRI/OCB	1,131	0.02
	61,78,024	100.00

#### Distribution of shareholding as on March 31, 2012

No. of shares	No. of Shareholders	% of Shareholders	Shareholding (Rs.)	% of Shareholding
Up to 5000	2,980	92.58	31,38,165	10.16
5001 – 10000	103	3.20	7,97,755	2.58
10001 – 20000	70	2.17	9,88,880	3.20
20001 – 30000	14	0.43	3,51,235	1.14
30001 – 40000	6	0.19	2,17,080	0.70
40001 – 50000	10	0.31	4,67,105	1.51
50001 – 100000	11	0.34	8,65,880	2.80
100001 & above	25	0.78	2,40,64,020	77.90
	3,219	100.00	3,08,90,120	100.00

#### Plant Locations

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

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

Unit Alpha: W41C & W42C, MIDC Tarapur, Boisar, District Thane 401506.

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

#### Address for correspondence

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



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

---

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

We hereby certify that for the financial year, ending 31st March, 2012 on the basis of the review of the financial statements and the cash flow statement and to the best of our knowledge and belief that:-

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

5. We further certify that:

- a. There have been no significant changes in internal control during the year;
- b. There have been no significant changes in accounting policies during the year.
- c. There have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

Rahul Nachane  
*Managing  
Director*

Rajesh Lawande  
*Executive  
Director*

Date: May 21, 2012.  
Place: Mumbai.

### **DECLARATION**

---

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

Rahul Nachane  
Managing Director

Date: May 21, 2012.  
Place: Mumbai.





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

---

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

We have reviewed the implementation of Corporate Governance procedures by the Company during the year ended March 31, 2012, with the relevant records and documents maintained by the Company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination is neither an audit nor an expression of opinion on the financial statements of the Company.

On the basis of the above and according to the information and explanations given to us, in our opinion, the Company has complied in

all material respects with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges.

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

For HS Associates  
*Company Secretaries*

*Sd/-*

Hemant Shetye  
Partner

Mumbai, May 21, 2012.

FCS – 2827  
COP – 1483

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

---

### Industry Structure & Developments

The pharmaceutical market worldwide, after experiencing a slump during the past 2 years, is now in its recovery period, which will be followed by its growth. Decline in global pharma market was largely due to the economic slowdown, and further aggravated by patent expiry of key blockbusters together with saturation in key pharma markets, such as the US and Western Europe. Meanwhile, pharma markets in some developing regions, like Asia and Latin America have been continuously witnessing robust growth rate for the last few years on account of increasing prevalence of diseases, rising healthcare spending, and increasing affordability. Overall, these markets will enjoy good growth potential in coming few years.

### Market Trends & Outlook

Global pharma industry is projected to grow at a CAGR of around 6.5% during 2012-2014. The growth will be driven by low cost factor, increasing prevalence of diseases worldwide, and rising per capita income of consumers. Sales of generic drugs will emerge as the most prominent segment of the pharma market during the forecast period, indicating large opportunities for generics manufacturers to tap.

Regionally, industry is growing at a rapid rate in emerging countries, such as India, China, Brazil, Russia, among others, while a slowdown in the growth has been encountered in the US and Western European countries.

Earnings prospects for Indian pharmaceutical companies will continue to be guided by the growing preference for generics as well as opportunities provided by patent expiries in developed markets. Furthermore, other segments of the sector, namely contract research and manufacturing services, and the domestic market are also expected to continue to grow due to the favourable macro environment. Amid the growing demand for generics, capacity utilisation for the sector would increase. Negative implications arising from non-compliance with international regulatory standards, competitive pressures resulting in significant reduction in margins and sustained depreciation of the rupee leading due to higher debt on account of foreign currency borrowing could hamper the sector's credit profile.

### Asia Pacific Pharmaceutical Market

Asia is a key driving force of the current global pharmaceutical industry. In recent years, healthcare demands among the region's populations have increased and its low operating costs continue to attract pharmaceutical companies. And, it is emerging as a powerhouse of pharmaceutical Research & Development (R&D) facilitated by the availability of a vast patient population, quality data, lower costs and skilled manpower. The Asia-Pacific is the third largest pharmaceutical market in the world after North America and Europe, with many leading Asian pharmaceutical companies becoming successful due to their ability to retain their cost advantage. Mature markets such as Japan experience slower growth rates that are driven mainly by developments in the field of biotech solutions. While emerging markets such as China and India, the leaders in the emerging Asian pharmaceutical industries, are enjoying a situation in which foreign pharmaceutical companies want to invest in and outsource to cut costs and tap the availability of skilled professionals. Both countries show strong growth and are moving towards a trend of higher quality requirements. Reshaping the pharmaceutical industry's quality standards is continued to be one of the top priority in China with their new tougher Good Manufacturing Processes (GMP) standards for medical products to meet international standards and requirements. Indian Pharma companies are looking to increasing their R&D budgets and capabilities particularly new drug formulation for quality assurance and compliance.

### Risks & Concerns

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

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



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

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

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

#### Product-wise performance

The growth in sales for the year was slow primarily as some products saw a de-growth. This was mainly in the first two quarters of the year. However the sales had picked up during the last two quarters.

## COMPLIANCE CERTIFICATE

Regn/CIN No. of the Company: L24110MH1981PLCO25884.

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

Issued Capital: Rs 3,08,90,120/-

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

We have examined the registers, records, books and papers of NGL FINE CHEM LIMITED, ("the Company") as required to be maintained under the Companies Act, 1956, (the "Act") and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on **31ST MARCH, 2012** ("financial year"). In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in **Annexure 'A'** to this Certificate, as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in **Annexure 'B'** to this Certificate, with the Registrar of Companies within the time prescribed under the Act and the rules made there under.
3. The Company being a Public Limited Company has the minimum prescribed paid up Capital.
4. The Board of Directors duly met **(4) Four** times on **21st May 2011, 30th July 2011, 5th November 2011 and 3rd February 2012** in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.

#### Internal Control Systems & Adequacy

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

#### Financial Performance

The sales have increased by 2% over the previous year to Rs 3610.81 lakhs. Profit has decreased to Rs 104.70 lakhs which is an decrease of 56.6% over the previous year. Future performance drivers are improved productivity and a growing product portfolio to offer our global customers.

#### Human Resources

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

5. The Company has closed its Register of Members from **Thursday, August 11, 2011 to Friday, August 19, 2011** (both days inclusive) and necessary compliance of Section 154 of the Act has been made.
6. The annual general meeting for the financial year ended on **31st MARCH, 2011** was held on **Thursday, 18th August 2011** after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No extra ordinary general meeting was held during the financial year.
8. The Company has not advanced any loans to its Directors and/or persons or firms or companies referred to under Section 295 of the Act.
9. The Company has duly complied with the provisions of Section 297 of the Act in respect of Contracts specified in that section.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
11. As per the information provided to us there were no transactions attracting the provisions of Section 314 of the Companies Act, 1956.
12. The Company has not issued any duplicate certificates during the Financial Year.
13. The Company has:
  - (i) The Company approved transfer of 1,800 and transmission of 187757 Equity shares of Rs.5/- during the year 2011-2012. There was no allotment of securities during the financial year.
  - (ii) Not deposited any amount in a separate bank account as no dividend was declared during the financial year.
  - (iii) Not paid dividends to any members within a period of 30 (thirty) days from the date of declaration as no dividend was declared.
  - (iv) Not transferred the amounts in unpaid dividend account,



application money due for refund, matured deposits, matured debentures and the interest accrued thereon, which have remained unclaimed or unpaid for a period of seven years, to Investor Education and Protection Fund as no amount in respect of the above were lying in the books of accounts of the Company is to be transferred.

