NGL Fine-Chem Limited

Regd. Office 301, E – Square, Subhash Road, Vile Parle East, Mumbai 400057 Maharashtra, India.
Tel.: (+91 22) 2663 6450, Fax: (+91 22) 2610 8030, Email: info@nglfinechem.com CIN L24110MH1981PLC025884,Website www.nglfinechem.com

August 1, 2024

To,
Listing Deparment
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai — 400 001.
Scrip Code: 524774

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

Sub: Annual Report of the Company for FY 2023-24

Dear Sir/Madam,

In compliance with the provisions of Regulation 34(1)(a) and other application provisions of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Annual Report of the Company for the Financial Year 2023-24. The same is also available on the website of the Company at https://www.nglfinechem.com/images/pdf/audited-financials-report-31-march-2024.pdf

The Notice of 43rd Annual General Meeting along with Annual Report for FY 2023-24 are being sent electronically to the shareholders of the Company today i.e. 1st August, 2024.

We request you to kindly take this information on record.

Thanking you,

Yours truly,
For NGL Fine-Chem Limited

Pallavi Satish Pednekar
Digitally signed by Pallavi Satish Pednekar
Date: 2024.08.01 12:54:29 +05'30'

Pallavi Pednekar
Company Secretary and Compliance Officer
Membership No: A33498

Encl: As Above.

GROW.
EXPAND.
THRIVE.

NGL FINE-CHEM LIMITED
ANNUAL REPORT 2023-24

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For more investor-related information, please visit:
https://www.nglfinechem.com/investors.html

Scan this QR code to navigate investor-related information

Investor Information

Market Capitalisation (31st March, 2024)	₹ 1,293 Crores
CIN	L24110MH1981PLC025884
BSE Code	524774
NSE Symbol	NGLFINE
Dividend Declared	35% (₹ 1.75 per equity share)
AGM Date	23rd August, 2024
AGM Venue	Virtual

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

GROW. EXPAND. THRIVE.

In an ever-evolving global market, adaptability and innovation are paramount. NGL Fine-Chem Limited exemplifies these principles, consistently demonstrating resilience and forward-thinking strategies. The theme for this year, ‘Grow. Expand. Thrive.’, encapsulates NGL’s commitment to continuous improvement and robust growth.

As NGL looks to the future, ‘Grow. Expand. Thrive.’ is more than a theme, it is a vision. It embodies NGL’s dedication to advancing the industry, supporting customers, and achieving unparalleled growth.

GROW

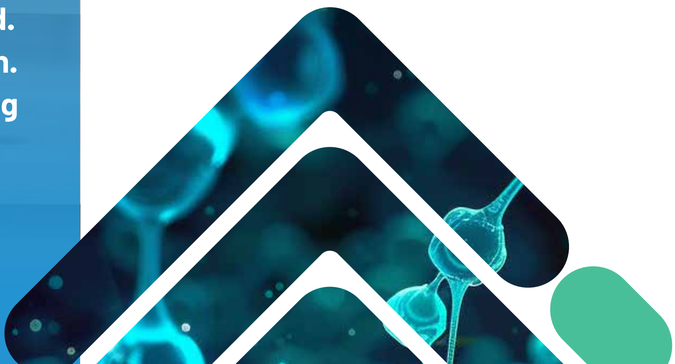
NGL has consistently exceeded expectations, achieving remarkable growth across all parameters. Driven by increasing volumes across its diverse product portfolio, from veterinary APIs to human APIs, intermediates, and finished dosage forms, the Company’s growth trajectory has been nothing short of impressive. By delivering high-quality products and expanding collaborations, it enhances its market presence. Strategic investments in R&D, particularly in complex multi-step organic synthesis, continues to strengthen the Company’s product portfolio, meeting demand and introducing groundbreaking products.

EXPAND

With state-of-the-art manufacturing facilities and a significant presence in over 51 countries, NGL is strategically positioned to capture new markets and expand its global footprint. The ongoing greenfield expansion at Tarapur, with an estimated capex of ₹ 160 Crore, underscores its ambitious vision for the future. This expansion not only increases capacity but also creates new possibilities, driving the next phase of exponential growth. The Company is enhancing its production capacities. With its vertically integrated approach, supported by the global shift to the China+1 supply strategy, the Company is well-positioned to meet the rising demand for animal healthcare products and expand its geographical reach.

THRIVE

In an industry where excellence is the baseline, NGL has consistently raised the bar with majority of in-house production, ensuring unparalleled cost competitiveness and quality. Zero product rejections in 15 years amply highlights its commitment to innovation. By prioritising sustainability and inclusive growth, and focussing on operational efficiency, the Company is aiming to ensure long-term profitability and resilience.



HIGHLIGHTS OF FY 2023-24

Financial

₹ 339 Crores
Revenue

₹ 67 Crores
EBITDA

₹ 41 Crores
PAT

Operational

3
Number of Plants

10,000 m^2
Total area of plants capacity

6
New products launched

Human Resource

380
No. of total employees

40
R&D team strength

Community Engagement

~₹ 84.82 Lakhs
Total CSR expenditure

400+
No. of lives benefitted

4
No. of new initiatives launched

Environmental

13,42,406 GJ
Increment in green fuel adoption

205 MT
Fossil fuel saved

41,687.78 m^3
Water recycled

362 MT
Waste recycled

Governance

6
No. of members in the board

3
No. of independent directors

1
No. of non-independent directors

2
No. of women directors

6 (ALL)
No. of Board members with 5+ years of experience

NGL FINE-CHEM: A BIRD'S EYE VIEW

NGL, headquartered in India, boasts a rich legacy spanning over four decades as a leading player in the animal healthcare sector. Specialising in Active Pharmaceutical Ingredients (APIs), intermediates, and finished dosage forms, NGL has earned its reputation through a commitment to quality and value-driven pricing. Dominating the veterinary API market, the Company holds a significant market share in key products and continues to expand its influence globally.

Not limited to animal health, NGL also excels in manufacturing and exporting human APIs, reinforcing its stature in the broader pharmaceutical industry. With state-of-the-art manufacturing facilities and a robust focus on research and development, NGL ensures the highest standards of quality and innovation. The Company's products are a exemplify to its dedication to excellence and its proactive approach to addressing market demands.

Operating across 51+ countries, NGL has secured numerous regulatory approvals, establishing a formidable presence in both regulated and unregulated markets. The Company prides itself on maintaining longstanding relationships with a diverse clientele, delivering reliable sales support, and fostering trust and loyalty among its customers. This extensive network and commitment to service have cemented NGL's reputation as a trusted and reliable partner in the pharmaceutical industry.