- (v) Duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There were no appointment of additional Directors, alternate Directors and Directors to fill casual vacancy during the financial year.
  15. The company has not appointed the Managing Director/Whole time Director or Manager during the financial year.
  16. The Company has not appointed any sole-selling agents during the financial year.
  17. No approvals were required to be obtained of the Central Government, Company Law Board, Regional Director, Registrar of Companies and/ or such authorities prescribed under the various provisions of the Act.
  18. The Directors have disclosed their interest in other firms/ companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
  19. The Company has not issued any shares, debentures or other securities during the financial year.
  20. The Company has not bought back any shares during the financial year.
  21. The Company has no preference share capital or debentures and as such there was no redemption of preference shares or debentures during the financial year.
  22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
  23. The Company has not invited or accepted any deposits including any unsecured loans falling within the purview of Section 58A of the Act during the financial year.
  24. The Company has borrowed amount from Financial Institution, Banks but not from Directors, Members and others during the financial year ending on 31st March 2012. The said borrowing is within the limit as specified under section 293(1)(d) of the Companies Act 1956.
  25. The Company has made investments, however not given any loan or guarantees or not provided securities to other bodies corporate in compliance with the provisions of section 372A of the Act and has made necessary entries in the register kept for the purpose. The said investments are within the limit as specified under section 372A of the Companies Act 1956.

26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another during the financial year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the financial year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the financial year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to the share capital of the Company during the financial year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. The company has received the show cause notices during the financial year for defaults under Section 159/166/210/220 of the Companies Act 1956 for which the Company had sufficient time by the end of financial year for its reply.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has deposited both employee's and employer's contribution of Provident Fund with prescribed authorities pursuant to section 418 of the Act.

Sd/-

Name of Company Secretary: Hemant Shetye

Place: MUMBAI.

Partner: HS Associates

Date: May 21, 2012

C.P. No.: 1483.

#### **ANNEXURE "A"**

##### **REGISTERS AND RECORDS MAINTAINED BY THE COMPANY**

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



**ANNEXURE "B": FORMS AND RETURNS AS FILED BY THE COMPANY WITH THE REGISTRAR OF COMPANIES, REGIONAL DIRECTOR, COMPANY LAW BOARD DURING THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2012.**

<b>Sr. No.</b>	<b>Forms</b>	<b>Sections</b>	<b>Date of filing</b>	<b>Particulars</b>
1.	23	192	14/05/2011	Registration of Resolution
2.	8	125	20/06/2011	Creation of charge
3.	23C	233B(2)	21/07/2011	Application to the Central Government for appointment of cost auditor
4.	23	192	13/09/2011	Registration of Resolution
5.	66	383A	13/09/2011	Submission of Compliance Certificate for the year ended 31.3.2011
6.	25C	269(2) and Schedule XIII	20/09/2011	Particulars of appointment of Managing Director
7.	I	233B(4)	07/10/2011	Filing cost audit report
8.	20B	159	15/10/2011	Submission of Annual Return for the year ended 31.3.2011
9.	17	138	27/01/2012	Satisfaction of Charges
10.	17	138	27/01/2012	Satisfaction of Charges
11.	17	138	27/01/2012	Satisfaction of Charges
12.	23AC & 23ACA XBRL	220	07/03/2012	Submission of Balance sheet & Profit & Loss A/C for the year ended 31.3.2011

Place: MUMBAI.  
Date: May 21, 2012

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



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

### To the members of NGL Fine Chem Limited

We have audited the attached Balance Sheet of **NGL Fine-Chem Limited** as at 31st March, 2012 and also the Statement of Profit & Loss and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

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

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books;
- c) the Balance Sheet, Statement of Profit & Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account.

- d) In our opinion the Balance Sheet, Statement of Profit & Loss and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in Section 211 (3C) of the Companies Act 1956.
- e) On the basis of written representations received from the directors as on 31st March, 2012, and taken on record by the Board of Directors, we report that, none of the directors is disqualified as on 31st March 2012 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act 1956.
- f) in our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2012 and
  - (ii) in the case of the Statement of Profit & Loss, of the profit for the year ended 31st March 2012 and
  - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on 31st March 2012.

For BHARAT GANDHI & CO,  
Chartered Accountants  
Registration No: 101214W

Mumbai, May 21, 2012

Bharat Gandhi  
Proprietor  
Membership No: 34959

Annexure referred to in paragraph (1) of the Auditors' Report to the Members of **NGL Fine-Chem Limited** on the accounts for the year ended 31st March 2012

- (1)
  - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - (b) All fixed assets have been physically verified by the management during the year and there is a regular program of verification which in our opinion is reasonable having regard to the size of the Company and the nature of the assets. No serious discrepancies have been noticed on such verification.
  - (c) During the year there were no substantial disposal of fixed assets.
- (2)
  - (a) The inventories have been physically verified by the management at reasonable intervals during the year.
  - (b) The procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The company is maintaining proper records of inventory and there were no material discrepancies noticed on physical verification.
- (3) The company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under section 301 of the Act. Consequently, clauses (iii)(b), (iii)(c), (iii)(d), (iii)(f) and (iii)(g) of paragraph 4 of the order are not applicable.
- (4) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventories and fixed assets and with regard to the sale of goods. As per the information and explanations provided to us, there is no major weakness noticed in internal control procedures.
- (5) The company has entered all transactions that need to be entered into a register in pursuance of section 301 of the Companies Act.
- (6) The company has not accepted any deposits from the public.



- (7) In our opinion, the Company has an internal audit system commensurate with the size of the Company's business.
- (8) We have broadly reviewed the books of account maintained by the Company pursuant to the Order made by the Central Government for the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been maintained. However we are not required to and have not carried out any detailed examination of such accounts and records.
- (9) (a) According to the records of the Company the company is regular in depositing undisputed statutory dues including provident fund, employees state insurance, investor education & protection fund, income tax, sales tax, wealth tax, customs duty, excise duty, cess and other statutory dues with the appropriate authorities.
- (b) There are no undisputed arrears of outstanding statutory dues as at March 31, 2012, for a period of more than six months from the date they became payable.
- (10) The company has no accumulated losses as at March 31, 2012 and has not incurred cash losses during the financial years ended March 31, 2012 & March 31, 2011.
- (11) The company has not defaulted in repayment of dues to financial institutions and banks.
- (12) The company has not granted any loans and advances on the basis of securities by way of pledge of shares, debentures and other securities.
- (13) The company is not a chit fund, nidhi / mutual benefit fund / society and thus no special statutes are applicable.
- (14) The company has made investments in shares and securities and proper records have been maintained of the transactions and contracts and timely entries have been made in the records. The said shares and securities have been held by the company in its own name.
- (15) According to the information and explanations given to us, the company has not given any guaranty for loans taken by others from banks or financial institutions.
- (16) In our opinion and according to the explanations given to us, the term loans taken during the year have been applied for the purpose for which it was obtained.
- (17) According to the Cash Flow Statement for the year ended March 31, 2012, neither have funds raised on short term basis have been utilized for long term investments and nor have funds raised on long term basis been utilized for short term investments.
- (18) The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act 1956.
- (19) The company has not issued any debentures during the year and no such debentures are outstanding as on March 31, 2012.
- (20) The company has not made any public issue during the year ended March 31, 2012.
- (21) According to information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