3
Manufacturing facilities

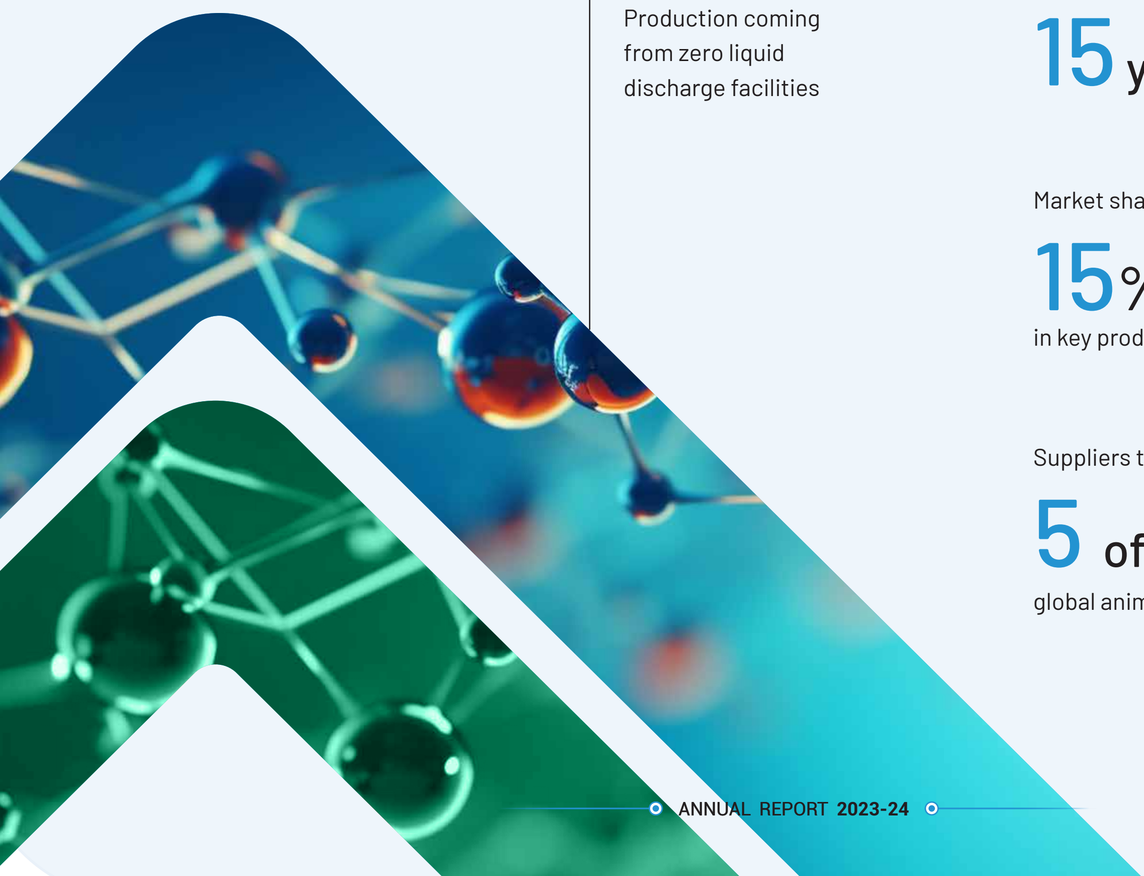
Strong controls of processes with
95%
in-house manufacturing and backward integrated facilities leading to cost competitiveness

75%
Production coming from zero liquid discharge facilities

High quality and reliable products with no market rejection in
15 years

Market share ranging from
15% to 50%+
in key products

Suppliers to
5 of the top 10
global animal healthcare companies



Vision

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

Core Competencies

- Chiral Reduction Utilisation
- Heterogeneous and Homogeneous Catalysts
- Stereo-Selective Synthesis
- Handling Hazardous/Toxic Reactions
- High-Pressure Hydrogenation
- High-Temperature Reactions
- Halogenations
- Diazotization
- Carnation
- Chlorosulfonation

Revenue from Veterinary API Segment (₹ in Crores)

FY 2023-24	322.53
FY 2022-23	259.16
FY 2021-22	293.49
FY 2020-21	237.74
FY 2019-20	146.31

Revenue from Human API Segment (₹ in Crores)

FY 2023-24	11.01
FY 2022-23	13.4
FY 2021-22	20.5
FY 2020-21	17.47
FY 2019-20	3.14

NGL's Commitment

NGL's commitment to its customers is reflected in its consistent service and support. The Company employs a four-pronged solution approach, ensuring customers receive the best in terms of:

Product Quality > Reliability > Cost Effectiveness > Registration Support

PAVING THE JOURNEY TO SUCCESS

Since its inception in 1981, NGL Fine-Chem Limited has embarked on a remarkable journey marked by continuous growth and innovation. From humble beginnings to achieving global recognition and accolades, the Company has consistently upheld standards of excellence and commitment to sustainable practices.

1981

Incorporated and commenced business

1984

Set-up first manufacturing plant at Navi Mumbai

1995

Listed on BSE Ltd. after an Initial Public Offering

2012

Modernised plant at Navi Mumbai

2008

Modernised plant at W41/42 Tarapur

2005

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

2004

Acquired Alpha Organics Private Limited and Konarak Textile Industries Private Limited

2015

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

2016

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

2017

Undertook ASMF registration in EU for Clorsulon and Triclabendazole

2018

Converted F-11 ETP to Zero Liquid Discharge

2019

Acquired Macrotech Polychem Private Limited as a 100% subsidiary

2024

Invested ₹ 45 Crores till FY 2023-24 for ongoing civil construction at new plant in Tarapur

2023

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

2022

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

2021

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

2020

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

NGL'S CORE COMPETENCIES

NGL strategically leverages its core competencies to drive informed decision-making, optimise resource utilisation, and ensure efficient operations. As a prominent player in the Veterinary API market, NGL is renowned for its dedication to creating sustainable long-term value in collaboration with all stakeholders. By harnessing its unique strengths, NGL is well-positioned to capitalise on the opportunities presented by India's rapidly growing animal healthcare industry.

#1 Comprehensive Product Portfolio

NGL offers a diverse product portfolio, including 32 APIs (30 Veterinary, 2 Human), 4 Intermediates, and 10 finished dosage forms. The Company ensures quality products at value-driven prices, catering to various therapeutic areas like antibiotics, anti-inflammatories, and antiparasitics.

#2 Market Leadership in Veterinary API

NGL Fine-Chem's leadership in the Veterinary APIs market is distinguished by their dominance in leading product categories, strategic expansion into new segments, and successful acquisition of market share from competitors.

#5 Long-Standing Customer Relationships

NGL maintains relationships with approximately 400 customers, built on trust, reliability, and exceptional value. Excellent sales support and customer service ensure high satisfaction and loyalty.

#4 Large Global Presence

Operating in 51+ countries with regulatory approvals, NGL has a strong presence in both regulated and unregulated markets. Strategic alliances and partnerships enhance its global distribution capabilities.

#3 Manufacturing Excellence

NGL operates 3 state-of-the-art facilities with advanced technology and stringent quality controls. Strong R&D capabilities in custom synthesis and a commitment to sustainability drive its competitive advantage.

MD'S MESSAGE

I am delighted to present our Annual Report for FY 2023-24, which encapsulates the performance and strategic initiatives amid a challenging global environment. Despite prevailing headwinds, NGL Fine-Chem has not only stayed on course with the strategic plans, but has also delivered a commendable performance across various fronts, even in a tough environment.

Dear Shareholders,

Embodying our annual report's theme for the year 'Grow. Expand. Thrive.', at NGL Fine-Chem, we have pursued ambitious strategies to cement our leadership in the veterinary API market. This year, we continued focussing on driving growth through capacity expansions, product diversification, and strategic entries into high-growth segments. By strengthening our core business and achieving self-reliance across the value chain, we are poised to secure profitability and industry leadership.

I am delighted to present our Annual Report for FY 2023-24, which encapsulates the performance and strategic initiatives amid a challenging global environment. Despite prevailing headwinds, NGL Fine-Chem has not only stayed on course with the strategic plans, but has also delivered a commendable performance across various fronts, even in a tough environment.

How do you look back at FY 2023-24?

During FY 2023-24, we successfully enhanced our market share and expanded our presence in the Animal Healthcare API market, driven by the increasing demand for veterinary drugs. This growth was fuelled by factors such as the rising prevalence of zoonotic diseases, expanding animal populations, and the humanisation of pets, which led to heightened expenditure on animal healthcare.

While the global economy faced significant challenges, including geopolitical tensions and inflationary pressures, the Indian economy demonstrated resilience with robust investment activity and strong private consumption. Despite these supportive domestic conditions, we encountered several significant challenges, including subdued demand, high customer inventory levels, and currency volatility in key markets such as Egypt, Pakistan, and Turkey. Initially, these factors constrained our performance and created a competitive landscape marked by pricing pressures. However, as the year progressed, these challenges gradually eased. The inventory destocking phase, which had been a significant headwind, came to an end, leading to a notable recovery in demand, particularly from the Asia region. This recovery was driven by robust volume growth even as average realisations remained stable.

What is your view on the outlook for the animal healthcare industry?

The outlook for the animal healthcare industry is promising, driven by increasing awareness and expenditure on animal health. We are witnessing a growing demand for animal healthcare products, and the industry is poised for significant growth. Our strategic positioning allows us to capitalise on these trends by expanding our product offerings and reaching new territories.

Despite significant headwinds earlier in FY 2023-24, such as subdued demand, high customer inventory levels, and currency volatility in key markets, we observed a recovery in demand in the latter part of the year, particularly from the Asia region. Additionally, a significant reduction in raw material costs helped us return to normalised margin levels, contributing to an overall improvement in our financial performance. Our focus on maintaining a diversified product portfolio and avoiding excessive reliance on any single product, customer, or geography has been a cornerstone of our resilience.

How would you mark the Company's performance amid the slower demand scenario in H1 FY 2023-24?

Despite macroeconomic challenges, our financial performance has demonstrated resilience. In FY 2023-24, our total revenues surged to ₹ 328.97 Crores. Notably, our EBITDA reached ₹ 58.85 Crores, reflecting a 58.62% increase from the previous year. Our Profit after Tax (PAT) doubled compared to FY 2022-23, reaching ₹ 34.50 Crores. Our ongoing focus on optimising both operations and financial outcomes has enabled us to adeptly respond to market fluctuations, ensuring sustained growth in the years ahead. The gross margin for FY 2023-24 was approximately 53.2%, compared to 52.2% in FY 2022-23, reflecting improved operational efficiencies and economies of scale.

What operational updates would you like to highlight?

Our commitment to providing value-driven solutions to our clients has been a key factor in our success. By prioritising the consistent delivery of high-quality products, we have expanded our collaborations and strengthened our market presence. A significant aspect of our operations is our focus on R&D, particularly in complex multi-step organic synthesis for the manufacture of generic APIs and intermediates. This has enabled us to maintain a diversified product portfolio, avoiding excessive reliance on any single product, customer, or geography, which has been the cornerstone of our resilience.

We are significantly enhancing our production capacities by commissioning new plants and pharmaceutical-grade clean rooms. This vertically integrated approach, combined with the global shift to the China+1 supply strategy, is likely to help shift the base to India, benefiting players like us in the animal healthcare industry. Ongoing construction at our Tarapur facility is pivotal in expanding our manufacturing capabilities. This increase in capacity, along with our innovative product portfolio, positions us well to meet the rising demand for animal healthcare products.

If the demand recovery continues positively, we may explore outsourcing some fine manufacturing to capitalise on growth opportunities. The recovery we have seen is encouraging, and if it remains strong, we may outsource manufacturing until our new facility becomes operational. Our CAPEX plan is progressing well and remains on track, with the first phase expected to be completed by the end of FY 2024-25. Our focus will be on gaining market share and growing our business while maintaining financial prudence and sustainability.

How is the Company handling the regulatory challenges in international markets?

Navigating regulatory challenges, particularly in markets like the US and Europe, is a critical focus for us due to the varied regulations across regions. In the US, the process involves preparing the plant, producing validation batches, filing necessary documentation, and undergoing an inspection, which typically takes 2-3 years. The European market, however, allows for a more expedited process. Through strategic planning and execution, we ensure compliance with all regulatory requirements, thereby facilitating our entry and growth in these vital markets.

How does the Company envision sustainability?

At NGL, our commitment to adapting to the evolving landscape of the industry drives our pursuit of long-term, sustainable growth. Transitioning our manufacturing plants to eco-friendly fuels marks a significant milestone in this journey. We have phased out liquid fuels like furnace oil and solid fuels such as coal, embracing sustainable alternatives like Compressed Natural Gas (CNG) and biomass briquettes derived from agricultural waste. This strategic shift ensures that our operations solely rely on clean fuels, significantly reducing our environmental footprint. Our proactive measures champion a sustainable future, fostering a culture where prosperity is mutual among the Company, its employees, communities, and the environment.

Can you elaborate on the Company's approach to Corporate Social Responsibility (CSR) and community impact?

At NGL Fine-Chem, we embrace Corporate Social Responsibility (CSR) initiatives with the aim to create a positive societal impact. We are committed to investing in our communities and fostering sustainable growth. Our CSR efforts are focussed on various aspects including environmental sustainability, education, and healthcare. Additionally, investing in a highly skilled workforce and fostering a culture of innovation within our organisation ensures that we not only deliver superior products but also contribute to the well-being and development of our society.

I would like to sign off by extending my most sincere appreciation to our esteemed stakeholders, distinguished Board members, diligent team, and our valued clientele. Your persistent trust and enduring support constitute the cornerstone of our success. As we embark upon another promising year, I am confident that together, we will continue to create a significant impact, playing a pivotal role in advancing prosperity. With your ongoing support, we will leverage our strengths, pursue sustainable growth, reach significant milestones, and continue to accelerate our momentum.