For BHARAT GANDHI & CO,  
*Chartered Accountants*  
Registration No: 101214W

Mumbai, May 21, 2012

Bharat Gandhi  
*Proprietor*  
Membership No: 34959



**BALANCE SHEET AS AT 31 MARCH 2012**

	Particulars	Note	As at 31 March 2012		As at 31 March 2011	
			Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
<b>A</b>	<b>EQUITY AND LIABILITIES</b>					
<b>1</b>	<b>Shareholders' funds</b>					
	(a) Share capital	3	30,890,120		30,890,120	
	(b) Reserves and surplus	4	140,172,378		129,702,654	
	(c) Money received against share warrants		-		-	
				171,062,498		160,592,774
<b>2</b>	<b>Share application money pending allotment</b>		-		-	
<b>3</b>	<b>Non-current liabilities</b>					
	(a) Long-term borrowings	5	37,713,943		18,435,501	
	(b) Deferred tax liabilities (net)	6	5,300,148		4,956,225	
	(c) Other long-term liabilities		-		-	
	(d) Long-term provisions		-		-	
				43,014,091		23,391,726
<b>4</b>	<b>Current liabilities</b>					
	(a) Short-term borrowings	7	49,779,227		39,011,544	
	(b) Trade payables	8	80,062,774		73,650,910	
	(c) Other current liabilities	9	18,688,537		11,886,080	
	(d) Short-term provisions	10	9,293,350		8,622,487	
				157,823,888		133,171,021
		<b>TOTAL</b>		<b>371,900,477</b>		<b>317,155,521</b>
<b>B</b>	<b>ASSETS</b>					
<b>1</b>	<b>Non-current assets</b>					
	(a) Fixed assets					
	(i) Tangible assets	11	102,778,921		109,293,254	
	(ii) Intangible assets	11	-		-	
	(iii) Capital work-in-progress	11	46,234,796		5,979,420	
	(iv) Intangible assets under development		-		-	
	(v) Fixed assets held for sale		-		-	
	(b) Non-current investments	12	15,197,108		16,298,919	
	(c) Deferred tax assets (net)		-		-	
	(d) Long-term loans and advances	13	11,885,264		6,268,002	
	(e) Other non-current assets		-		-	
				176,096,089		137,839,595
<b>2</b>	<b>Current assets</b>					
	(a) Current investments					
	(b) Inventories	14	57,792,163		47,891,349	
	(c) Trade receivables	15	114,088,796		107,408,106	
	(d) Cash and cash equivalents	16	7,518,901		8,051,871	
	(e) Short-term loans and advances	17	9,064,647		8,626,653	
	(f) Other current assets	18	7,339,882		7,337,947	
				195,804,388		179,315,926
		<b>TOTAL</b>		<b>371,900,477</b>		<b>317,155,521</b>

See accompanying notes forming part of the financial statements

In terms of our report attached.

**For Bharat Gandhi & Co**  
Chartered Accountants

Bharat Gandhi  
Proprietor

Place : Mumbai  
Date : 21/05/2012

For and on behalf of the Board of Directors

S.S.Lad  
Director

R.N.Lawande  
Executive Director

Place : Mumbai  
Date : 21/05/2012

R.J. Nachane  
Managing Director

M.V.Shinde  
Director



**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2012**

Particulars	Note	For the year ended	For the year ended
		31 March 2012	31 March 2011
		Amount (₹)	Amount (₹)
<b>A CONTINUING OPERATIONS</b>			
<b>1 Revenue from operations (gross)</b>	19	374,223,687	378,324,111
Less: Excise duty	19	- 13,142,269	-24,547,395
<b>Revenue from operations (net)</b>		<b>361,081,418</b>	<b>353,776,716</b>
<b>2 Expenses</b>			
(a) Cost of materials consumed	20	194,426,147	176,388,532
(b) Purchases of stock-in-trade		-	-
(c) Changes in inventories of finished goods and work-in-progress	21	-7,310,749	-8,602,809
(d) Employee benefits expense	22	37,120,982	36,296,791
(e) Other expenses	23	99,799,551	97,733,588
<b>Total</b>		<b>324,035,931</b>	<b>301,816,102</b>
<b>3 Earnings before exceptional items, extraordinary items, interest, tax, depreciation and amortisation (EBITDA) (1 - 2)</b>		<b>37,045,486</b>	<b>51,960,614</b>
<b>4 Finance costs</b>	24	-9,150,043	-5,620,107
<b>5 Depreciation and amortisation expense</b>	11	- 13,532,279	-9,361,004
<b>6 Other income</b>	25	1,265,360	1,506,531
<b>7 Profit (Loss) before exceptional and extraordinary items and tax (3 + 4 + 5+ 6)</b>		<b>15,628,525</b>	<b>38,486,034</b>
<b>8 Exceptional items</b>		-	-
<b>9 Profit / (Loss) before extraordinary items and tax (7 + 8)</b>		<b>15,628,525</b>	<b>38,486,034</b>
<b>10 Extraordinary items</b>		-	-
<b>11 Profit / (Loss) before tax (9 + 10)</b>		<b>15,628,525</b>	<b>38,486,034</b>
<b>12 Tax expense:</b>			
(a) Current tax expense for current year		-4,685,000	-12,900,000
(b) (Less): MAT credit (where applicable)		-	-
(c) Current tax expense relating to prior years		-129,878	-46,360
(d) Net current tax expense		-4,814,878	-12,946,360
(e) Deferred tax		-343,923	-1,431,008
(e) Total tax expense		<b>-5,158,801</b>	<b>-14,377,368</b>
<b>13 Profit / (Loss) from continuing operations (11 + 12)</b>		<b>10,469,724</b>	<b>24,108,666</b>
<b>B DISCONTINUING OPERATIONS</b>			
<b>14.i Profit / (Loss) from discontinuing operations (before tax)</b>		-	-
<b>14.ii Gain / (Loss) on disposal of assets / settlement of liabilities attributable to the discontinuing operations</b>		-	-
<b>14.iii Add / (Less): Tax expense of discontinuing operations</b>			
(a) on ordinary activities attributable to the discontinuing operations		-	-
(b) on gain / (loss) on disposal of assets / settlement of liabilities		-	-
<b>15 Profit / (Loss) from discontinuing operations (14.i + 14.ii + 14.iii)</b>		-	-
<b>C TOTAL OPERATIONS</b>			
<b>16 Profit / (Loss) for the year (13 + 15)</b>		<b>10,469,724</b>	<b>24,108,666</b>





**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2012**

Particulars	Note	For the year ended	For the year ended
		31 March 2012	31 March 2011
		Amount (₹)	Amount (₹)
<b>17.i Earnings per share (of Rs. 5/- each):</b>			
(a) Basic			
(i) Continuing operations		1.71	3.90
(ii) Total operations		1.69	3.90
(b) Diluted			
(i) Continuing operations		1.71	3.90
(ii) Total operations		1.69	3.90
<b>17.ii Earnings per share (excluding extraordinary items) (of Rs. 5/- each):</b>			
(a) Basic			
(i) Continuing operations		1.71	3.90
(ii) Total operations		1.69	3.90
(b) Diluted			
(i) Continuing operations		1.71	3.90
(ii) Total operations		1.69	3.90

**See accompanying notes forming part of the financial statements**

In terms of our report attached.