Warm Regards,

Rahul Nachane

Managing Director

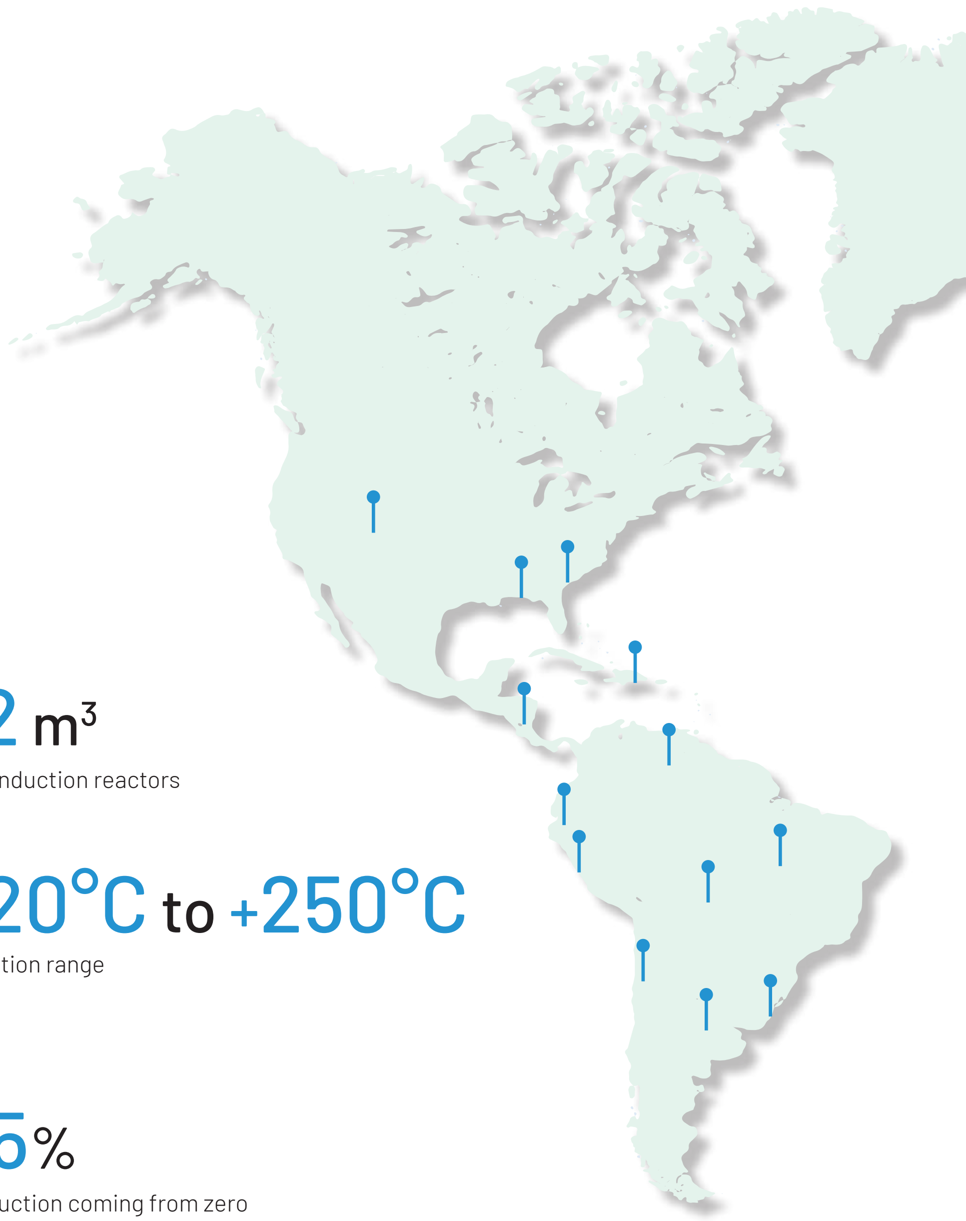
STATE-OF-THE-ART MANUFACTURING CAPABILITIES

At the Forefront of Innovation: Inside NGL's Advanced Facilities

NGL has been a trailblazer in the animal healthcare industry, supported by three cutting-edge manufacturing facilities strategically located in Tarapur and Navi Mumbai, Maharashtra. These state-of-the-art facilities are designed to meet rigorous regulatory standards and offer a wide range of capabilities.

NGL's dedicated workforce, in synergy with these advanced facilities, transforms visionary concepts into practical solutions. The Company fosters a culture that promotes innovation, collaboration, and excellence, driven by expertise and steadfast commitment.

Through strategic planning and the utilisation of its advanced facilities, NGL optimises processes to enhance efficiency. This strategic approach enables the Company to consistently deliver exceptional products and services, exceeding customer expectations and reinforcing its reputation for excellence.



10,000 m^2
Area of manufacturing facilities

12 m^3
Gas induction reactors

102 m^3
Glass lined reactors

-20°C to +250°C
Reaction range

194 m^3
Stainless steel reactors

75%
Production coming from zero liquid discharge facilities

NGL's extensive reach spans across 51 countries, demonstrating its robust international presence and influence in the global market. This widespread footprint underscores NGL's commitment to delivering quality animal healthcare solutions worldwide.

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

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

DRIVING GROWTH: RESEARCH & INNOVATION

NGL is dedicated to advancing research and innovation to meet the evolving demands of the pharmaceutical industry. The commitment to quality and addressing unmet medical needs shapes NGL's approach to product development. Over the past year, the Research and Development (R&D) team has achieved significant milestones, focussing on expanding the product portfolio and enhancing operational efficiencies.

The Company has been focussing on enhancing its R&D capabilities, particularly in complex multi-step organic synthesis for the manufacture of generic APIs and intermediates. Through a dedicated team of experts, it has gradually grown and consolidated new products into its pipeline year-over-year. Consequently, the product pipeline has surged to approximately 32 products in APIs, which helps widen the product base and reduce dependency on any single product, thereby mitigating risks. Additionally, this team works closely with Quality Assurance (QA), Quality Control (QC), and Regulatory Affairs (RA) to ensure compliance and foster innovation.

Range of Offerings

Active Pharmaceutical Ingredients (APIs)

Human and Veterinary - Active components utilised in the creation and formulation of drugs.

Advanced Intermediaries

Sophisticated chemical compounds used to produce APIs.

Finished Dosage Forms

The end result of combining numerous complex APIs and intermediates.

Emphasis on Innovation

- NGL's R&D efforts in the animal healthcare sector focus on developing new formulations and delivery systems to enhance the efficacy and convenience of veterinary medications.
- To further strengthen its innovation capabilities, NGL collaborates with academic institutions and research organisations. These partnerships enable the Company to stay at the forefront of industry developments and incorporate the latest scientific findings into its product offerings, particularly in the realm of veterinary medicine.

32
APIs

2+
Filings

4
Intermediates

30
Veterinary

2
Human

Strategic R&D Focus Areas

Active Pharmaceutical Ingredients (APIs)

Research efforts are directed towards expanding the pipeline of high-quality APIs for both human and veterinary use, while innovating processes to improve API purity, stability, and scalability.

Advanced Intermediaries

The R&D team focusses on developing new synthetic routes for complex chemical intermediates crucial for API production, with a strong emphasis on implementing green chemistry principles to enhance sustainability.

Finished Dosage Forms

NGL delivers end products combining complex APIs and intermediates for regulated markets. R&D efforts focus on optimising synthesis processes and enhancing component quality to meet stringent regulatory standards.

Wide Range of Product Categories

- Anthelmintics
- Ectoparasiticides
- NSAIDs
- Antiprotozoals
- Phosphorus Supplements
- Insect Growth Regulators

ENSURING EXCELLENCE: QUALITY MANAGEMENT

Quality Policy

NGL maintains a firm commitment to quality, which is evident in every aspect of its operations. This includes checks and reviews at every stage, from the procurement and testing of raw materials to the stringent development and implementation of standard operating procedures in both production and laboratory environments. All these efforts are focussed on delivering products that consistently meet and exceed customer expectations.

Quality Policy Statement

NGL is committed to manufacturing APIs and intermediates of consistent quality at affordable costs. The Company aims to achieve customer satisfaction through the implementation of robust quality systems and continuous training of its workforce.

Quality Assurance

NGL's approach to quality assurance is comprehensive and rigorous. The Company's facilities are designed to comply with current Good Manufacturing Practices (cGMP), ensuring that every product meets stringent quality criteria.

Production Processes

- Each production process is meticulously developed and rigorously tested before full-scale production commences.
- Ensures that customer quality and production schedule requirements are consistently met.

QA/QC Testing Practices

- **Raw Material Testing:** All raw materials undergo thorough testing by a team of highly qualified scientists. Only materials that meet exacting specifications are approved for use in production.
- **Final Product Testing:** Rigorous final product testing ensures that every product leaving the facility meets high standards of quality, ensuring customer satisfaction and safety.

Employee Training

- Strong emphasis on the continual training and development of employees.
- Regular training sessions to keep staff updated on the latest cGMP practices and industry standards.
- Ensures that employees are skilled and adept at implementing best practices in all plant activities.

SYNCHRONISING SUCCESS: ALIGNING STRATEGIES WITH INDUSTRY MEGATRENDS

NGL prioritises the identification and exploitation of potential opportunities to gain a competitive edge in the market. Through a forward-thinking stance and proactive preparation with an eye for the future, NGL sets itself up for consistent growth and nurtures a positive outlook. By acknowledging significant macro trends in both the global and Indian Animal and Human Healthcare markets, the Company strategically manoeuvres through these trends to pave the way for ongoing expansion and achievement.

NGL's strategy focusses on three key areas: innovation, market expansion, and operational efficiency. By continuously investing in R&D, the Company aims to introduce new and improved veterinary products that cater to evolving market needs. This proactive approach ensures that NGL remains at the forefront of technological advancements and industry trends.

Global Animal Health Market

~US$ 60.72 Billion

The Global Animal Health market size in CY 2023.

The market is projected to advance at a

10.5% CAGR

from CY 2023 to CY 2032, reflecting robust demand for veterinary products and services worldwide.

Key factors driving this growth include the increasing incidence of zoonotic diseases, rising pet ownership, growing awareness about animal health, advancements in veterinary medicine, and increasing livestock production to meet global food demand.

Global Veterinary API Market

In CY 2023, the global veterinary active pharmaceutical ingredients (API) manufacturing market was valued at

~US$ 8.54 Billion

Estimates indicate it could reach

~US$ 13.47 Billion

by 2030, clocking in a CAGR of 6.8% throughout the forecast period.

This growth is fuelled by the rising demand for high-quality APIs, which are essential for the production of effective veterinary medications. Additional factors include increasing R&D investments in veterinary drug development, growing focus on animal health and welfare, expansion of the livestock industry, and stringent regulations promoting the use of high-quality APIs.

NGL's Approach

To capitalise on these trends, NGL leverages its strengths across the markets. The Company invests heavily in R&D to develop advanced veterinary products and APIs, ensuring high quality and effectiveness. By expanding its global footprint and strengthening its presence in high-growth markets like India, NGL can tap into rising demands and emerging opportunities. Furthermore, the Company optimises its manufacturing processes to enhance operational efficiency, reduce costs, and maintain competitive pricing. This comprehensive approach positions NGL as a leader in the veterinary healthcare industry, poised for sustained growth and success.

Indian Veterinary Healthcare Market

The Indian veterinary healthcare market is projected to reach ~US$ 1.25 Billion in CY 2024, and ~US$ 1.89 Billion by CY 2029, at a CAGR of 8.63% during CY 2024-2029.

India's growing middle class, increasing disposable income, and rising awareness about animal health are key factors contributing to this market expansion.

NGL's strong presence in the Indian market positions it well to capitalise on these growth opportunities.

FINANCIAL SNAPSHOT: ACCELERATING GROWTH

NGL has experienced remarkable financial growth, underscoring its resilience and strategic foresight. The Company's robust financial performance in FY 2023-24, with revenue increasing to ₹ 339 Crores and EBITDA rising to ₹ 53 Crores, highlights effective execution of its long-term growth strategies. NGL's PAT nearly doubled, showcasing its operational excellence and market adaptability. The improvement in EBITDA margin to 16% and PAT margin to 12% demonstrates efficient cost management and profitability enhancement. These achievements affirm NGL's commitment to creating value for its stakeholders and reinforcing its industry leadership position.

Revenue from Operations (₹ in Crores)

FY 2023-24	338.68
FY 2022-23	278.08
FY 2021-22	317.50
FY 2020-21	257.97

EBITDA (₹ in Crores)

FY 2023-24	53.00
FY 2022-23	39.85
FY 2021-22	78.53
FY 2020-21	66.89

Sales Turnover (₹ in Crores)

FY 2023-24	328.97
FY 2022-23	272.56
FY 2021-22	312.79
FY 2020-21	255.00

EBITDA Margin (in %)

FY 2023-24	16.00
FY 2022-23	14.33
FY 2021-22	24.73
FY 2020-21	25.93

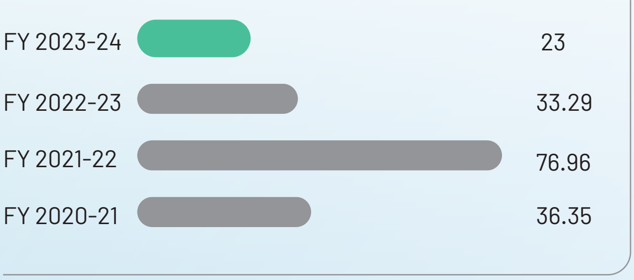
PAT (₹ in Crores)

FY 2023-24	41.00
FY 2022-23	20.49
FY 2021-22	49.90
FY 2020-21	56.72

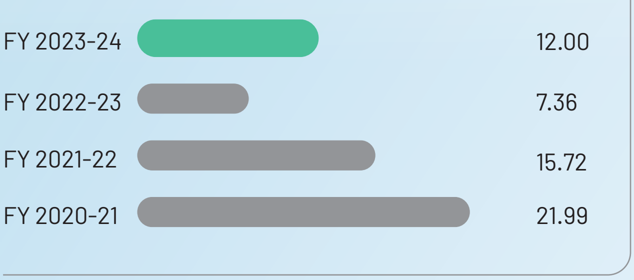
ROE (in %)

FY 2023-24	14.7
FY 2022-23	9.17
FY 2021-22	24.59
FY 2020-21	36.72

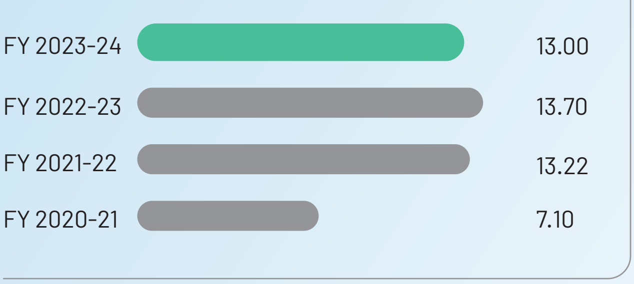
Interest Coverage (in no. of times)



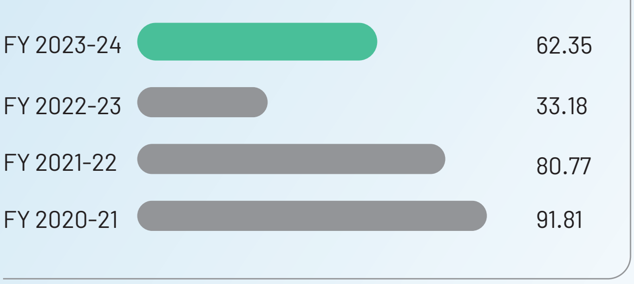
PAT Margin (in %)