**For Bharat Gandhi & Co**

Chartered Accountants

Bharat Gandhi  
Proprietor

Place : Mumbai  
Date : 21/05/2012

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

S.S.Lad  
**Director**

R.N.Lawande  
**Executive Director**

Place : Mumbai  
Date : 21/05/2012

R.J. Nachane  
**Managing Director**

M.V.Shinde  
**Director**



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2012**

	Particulars	For the year ended 31 March 2012		For the year ended 31 March 2011	
		Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
<b>A.</b>	<b>Cash flow from operating activities</b>				
	Net Profit / (Loss) before extraordinary items and tax		15,628,525		38,486,034
	<i>Adjustments for:</i>				
	Depreciation and amortisation	13,532,279		9,361,004	
	(Profit) / loss on sale / write off of assets	-		-13,334	
	Interest income	-492,556		-713,535	
	Dividend income	-749,665		-680,254	
	Liabilities / provisions no longer required written back	-		-	
			12,290,058		7,953,881
	Operating profit / (loss) before working capital changes		27,918,583		46,439,915
	<i>Changes in working capital:</i>				
	<i>Adjustments for (increase) / decrease in operating assets:</i>				
	Inventories	-9,900,814		-6,518,771	
	Trade receivables	-6,680,690		-25,605,611	
	Short-term loans and advances	-437,994		13,011,564	
	Long-term loans and advances	-5,617,262		589,329	
	Other current assets	-1,935		-58,973	
	Other non-current assets	-		-	
	<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
	Trade payables	6,411,864		35,018,336	
	Other current liabilities	6,802,457		4,697,941	
	Other long-term liabilities	-		-	
	Short-term provisions	670,863		-9,973,888	
	Long-term provisions	-		-	
			-8,753,511		11,159,927
			19,165,072		57,599,842
	Cash flow from extraordinary items		-		-
	Cash generated from operations		19,165,072		57,599,842
	Net income tax (paid) / refunds		-5,158,801		-14,377,368
	<b>Net cash flow from / (used in) operating activities (A)</b>		<b>14,006,271</b>		<b>43,222,474</b>
<b>B.</b>	<b>Cash flow from investing activities</b>				
	Capital expenditure on fixed assets, including capital advances	-47,273,322		-50,108,470	
	Proceeds from sale of fixed assets			13,334	
	Purchase of long-term investments	1,101,811		-6,548,575	
	Proceeds from sale of long-term investments				
	Loans given				
	Loans realised				
	Interest received	492,556		713,535	
	Dividend received	749,665		680,254	
	Cash flow from extraordinary items	-		-	
			-44,929,290		-55,249,922
			-44,929,290		-55,249,922
	Net income tax (paid) / refunds		-		-
	<b>Net cash flow from / (used in) investing activities (B)</b>		<b>-44,929,290</b>		<b>-55,249,922</b>
<b>C.</b>	<b>Cash flow from financing activities</b>				
	Proceeds from long-term borrowings	19,278,442		17,509,452	
	Repayment of long-term borrowings	-		-	
	Net increase / (decrease) in working capital borrowings	10,767,683		-9,273,231	



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2012

Particulars	For the year ended 31 March 2012		For the year ended 31 March 2011	
	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
Proceeds from other short-term borrowings	-		-	
Repayment of other short-term borrowings	-		-	
Net increase / (decrease) in Deferred Tax Liability	343,923		1,431,008	
Dividends paid	-		-	
Tax on dividend	-		-	
		30,390,048		9,667,229
Cash flow from extraordinary items -				
<b>Net cash flow from / (used in) financing activities (C)</b>		30,390,048		9,667,229
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		<b>-532,970</b>		<b>-2,360,219</b>
Cash and cash equivalents at the beginning of the year		8,051,871		10,412,090
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents		-		-
<b>Cash and cash equivalents at the end of the year</b>		<b>7,518,901</b>		<b>8,051,871</b>
<b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>				
Cash and cash equivalents as per Balance Sheet (Refer Note 19)		7,518,901		8,051,871
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements (give details)		-		-
<b>Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in Note 19</b>		<b>7,518,901</b>		<b>8,051,871</b>
Add: Current investments considered as part of Cash and cash equivalents (as defined in AS 3 Cash Flow Statements)		-		-
<b>Cash and cash equivalents at the end of the year *</b>		<b>7,518,901</b>		<b>8,051,871</b>
* Comprises:				
(a) Cash on hand		337,971		340,493
(b) Cheques, drafts on hand		-		-
(c) Balances with banks				
(i) In current accounts		483,107		1,725,740
(ii) In EEFC accounts		82,921		33,997
(iii) In deposit accounts		6,532,540		5,869,279
(iv) In earmarked accounts (Dividend Payment account)		82,362		82,362
(d) Others (specify nature)		-		-
(e) Current investments considered as part of Cash and cash equivalents		-		-
		7,518,901		8,051,871

### Notes:

- (i) The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discounting operations.  
(ii) These earmarked account balances with banks can be utilised only for the specific identified purposes.

### See accompanying notes forming part of the financial statements

In terms of our report attached.

**For Bharat Gandhi & Co**  
Chartered Accountants

Bharat Gandhi  
Proprietor

Place : Mumbai  
Date : 21/05/2012

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

S.S.Lad  
**Director**

R.J. Nachane  
**Managing Director**

R.N.Lawande  
**Executive Director**

M.V.Shinde  
**Director**

Place : Mumbai  
Date : 21/05/2012



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012**

Note	Particulars
<b>1</b>	<p><b>Corporate information</b></p> <p>NGL Fine-Chem Limited is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its Shares are listed on Bombay Stock Exchange in India. The Company is engaged in pharmaceutical business. It undertakes manufacturing of wide range of products.</p>
<b>2</b>	<p><b>Significant accounting policies</b></p>
<b>2.01</b>	<p><b>Basis of accounting and preparation of financial statements</b></p> <p>The financial statements are prepared under the historical cost convention on accrual basis and in accordance with the standard on accounting issued by the Institute of Chartered Accountants of India and referred to in Section 211 (3C) of the Companies Act, 1956. Accounting Policies not specifically referred to otherwise are consistent with generally accepted accounting principles.</p>
<b>2.02</b>	<p><b>Use of estimates</b></p> <p>The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.</p>
<b>2.03</b>	<p><b>Inventories</b></p> <p>Stock of raw materials, consumable stores and fuel &amp; oil are valued at lower of cost or market value on FIFO basis. Finished goods and work in process are valued at cost of production.</p>
<b>2.04</b>	<p><b>Cash and cash equivalents (for purposes of Cash Flow Statement)</b></p> <p>Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.</p>
<b>2.05</b>	<p><b>Cash flow statement</b></p> <p>Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.</p>
<b>2.06</b>	<p><b>Depreciation and amortisation</b></p> <p>Fixed assets are stated at cost. Attributable expenditure of bringing the respective assets to working condition for their intended use is capitalized. Depreciation in the accounts is charged on the Straight Line Method at the rates and in the manner prescribed by Schedule XIV of the Companies Act, 1956 on the cost, as reduced by the amount of Excise Cenvat &amp; VAT claimed. Intangible assets are amortized over a period of 3 years.</p>
<b>2.07</b>	<p><b>Revenue recognition</b></p> <p><b>Sale of goods</b></p> <p>Export Sales are recognized as per the date of the shipping bill. Local Sales are recognized on dispatch of goods to the customers. Sales are shown net of returns and include excise duty.</p> <p><b>Other income</b></p> <p>Dividend income is accounted for when the right to receive dividend is established.</p> <p>Interest income is accounted on accrual basis.</p> <p>Export Duty Drawback is accounted on cash receipt basis.</p>