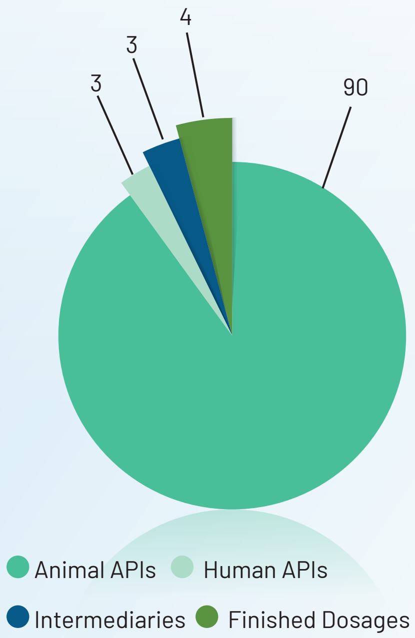
Debt Equity (in %)



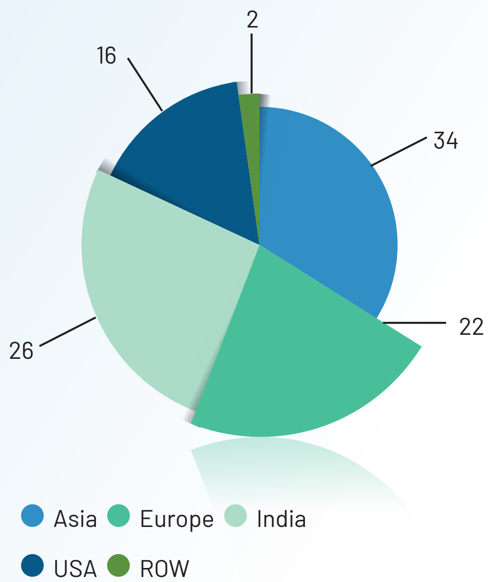
Earnings per Share (in ₹)



Segment-Wise Revenue (in %)



Geography-Wise Revenue (in %)



CHARTING PATHWAYS: STRATEGY FOR NEXT LEG OF GROWTH

NGL has developed a comprehensive strategic expansion blueprint, demonstrating its dedication and preparedness to seize emerging opportunities. With a focus on establishing a strong foundation, NGL aims to pinpoint areas of potential growth and optimise returns on its strategies.

Ongoing Initiatives to Increase Capacities to Meet Growing Demand

Brownfield Expansion

The completion of the expansion project at subsidiary Macrotech in CY 2023 marks a notable milestone for the Company. With the successful addition of capacities for intermediates, production capabilities have been significantly enhanced to meet rising demands. This has led to the commencement of commercial production, demonstrating the Company's commitment to delivering top-tier products and services to its customers. The project has already started contributing to the topline by increasing production volumes, meeting the rising customer demand, and generating higher revenue streams for the Company.

Larger Expansion to Drive the Next Leg of Exponential Growth

Greenfield Expansion at Tarapur

The Company has embarked on a substantial expansion endeavour, increasing its capacity by 50% to effectively cater to the anticipated demand for forthcoming products in the pipeline. This expansion comes with an estimated capital expenditure of ₹ 160 Crore, which will be financed through a blend of debt and internal accruals. Notably, significant progress has been made in civil construction, with an investment totalling ₹ 45 Crores in FY 2023-24.

FUTURE PROOFING WITH SUSTAINABLE INITIATIVES

NGL has embedded Environmental, Social, and Governance (ESG) principles into the core of its operations, emphasising responsible and innovative business practices. This commitment extends beyond financial performance to include environmental stewardship and social responsibility, ensuring long-term value creation for all stakeholders.

Core Environmental Initiatives

NGL is committed to comprehensive sustainability practices encompassing environmental, social, and governance (ESG) factors. The Company's strategy includes minimising its ecological footprint through emissions reduction and resource conservation, fostering employee well-being and community support, ensuring workplace safety and diversity, maintaining ethical business practices, and implementing robust governance processes. By integrating this holistic ESG approach into its operational strategies, NGL aims to achieve mutual prosperity for the Company, its stakeholders, communities, and the environment.

NGL has launched several initiatives to address pollution reduction and waste management. These efforts include the promotion of recycling, the protection of biodiversity, and the implementation of practices that enhance the quality of soil, air, and water. The Company's environmental strategy is designed to ensure a harmonious coexistence with nature and to secure a healthy planet for future generations.

Continual Actions in Progress

Transition to Cleaner Energy Sources

Mandatory Solvent Recycling Programs

Water Conservation Efforts

Utilisation of By-Products

Transition to Cleaner Energy Sources

NGL is committed to reducing its carbon footprint by adopting greener fuels in place of traditional fossil fuels across its operations. The Company has successfully phased out the use of liquid fuels like furnace oil and solid fuels such as coal, replacing them with cleaner alternatives like CNG and biomass briquettes. This transition underscores NGL's dedication to reducing its environmental impact and promoting sustainable industrial practices.

Mandatory Solvent Recycling Programs

The Company ensures that solvents used in manufacturing processes are recycled effectively, thereby reducing hazardous waste and promoting a circular economy within its operations.

Water Conservation Efforts

NGL adopts rigorous water conservation measures, including real-time monitoring and reduction of water usage across all operations. These stringent measures include advanced treatment and recycling systems to minimise water consumption and waste.

Utilisation of By-Products

By identifying and utilising valuable by-products from its processes, NGL reduces waste and enhances resource efficiency, contributing to sustainable industrial practices.

Achievements for FY 2023-24

41,687.78 m^3
Water recycled

205 m^3
Fossil fuel saved

SOCIETAL ELEVATION: RESPONSIBILITY IN ACTION

NGL is deeply committed to empowering individuals and uplifting communities through a variety of impactful initiatives. The Company's significant investments in education, healthcare, and infrastructure are aimed at creating enhanced opportunities and improving the quality of life for all. Demonstrating a strong sense of social responsibility, NGL undertakes diverse projects that promote educational advancement, healthcare accessibility, and overall community development, fostering a brighter future for everyone involved.

Supporting Educational Endeavours

NGL actively promotes education, especially for underprivileged children, through various initiatives

Girl Child Education

50

No. of girl children educated through the Light of Life Trust in FY 2023-24.

Scholarships

₹20 Lakhs

Granted scholarships, covering school and college fees for deserving students.

School Infrastructure

Provided smart TVs, career guidance, and renovation resources to schools through the Du Foundation. Supported a Jhila Parishad School with benches and smart TVs.

Science Lab Project

Established a science lab at Save School, Palghar, including construction and provision of lab equipment.

Solar Energy Project

Renewed the solar energy project at Save School to promote sustainable energy use.

Smart TV Provision

Provided smart TVs for educational purposes at Dandekar College, Palghar.

Cultural and Artistic Support

Art Promotion

Sponsored a painting exhibition to celebrate traditional art at Jehangir Art Gallery, fostering artistic expression and cultural heritage.

Healthcare and Community Support

NGL's initiatives in healthcare and community support include:

Medical Assistance

Supported various hospitals and patients with operations, hospital treatments, and dialysis.

COVID-19 Support

Provided assistance to widows of COVID-19 victims, including building houses for senior citizens, economically disadvantaged individuals, and widows.