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012**

Note	Particulars
<b>2.08</b>	<p><b>Tangible fixed assets</b></p> <p>Fixed assets are stated at cost. Attributable expenditure of bringing the respective assets to working condition for their intended use is capitalized. Depreciation in the accounts is charged on the Straight Line Method at the rates and in the manner prescribed by Schedule XIV of the Companies Act, 1956 on the cost, as reduced by the amount of Excise Cenvat &amp; VAT claimed.</p> <p>Intangible assets are amortized over a period of 3 years.</p> <p><u>Capital work-in-progress:</u> Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses.</p>
<b>2.09</b>	<p><b>Foreign currency transactions and translations</b></p> <p>(i) Transactions denominated in foreign currencies are normally recorded at the exchange rates prevailing at the time of the transactions or the applicable forward contracts.</p> <p>(ii) Foreign currency liabilities &amp; assets are re-stated at the rate prevailing on the last day of the accounting year or the applicable forward contracts. Gains and losses arising out of such fluctuations are duly dealt with in the profit and loss account.</p>
<b>2.10</b>	<p><b>Investments</b></p> <p>Investments are stated at cost or market value whichever is lower. Where investments have diminished in value the provision is made to the extent of diminution. Quoted, non traded shares are fully written off and not reflected in the investment schedule.</p>
<b>2.11</b>	<p><b>Employee benefits</b></p> <p>(a) Short term employee benefit obligations are estimated and provided for.</p> <p>(b) Post employment benefits and other long term employee benefits</p> <ul style="list-style-type: none"> <li>• Defined contribution plans: Company's contribution to provident fund and state employee insurance are determined under the relevant schemes and/or statute and charged to revenue.</li> <li>• Defined benefit plans: Gratuity: Company's liability towards gratuity is actuarially determined at each renewal date using the projected unit credit method. Actuarial gains and losses are recognized in revenue. Short term benefits (accumulated leave benefit): The expected cost of accumulating compensated absences (leave encashment) that the company expects to pay as a result of unused entitlement that has accumulated as at the Balance Sheet date is provided for on the basis of current salary payable to employees. Long term benefits: The company does not offer any long term benefits such as pension, long service leave, sabbatical leave, long term disability benefits, profit sharing, bonuses and deferred compensation, etc. These are hence not quantified nor provided for.</li> </ul>
<b>2.12</b>	<p><b>Borrowing costs</b></p> <p>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. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.</p>



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012**

Note	Particulars
<b>2.13</b>	<p><b>Segment reporting</b></p> <p>Based on the guiding principles given by the Accounting Standard – 17 “Segment Reporting” issued by the Institute of Chartered Accountants of India, the company’s business comprises of only one segment - pharmaceuticals. Hence segment wise analysis is not given as the same is not applicable.</p>
<b>2.14</b>	<p><b>Earnings per share</b></p> <p>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 v</p>
<b>2.15</b>	<p><b>Taxes on income</b></p> <p>Income taxes are accounted for in accordance with Accounting Standard 22 “Accounting for Taxes on Income” issued by the Institute of Chartered Accountants of India. Tax expense comprises both current &amp; deferred tax. Current tax is measured at the amount expected to be paid to/recovered from the tax authorities using the applicable tax rates. Deferred tax assets and liabilities are recognized for future tax consequences attributable to timing differences between taxable income and accounting income that are capable of reversing in one or more subsequent periods and are measured using the relevant enacted tax rates. At each Balance Sheet date the company reassesses the unrecognized deferred tax assets to the extent they have become reasonably certain or virtually certain of realization, as the case may be.</p>
<b>2.16</b>	<p><b>Impairment of assets</b></p> <p>The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal external factors. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to the present value by using weighted average cost of capital. A previously recognized impairment loss is increased or reversed depending on changes in circumstances.</p>
<b>2.17</b>	<p><b>Provisions and contingencies</b></p> <p>Provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions except in respect of employee benefits are not discounted to its present value and are determined based on best estimate of the expenditure required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate. A contingent liability is disclosed, unless the possibility of an outflow of resources embodying the economic benefit is removed.</p>
<b>2.18</b>	<p><b>Research &amp; Development</b></p> <p>All revenue expenses pertaining to research and development are charged to the profit and loss account in the year in which they are incurred and expenditure of capital nature is capitalized as fixed assets, and depreciated as per the company’s policy.</p>
<b>2.19</b>	<p><b>Insurance claims</b></p> <p>Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.</p>
<b>2.20</b>	<p><b>Service tax input credit</b></p> <p>Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credits.</p>



### Note 3 Share capital

Particulars	As at 31 March, 2012		As at 31 March, 2011	
	Number of shares	Total Value of Shares (₹)	Number of shares	Total Value of Shares (₹)
(a) Authorised Capital Equity shares of 5/- each with voting rights	10,000,000	50,000,000	10,000,000	50,000,000
(b) Issued, Subscribed and Fully Paid Capital Equity shares of 5/- each with voting rights	6,178,024	30,890,120	6,178,024	30,890,120
<b>Total</b>	<b>6,178,024</b>	<b>30,890,120</b>	<b>6,178,024</b>	<b>30,890,120</b>

Particulars	As at 31 March, 2012		As at 31 March, 2011	
	Number of shares	Amount (₹)	Number of shares	Amount (₹)
(c) Reconciliation of shares outstanding				
At the beginning of the year	6,178,024	30,890,120	6,178,024	30,890,120
Changes during the year	-	-	-	-
At the end of the year	6,178,024	30,890,120	6,178,024	30,890,120

(d) Details of shares held by each shareholder holding more than 5% shares:

Particulars	As at 31 March, 2012		As at 31 March, 2011	
	Number of shares	% holding in that Shares (₹)	Number of shares	% holding in that Shares (₹)
Equity shares with voting rights				
Rahul J. Nachane	1,083,450	17.54%	895,793	14.50%
Rajesh N. Lawande	1,064,734	17.23%	1,064,734	17.23%
Sunita Sandip Potdar	892,957	14.45%	892,957	14.45%
Ajita Rahul Nachane	713,549	11.55%	713,549	11.55%
PCI Fermone Chemicals (I) Ltd.	519,071	8.40%	519,071	8.40%

(e) Rights, preferences and restrictions attached to shares

#### Equity Shares :

The company has one class of equity shares having a par value of 5 each. Each shareholder is eligible for one vote per share held. The dividend 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.

### Note 4 Reserves and surplus

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Amount (₹)	Amount (₹)
(a) Capital reserve		
At the beginning of the year	15,000,000	15,000,000
Additions/(-) Deductions during the year		-
At the end of the year	15,000,000	15,000,000
(b) Securities premium account		
At the beginning of the year	1,173,981	1,173,981
Additions/(-) Deductions during the year		-
At the end of the year	1,173,981	1,173,981
(c) General reserve		
At the beginning of the year	2,500,000	2,500,000
Additions/(-) Deductions during the year		-
At the end of the year	2,500,000	2,500,000



(d) Amalgamation Reserve Account		
At the beginning of the year	4,004,968	4,004,968
Additions / (-) Deductions during the year		
At the end of the year	4,004,968	4,004,968
(e) Surplus / (-) Deficit in Statement of Profit and Loss		
At the beginning of the year	107,023,705	82,915,039
Profit / (-) Loss for the year	10,469,724	24,108,666
At the end of the year	117,493,429	107,023,705
Total (a + b + c + d + e)	140,172,378	129,702,654

#### Note 5 Long-term borrowings

Particulars	As at 31 March, 2012		As at 31 March, 2011	
	Secured (₹)	Unsecured (₹)	Secured (₹)	Unsecured (₹)
(a) Term loans from banks:				
ICICI Bank Ltd. Term Loan - 2	-		16,569,195	-
From ICICI Bank Vehicle Loan	634,652		1,428,491	-
From HDFC Bank Vehicle Loan	-		150,640	-
Bank of Maharashtra Term Loan 1	11,446,223		-	-
Bank of Maharashtra Term Loan 2	25345893		-	-
Sub total (a)	37,426,768	-	18,148,326	-
(b) From others				
Capital Subsidy Loan - Development Corporation of Konkan Ltd.	-	287,175	-	287,175
<b>Total - Long term borrowings</b>	<b>37,426,768</b>	<b>287,175</b>	<b>18,148,326</b>	<b>287,175</b>

#### Terms and conditions of loans

- Term Loans from ICICI bank in previous year carrying interest @ 12.25% and repayment to be made in 20 quarters, secured by exclusive mortgage & charge on all of the companys assets including moveable & immovable property, hypothecation of inventories and book debts and guaranteed by Rahul Nachane & Rajesh Lawande, Directors of the company.
- Term Loans from Bank of Maharashtra in carrying interest @ 12.50% 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 guaranteed by Rahul Nachane & Rajesh Lawande, Directors of the company.
- For Vehicle Loans
  - ICICI Bank Vehicle loan is at 9.07% interest and repayable in 36 instalments and secured by hypothecation of the vehicle
  - HDFC Bank Vehicle loan is at 13.75% interest and repayable in 36 instalments and secured by hypothecation of the vehicle

#### Note 6 Deferred Tax Liabilities

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Amount (₹)	Amount (₹)
Deferred Tax Liabilities		
At the beginning of the year	4,956,225	3,525,217
Additions/(-) Deductions during the year	343,923	1,431,008
At the end of the year	5,300,148	4,956,225
Deferred Tax liability comprises of tax effect of timing differences on account of		
Fixed Assets - excess of Net Block over Written Down Value as per the provisions of the Income Tax Act 1961	5,300,148	4,956,225





**Note 7 Short-term borrowings**

Particulars	As at 31 March, 2012		As at 31 March, 2011	
	Secured (₹)	Unsecured (₹)	Secured (₹)	Unsecured (₹)
(a) From banks:				
From Bank of Maharashtra	49,779,227	-	-	-
From ICICI Bank	-	-	39,011,544	-
(b) From others	-	-	-	-
<b>Total</b>	<b>49,779,227</b>	<b>-</b>	<b>39,011,544</b>	<b>-</b>

**Repayment Terms :**

Secured by exclusive mortgage & charge on all of the companys assets including moveable & immovable property, hypothecation of inventories and book debts and guaranteed by Rahul Nachane & Rajesh Lawande, Directors.

**Note 8 Trade payables**

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Amount (₹)	Amount (₹)
Trade payables:		
Acceptances	3,658,938	2,236,500
Other than Acceptances	76,403,836	71,414,410
<b>Total</b>	<b>80,062,774</b>	<b>73,650,910</b>

**Note 9 Other current liabilities**

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Amount (₹)	Amount (₹)
Current Maturities of Long Term Debt	14,552,479	5,630,395
Payables for Capital Purchases	4,053,696	6,173,323
Unpaid dividends	82,362	82,362
<b>Total</b>	<b>18,688,537</b>	<b>11,886,080</b>

**Note 10 Short-term provisions**

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Amount (₹)	Amount (₹)
Provision for Tax (net of advance tax paid)	-	1,529,023
Provision for Employee Benefits	6,854,327	6,499,577
Other Provisions	2,439,023	593,887
<b>Total</b>	<b>9,293,350</b>	<b>8,622,487</b>



## Note 11 Fixed assets

Particulars	Gross block				Accumulated depreciation and impairment				Net Block	
	Balance as at 1 April 2011	Addition	Deduction	Balance as at 31 March, 2012	As At 1 April 2011	For the year	Additions/(-) Deduction	Balance as at 31 March, 2012	Balance as at 31 March, 2012	Balance as at 31 March 2011
	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
<b>TANGIBLE ASSETS</b> (Owned and used for own business)										
(a) Land										
Freehold	-	-	-	-	-	-	-	-	-	-
Leasehold	1,124,348	-	-	1,124,348	171,077	15,000	-	186,077	938,271	953,271
(b) Buildings	25,896,034	867,426	-	26,763,460	3,366,828	886,823	-	4,253,651	22,509,809	22,529,206
(c) Plant and Equipment	111,999,776	5,761,712	-	117,761,488	36,252,311	11,551,703	-	47,804,014	69,957,474	75,747,465
(d) Furniture and Fixtures	3,973,610	386,658	-	4,360,268	1,165,560	258,085	-	1,423,645	2,936,623	2,808,050
(e) Vehicles	8,149,067	-	465,553	7,683,514	1,830,455	750,468	224,894	2,356,029	5,327,485	6,318,612
(f) Office Equipment	1,216,201	242,808	-	1,459,009	279,550	70,200	-	349,750	1,109,259	936,650
<b>Total Tangible Assets</b>	<b>152,359,036</b>	<b>7,258,604</b>	<b>465,553</b>	<b>159,152,087</b>	<b>43,065,781</b>	<b>13,532,279</b>	<b>224,894</b>	<b>56,373,166</b>	<b>102,778,921</b>	<b>109,293,254</b>
<b>Previous year</b>	<b>97,256,533</b>	<b>56,355,501</b>	<b>347,748</b>	<b>153,264,286</b>	<b>34,984,661</b>	<b>9,361,004</b>	<b>374,633</b>	<b>43,971,032</b>	<b>109,293,254</b>	<b>62,271,872</b>
<b>INTANGIBLE ASSETS</b>										
(g) Technical Knowhow Fees	905,250	-	-	905,250	905,250	-	-	905,250	-	-
<b>Total</b>	<b>905,250</b>	<b>-</b>	<b>-</b>	<b>905,250</b>	<b>905,250</b>	<b>-</b>	<b>-</b>	<b>905,250</b>	<b>-</b>	<b>-</b>
<b>Previous year</b>	<b>905,250</b>	<b>-</b>	<b>-</b>	<b>905,250</b>	<b>905,250</b>	<b>-</b>	<b>-</b>	<b>905,250</b>	<b>-</b>	<b>-</b>
<b>CAPITAL WORK IN PROGRESS</b>	<b>5,979,420</b>	<b>40,255,376</b>	<b>-</b>	<b>46,234,796</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>46,234,796</b>	<b>5,979,420</b>
<b>Previous year</b>	<b>12,253,335</b>	<b>36,049,134</b>	<b>42,323,049</b>	<b>5,979,420</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,979,420</b>	<b>12,253,335</b>

## Depreciation and amortisation relating to continuing operations:

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	Amount (₹)	Amount (₹)
Depreciation and amortisation for the year on tangible assets as per Note 12 A	13,532,279	9,361,004
Depreciation and amortisation for the year on intangible assets as per Note 12 B	-	-
<b>Depreciation and amortisation relating to continuing operations</b>	<b>13,532,279</b>	<b>9,361,004</b>