Healthcare Infrastructure

Supported the establishment of a modern operation theatre at Netrajyot Eye Hospital.

Rural and Environmental Advancement

Water Conservation

Initiated a water conservation project in Kumbhavali village, restoring a local lake and implementing tree planting initiatives around the village. Installed benches for senior citizens to enjoy the environment.

Ecological Balance

Engaged in tree planting and environmental conservation projects to enhance the ecological landscape.

Financial Commitment

In FY 2023-24, NGL has spent

~₹85 Lakhs

on various social responsibility activities, demonstrating its dedication to societal elevation and community development.

BUILDING COLLABORATIVE RELATIONSHIPS: NURTURING STAKEHOLDER ENGAGEMENT

NGL is deeply committed to empowering individuals and uplifting communities through a variety of impactful initiatives. The Company's significant investments in education, healthcare, and infrastructure are aimed at creating enhanced opportunities and improving the quality of life for all. Demonstrating a strong sense of social responsibility, NGL undertakes diverse projects that promote educational advancement, healthcare accessibility, and overall community development, fostering a brighter future for everyone involved.

	Mode of Engagement	Significance	Frequency
Shareholder/ Investors	Annual general meetings Investor calls Periodic statutory reports	Strong governance Ethics Transparency	Quarterly Annually

Customers

Mode of Engagement	Significance	Frequency
Surveys and feedback forms Customer forums and advisory boards Online support portals and chat Client meetings and focus groups	Product quality Service excellence Market competitiveness	Half-yearly Annually

Employees

Mode of Engagement	Significance	Frequency
Town hall meetings and newsletters Training programmes and workshops Performance appraisals and feedback Employee suggestion boxes and forums	Employee development opportunities Work environment satisfaction Recognition and rewards	Quarterly Need based

Regulatory and Statutory Bodies

Mode of Engagement	Significance	Frequency
Regulatory compliance reports and audits Participation in industry conferences and seminars Continued dialogue with authorities on current legislative and regulatory issues	Legal compliance Ethical standards	Annually Need based

Local Communities

Mode of Engagement	Significance	Frequency
Community meetings and outreach programmes Community projects and sponsorships	Social responsibility Environmental sustainability Community engagement	Annually Need based

HONORS & ACCOLADES: CELEBRATING EXCELLENCE

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

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

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

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

SE 1B Certification: from CRISIL for the MSME Sector Indicating Highest Performance Capability and Moderate Financial Strength

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

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

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

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

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

IPF Industrial Excellence: Award 2016

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

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

Asia's Best Under Billion 2021

SUSTAINABLE LEADERSHIP: UPHOLDING EXCELLENCE AND RESPONSIBILITY

NGL acknowledges the essential role of a strong governance system in creating opportunities, promoting stability, and driving growth. With a focus on integrity, transparency, and modern governance practices. These efforts are vital for building trust among stakeholders and benefiting both the Company and the broader community.

To achieve these goals, NGL's Board of Directors employs a robust governance framework. This includes transparent decision-making processes, regular stakeholder engagement, and comprehensive risk management strategies. The Board ensures accountability through rigorous internal controls, independent audits, and clear performance metrics tied to ESG objectives. It promotes ethical conduct via a strong corporate code and whistleblower protections. The Board also prioritises diverse representation and regularly reviews its own effectiveness. Through these practices, NGL aims to align corporate objectives with stakeholder interests, fostering trust and driving sustainable, long-term value creation for all parties involved.

Board of Directors

Mr Dhananjay Mungale

Chairman & Independent Director

Mr Dhananjay Mungale, 68, is a seasoned banker and finance professional with extensive global experience of investment banking, corporate banking and private banking across Europe and India. For over 25 years, he has served at leadership positions in Europe and India for the Bank of America and DSP Merrill Lynch.

Since 1999, Mr Dhananjay Mungale serves on the Boards of eminent companies in India as an Independent Director. Over the period these have included Mahindra Finance, JP Morgan Asset Management, L&T Infra Finance, LIC Housing Finance, Mahindra CIE Automotive, TN Petro Products, DSP Blackrock, Kalpataru Ltd., NOCIL Ltd., Chowgule Steamship etc.

He also serves on Advisory Boards of select private equity organisations and investment committees of family office in India and London.

Mr Dhananjay Mungale also regularly mentors young talent in the Fintech start-up sector, across India and abroad.

Besides his business and professional achievements, Mr Dhananjay Mungale also finds time to work with eminent institutions in educational and not-for-profit domains as a member of their Governing Councils. These include Mahindra United World Colleges and Oxford Centre for Hindu Studies.

Mr Dhananjay Mungale is a Graduate in Commerce and Law from University of Mumbai, and an Associate Member of the Institute of Chartered Accountants of India.

Mr Rahul Nachane

Managing Director

With 32 years of expertise in the pharmaceutical sector, Mr Nachane brings a wealth of knowledge and experience to the table. As a Chartered Accountant and Master of Management Studies, he has a strong foundation in finance and business management. Since 1992, he has been serving as a full-time Director of the Company, actively involved in its operations since 1989. In his role, he held the responsibility for NGL's marketing, production and general management, ensuring that the Company meets the needs and expectations of all stakeholders, while delivering on strategic objectives.

Mr Rajesh Lawande

Whole-Time Director & CFO

Mr Lawande brings with him 22 years of valuable experience in the pharmaceutical sector. With an M.Sc. in Chemistry from IIT Bombay and a PGDM in Management from IIM Lucknow, he possesses a strong educational background that complements his practical expertise. Since 2002, Mr Lawande has been actively involved in NGL's operations, playing a vital role in shaping the Company's growth trajectory. His responsibilities encompass a wide range of areas, including developing the Company's research and development activities, exploring new markets and clients, and overseeing sales and manufacturing. With his extensive knowledge and strategic approach, Mr Lawande is instrumental in driving innovation, expanding market presence and ensuring seamless coordination between different aspects of the Company's business.

Mrs Ajita Nachane

Non-Executive Woman Director

With a remarkable career spanning 26 years in sales and marketing, Mrs Nachane brings a wealth of experience to the organisation. Holding a Graduate degree in Commerce and a Master's degree in Management Studies, she possesses a strong educational foundation to support her practical expertise. Notably, Mrs Nachane is the founder & CEO of Tele Access E-Services Private Limited, a prominent business process outsourcing Company serving the banking, financial services and FMCG sectors. Her entrepreneurial spirit and deep understanding of the industry has been instrumental in the success of her ventures. As part of the Company's team, Mrs Nachane contributes her extensive knowledge in sales and marketing to drive its growth, optimise customer engagement and expand its reach in the market. Her strategic vision and leadership skills make her an invaluable asset in shaping the organisation's future success.

Mr Jayaram Sitaram
Independent Director

With a rich background in consulting and managerial activities spanning 32 years, Mr Sitaram brings a wealth of expertise to the organisation. His academic journey includes a Bachelor's degree in Mechanical Engineering from VJTI in Mumbai, an M.S. in Engineering from Villanova University in the United States and an MBA from the prestigious Wharton Business School at the University of Pennsylvania. Mr Sitaram has held key leadership roles throughout his career, serving as the former country head of Lionbridge in India, as well as the Managing Director of Praxis Technologies and a Co-founder of Matrix Technologies, Inc. His extensive experience in the industry has equipped him with a deep understanding of strategic consulting, business operations and technological advancements. As a valuable member of the team, Mr Sitaram contributes his expertise in driving innovation, optimising processes and delivering exceptional results for the Company's clients. His leadership skills and industry insights are integral to the organisation's success and growth in the competitive market.