## Note 12 Non-current investments

Particulars	As at 31 March, 2012				As at 31 March, 2011			
	No of shares/units	Quoted	Unquoted	Total	No of shares/units	Quoted	Unquoted	Total
		Amount (₹)	Amount (₹)	Amount (₹)		Amount (₹)	Amount (₹)	Amount (₹)
(a) Investment in equity instruments Tata Consultancy Services Ltd.	584	124,100	-	124,100	584	124,100	-	124,100
(b) Investment in mutual funds								
HDFC Top 200 Fund - Dividend Reinvest	95,332	3,886,494	-	3,886,494	60,461	2,449,832	-	2,449,832
HDFC Growth Fund - Growth	45,999	3,440,000	-	3,440,000	15,014	840,000	-	840,000
ICICI Prudential Dynamic Plan - Cumulative	36,137	3,240,000	-	3,240,000	26,094	2,240,000	-	2,240,000
JP Morgan India Eq Plan - G	93,381	840,000	-	840,000	93,381	840,000	-	840,000
Kotak K 30 - Growth	11,331	840,000	-	840,000	11,331	840,000	-	840,000
Reliance Vision Fund - Retail Plan - Growth	-	-	-	-	4,362	840,000	-	840,000
SBI MF MSFU Contra Fund - Dividend	-	-	-	-	115,164	2,581,694	-	2,581,694
Birla Sunlife Frontline Equity Fund - Dividend	-	-	-	-	68,277	1,503,425	-	1,503,425
HDFC Equity Fund - Growth	12,329	2,826,514	-	2,826,514	11,449	2,532,419	-	2,532,419
Reliance Growth Fund - Dividend	-	-	-	-	26,476	1,507,449	-	1,507,449
<b>Total (A+B)</b>		<b>15,197,108</b>	<b>-</b>	<b>15,197,108</b>		<b>16,298,919</b>	<b>-</b>	<b>16,298,919</b>
Information about investments								
<b>Market value of quoted investments</b>								
Aggregate amount of quoted investments				15,197,108				16,298,919
Aggregate market value of listed and quoted investments				17,623,368				19,953,194



**Note 13 Long-term loans and advances**

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Amount (₹)	Amount (₹)
Long Term Loans & Advances: Unsecured, considered good		
(a) Capital advances	5,417,404	83,482
(b) Security deposits	2,505,127	2,221,787
(e) Other loans and advances	3,962,733	3,962,733
<b>Total</b>	<b>11,885,264</b>	<b>6,268,002</b>

**Note 14 Inventories**

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Amount (₹)	Amount (₹)
(At lower of cost and net realisable value)		
(a) Raw materials	15,307,619	12,505,311
(b) Work-in-progress	33,921,470	30,610,815
(c) Finished goods	7,846,669	3,846,575
(d) Fuel & Oil	200,833	209,435
(e) Consumables	226,275	461,684
(f) Packing Materials	289,297	257,529
<b>Total</b>	<b>57,792,163</b>	<b>47,891,349</b>

**Note 15 Trade receivables**

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Amount (₹)	Amount (₹)
TRADE RECEIVABLES (Unsecured, Considered Good)		
(a) Over 6 months from the date they were due for payment	6,737,780	8,107,726
(b) Others	107,351,016	99,300,380
<b>Total</b>	<b>114,088,796</b>	<b>107,408,106</b>

**Note 16 Cash and cash equivalents**

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Amount (₹)	Amount (₹)
(a) Cash on hand	337,971	340,493
(b) Balances with banks		
(i) In current accounts	483,107	1,725,740
(ii) In EEFC accounts	82,921	33,997
(iii) In deposit accounts (Refer Note (i) below)	6,532,540	5,869,279
(iv) In Dividend Payment account	82,362	82,362
<b>Total</b>	<b>7,518,901</b>	<b>8,051,871</b>

Balances with banks include deposits as detailed below

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Amount (₹)	Amount (₹)
Deposits in Margin Monies	-	1,241,373
Deposits maturing in less than one year	-	-
Deposits maturing in over one year	6532540	4627906
<b>Total</b>	<b>6532540</b>	<b>5869279</b>



**Note 17 Short-term loans and advances**

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Amount (₹)	Amount (₹)
Short Term loans & Advances: Unsecured, Considered Good		
(a) Prepaid expenses	486,953	362,461
(b) Balances with government authorities	6,230,626	6,786,755
(c) Loans and advances to employees	802,001	869,779
(d) Advance income tax (net of provision)	837,089	107,578
(c) Others	707,978	500,080
<b>Total</b>	<b>9064647</b>	<b>8626653</b>

**Note 18 Other current assets**

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Amount (₹)	Amount (₹)
Short Term loans & Advances: Unsecured,		
(a) Accruals		
Interest accrued on Bank Deposits	171,855	169,920
(b) Others		
Insurance claims	7,168,027	7,168,027
<b>Total</b>	<b>7,339,882</b>	<b>7,337,947</b>

**Note 19 Revenue from operations**

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	Amount (₹)	Amount (₹)
Sale of products	371,014,975	374,956,958
Other operating revenues (Refer Note)	3,208,712	3,367,153
	374,223,687	378,324,111
<u>Less:</u>		
Excise duty	-13,142,269	-24,547,395
<b>Total</b>	<b>361,081,418</b>	<b>353,776,715</b>
<u>Other operating revenues comprise:</u>		
Duly drawback and other export Incentives	3,208,712	3,367,153

**Note 20 Cost of materials consumed**

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	Amount (₹)	Amount (₹)
Opening stock	12,505,311	14,860,632
Add: Purchases	197,228,455	174,033,211
	209,733,766	188,893,843
Less: Closing stock	(15,307,619)	(12,505,311)
<b>Cost of material consumed</b>	<b>194,426,147</b>	<b>176,388,532</b>



**Note 21 Changes in inventories of finished goods and work-in-progress**

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	Amount (₹)	Amount (₹)
<u>Inventories at the end of the year:</u>		
Finished goods	7,846,669	3,846,575
Work-in-progress	33,921,470	30,610,815
	41,768,139	34,457,390
<u>Inventories at the beginning of the year</u>		
Finished goods	3,846,575	8,669,298
Work-in-progress	30,610,815	17,185,283
	34,457,390	25,854,581
<b>Net (increase) / decrease</b>	<b>-7,310,749</b>	<b>-8,602,809</b>

**Note 22 Employee benefits expense**

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	Amount (₹)	Amount (₹)
Salaries and wages	33,748,713	32,534,808
Contributions to provident and other funds	1,992,571	2,200,273
Staff welfare expenses	1,379,698	1,561,710
<b>Total</b>	<b>37,120,982</b>	<b>36,296,791</b>

As per Accounting Standard 15, "Employee Benefits", the disclosures as defined in the Accounting Standard are given below.

**(a) Long Term Retirement Benefits**

Long term retirement benefits comprise of contributions to the Provident Fund and Gratuity Fund

- (i) Contribution to Provident Fund: Contributions to the Provident Fund is made by the company to the Employee Provident Fund Organization, Government of India

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	Amount (₹)	Amount (₹)
Contribution to Provident Fund	1,536,204	1,453,486

- (ii) Contribution to Gratuity Fund: Contributions to the Gratuity Fund is made by the company to the Employees Group Gratuity Scheme operated by the Life Insurance Corporation of India. The basis of actuarial valuation is given below

Actuarial Valuations

Mortality Rate As per 1994-96 LIC Mortality Rate

Withdrawal Rate 1% to 3% depending on age

Salary Escalation Rate 4% for each year

Discounting Rate LIC discounting rate (presently 8%)

Gratuity Benefits As per the Gratuity Act 1972 as amended from time to time

Actuarial Results (Funded)

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	Amount (₹)	Amount (₹)
Total number of employees	109	114
Accrued Gratuity Liability	2,988,466	2,760,679
Present value of past liability	1,874,086	1,764,328
Fund Value	2,321,491	2,141,595



**(b) Short Term Benefits (leave encashment)**

The company has provided for accumulated compensated absences (leave encashment) as per AS 15 (Revised 2005 Accounting for Retirement Benefits). The provision is made on the basis of the total accumulated leave of employees as on Balance Sheet date valued at the current salary or wage rate. The current years provision is charged under Salaries and Wages as given below

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	Amount (₹)	Amount (₹)
Provision for leave encashment	354,750	2,168,515

**Note 23 Other Expenses**

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	Amount (₹)	Amount (₹)
Power and Fuel	26,746,583	23,818,667
Consumable Stores	5,124,687	4,214,998
Packing Materials	2,751,763	2,699,234
Processing Charges	7,013,710	13,554,187
Factory Expenses	3,530,817	3,460,266
Water Charges	1,212,120	926,236
Repairs to		
Plant & Machinery	11,496,174	13,473,667
Factory Buildings	2,715,139	2,838,231
Other Assets	248,566	283,660
Cess Paid	436,242	118,381
Insurance	2,388,768	1,958,773
Laboratory Expenses	8,286,667	4,834,989
Payment to Auditors (See note below:	680,000	600,000
Postage, Telephone & Telegrams	954,123	975,974
Legal and Professional Fees	2,222,491	1,876,229
Bank Charges and Commission	2,363,537	1,147,747
Rent, Rates and Taxes	2,620,373	2,464,780
Printing & Stationery	1,004,446	783,424
Vehicle Expenses	1,179,940	910,682
Advertisement & Business Promotion	1,197,553	1,215,287
Commission on Sales	1,133,826	1,520,809
Travelling Expenses	1,115,951	944,703
Freight, Coolie & Cartage	7,619,734	8,671,290
Miscellaneous Expenses	5,756,342	4,441,373
<b>Total</b>	<b>99,799,551</b>	<b>97,733,588</b>



Details about payment to auditors

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	Amount (₹)	Amount (₹)
(i) <u>Payments to the Statutory Auditors comprises (net of service tax input credit, where applicable):</u>		
As auditors - statutory audit	450,000	450,000
For taxation mailers	75,000	75,000
For other services	75,000	75,000
<b>Total (i)</b>	<b>600,000</b>	<b>600,000</b>
(ii) <u>Payments to the Cost Auditors comprises (net of service tax input credit, where applicable):</u>		
Cost Audit Fees	80,000	-
<b>Total (i) + (ii)</b>	<b>680,000</b>	<b>600,000</b>

Note 24 Finance costs

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	Amount (₹)	Amount (₹)
Interest expense on:		
Long term borrowings	4,645,783	1,362,477
Short term borrowings	4,504,260	4,257,630
<b>Total</b>	<b>9,150,043</b>	<b>5,620,107</b>

Note 25 Other income

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	Amount (₹)	Amount (₹)
Interest income (Refer Note (i) below)	492,556	713,535
Dividend income: from long-term investments of other entities	749,665	680,254
Other non-operating income (net of expenses directly attributable to such income) (Refer Note (ii) below)	23,140	112,742
<b>Total</b>	<b>1,265,360</b>	<b>1,506,531</b>



**Note 26 Additional information to the financial statements**

Particulars	For the year ended 31 March, 2012		For the year ended 31 March, 2011	
	Amount (₹)		Amount (₹)	
<b>(a) Contingencies &amp; Commitments</b>				
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for				
Tangible assets	11,840,979		112,906	
Intangible assets	-		-	
(ii) Other commitments (specify nature)				
Letters of credit established for which goods are yet to be received and provided for	8,005,693		5,012,762	
<b>(b) Earnings Per Share</b>				
Net profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders	10,469,724		24,108,666	
Weighted average number of equity shares outstanding (Nos)	6,178,024		6,178,024	
Basic and diluted earnings per share of the face value of Rs. 5/- each	1.69		3.90	
<b>(c) Value of imports calculated on CIF basis:</b>				
Raw materials	24,639,343		22,702,530	
Capital goods	-		3183800	
<b>Total</b>	<b>24639343</b>		<b>25886330</b>	
<b>(d) Expenditure in foreign currency:</b>				
Professional and consultation fees	-		34,897	
Other matters	1423670		2042347	
<b>Total</b>	<b>1423670</b>		<b>2077,244</b>	
		%		%
		Amount (₹)		Amount (₹)
<b>(e) Details of consumption of imported and indigenous items</b>				
(i) Raw materials Consumed				
Indigenous	85.6%	165,667,763	84.3%	148,714,373
Imported	14.4%	27974988	15.7%	27674159
<b>Total</b>	<b>100.0%</b>	<b>193642751</b>	<b>100.0%</b>	<b>176388532</b>
(ii) Stores and spares Consumed				
Indigenous	100.0%	5,124,687	100.0%	4,214,998
Imported	0.0%	-	0.0%	-
<b>Total</b>	<b>100.0%</b>	<b>5124687</b>	<b>100.0%</b>	<b>4214998</b>
<b>(f) Earnings in foreign exchange:</b>				
Export of goods calculated on FOB basis		255,915,024		269,596,632
Other (Insurance & Freight)		4498100		5196725

**(g) Related Parties Disclosures**

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

(a) Related Parties with whom transactions have taken place during the year

Associates Companies/Firms in which Directors or their relatives are interested - NIL (Previous year NIL)

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

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





(b) Nature of transaction

Particulars	Associate firm in which Directors are interested	Key Managerial Personnel and their relatives
	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	Amount (₹)	Amount (₹)
Sales and service	-	-
Interest and other income received/receivable	-	-
Purchases of goods/services	-	-
Finance provided	-	-
Interest paid	-	-
Sale of fixed assets	-	-
Outstanding balances as on 31 March	-	-
Debtors	-	-
Loans & advances	-	-
Creditors	-	-
Managerial Remuneration	7,332,000	7,540,750

**(h) Segment Reporting**

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

**(i) MSMED Act**

The company has not received any information from suppliers or service providers, whether they are covered under the "Micro, Small and Medium Enterprises (Development) Act 2006" (MSMED Act). Therefore it is not possible to give the information required under the Act.

(j) Previous years figures have been recast, regrouped and rearranged wherever necessary

In terms of our report attached.

**For Bharat Gandhi & Co**  
Chartered Accountants

Bharat Gandhi

Proprietor

Place : Mumbai  
Date : 21/05/2012

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

S.S.Lad  
**Director**

R.N.Lawande  
**Executive Director**

Place : Mumbai  
Date : 21/05/2012

R.J. Nachane  
**Managing Director**

M.V.Shinde  
**Director**



**NGL FINE-CHEM LIMITED**

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

**PROXY FORM**

Thirty First Annual General Meeting – August 17, 2012.

Reg Folio No: \_\_\_\_\_

I/We \_\_\_\_\_ of \_\_\_\_\_ residing at \_\_\_\_\_

\_\_\_\_\_ being a member (s) of the above named Company hereby appoint

\_\_\_\_\_ of \_\_\_\_\_ residing at \_\_\_\_\_

\_\_\_\_\_ or failing him \_\_\_\_\_

of \_\_\_\_\_ residing at \_\_\_\_\_ as my/our proxy

to vote for me/us on my/our behalf at the Thirty First Annual General Meeting of the Company to be held at W142(C) TTC MIDC Indl. Area,  
Pawane Village, Thane Belapur Road, Navi Mumbai 400705 on Friday, August 17, 2012 at 11.30 a.m. and any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2012

Re.1  
Revenue  
Stamp

Signature \_\_\_\_\_

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

**NGL FINE-CHEM LIMITED**

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

**ATTENDANCE SLIP**

Thirty First Annual General Meeting – August 17, 2012.

**To be handed over at the entrance of the meeting hall**

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

No. of Shares held.....

I hereby record my presence at the Thirty First Annual General Meeting of the Company at W142(C) TTC MIDC Industrial Area, Pawane Village, Thane Belapur Road, Navi Mumbai 400705 on Friday, August 17, 2012 at 11.30 a.m.

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

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

**BOOK - POST**

*If undelivered, please return to :*

**NGL FINE-CHEM LIMITED**

2, New Metalage Industrial Premises,  
Subhash Road, Jogeshwari East,  
Mumbai - 400 060.