Mr Milind V Shinde
Independent Director

With a remarkable career spanning 32 years in the industrial and engineering industries, Mr Shinde brings extensive expertise and knowledge to the organisation. He holds a Bachelor's degree in Engineering and an MBA from University of Mumbai, showcasing his strong educational foundation. As the founder of AVM Engineering, a highly respected producer of industrial fans in India, Mr Shinde has made significant contributions to the field. AVM Engineering is recognised for its excellence and serves all major OEMs in India, while also exporting to the Middle East and Africa. Mr Shinde's entrepreneurial spirit, combined with his deep understanding of the industry, has enabled him to successfully navigate the competitive landscape and establish strong partnerships. His insights into the industrial and engineering sectors are invaluable to the organisation, as it strives to deliver innovative solutions and maintain its position as a leader in the industry. With his extensive experience and proven track record, Mr Shinde plays a vital role in driving the Company's growth and success.

Ms Sarala Menon
Non-Executive Independent Woman Director

Ms Menon brings 37 years of invaluable experience in manufacturing and supply chain roles, with a specific focus on industrial operations and management. She holds a degree in Chemical Engineering from the prestigious National Institute of Technology in Warangal, complemented by an MBA from NMIMS in Mumbai, which has equipped her with a strong educational foundation. Throughout her career, Ms Menon has demonstrated a keen dedication to improving production procedures to ensure exceptional customer service, product quality and environmental, occupational health and safety performance. Currently serving as the Executive Vice President of Colgate-Palmolive India, she holds the responsibility for the overall management of the Colgate Plants located in Baddi, Goa, Sanand, and Sricity in India. Her strategic leadership and expertise play a crucial role in driving operational excellence and fostering a culture of continuous improvement. Ms Menon's extensive knowledge and accomplishments in the manufacturing industry contribute significantly to the Company's success as it strives to deliver exceptional products and services to our valued customers.

CORPORATE INFORMATION

Registered Office

301, E Square, Subhash Road,
Vile Parle (East),
Mumbai - 400 057,
Maharashtra, India
Tel: +91 22 40842222
Email: cs@nglfinechem.com
Website: www.nglfinechem.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 - 400 011,
Maharashtra, India
Tel: +91 22 23016761
Email: support@purvashare.com

Statutory Auditors

Manek & Associates

Chartered Accountants

Secretarial Auditor

HSPN & Associates LLP
Company Secretaries

Internal Auditors

Rach & Associates
Chartered Accountants

Shares Listed At

BSE Ltd., Mumbai

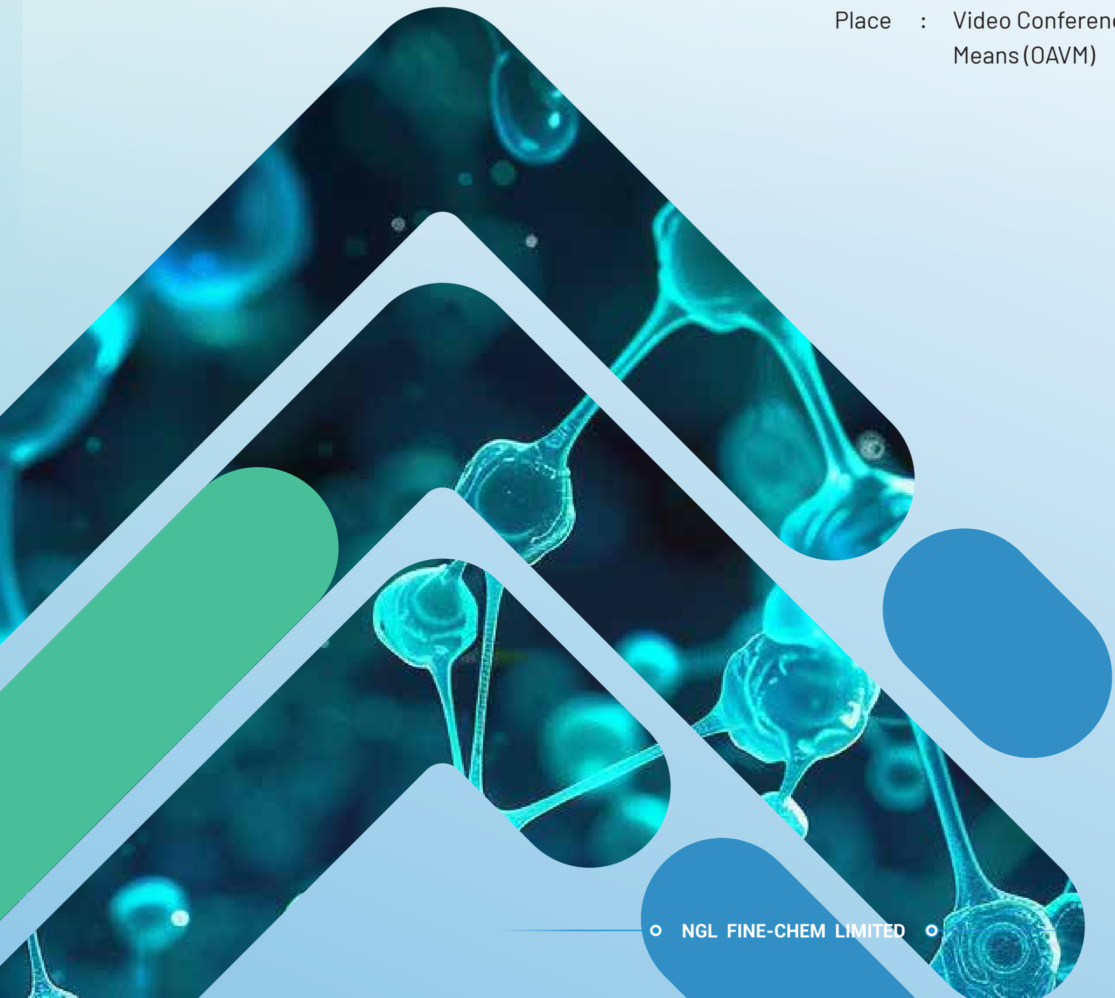
National Securities Exchange of India Ltd. (NSE)
(Listing fees paid for FY 2024-25)
Scrip Code: 524774 Symbol: NGLFINE

Company Secretary

Pallavi Pednekar

43RD ANNUAL GENERAL MEETING

Date	:	23rd August, 2024
Day	:	Friday
Time	:	11.00 a.m.
Place	:	Video Conferencing (VC) or Other Audio-Visual Means (OAVM)



NOTICE

NOTICE is hereby given that the Forty Third Annual General Meeting of the Members of NGL Fine-Chem Limited will be held on Friday, 23rd August, 2024 at 11:00am through Video Conferencing or Other Audio Visual Means, to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements (including audited consolidated financial statements) for the financial year ended 31st March, 2024 and the Reports of the Directors and the Auditors thereon.
2. To declare Final dividend for the financial year ended 31st March, 2024.
3. To re-appoint Mr Rajesh Lawande, Director (holding DIN 00327301) who retires by rotation & being eligible offers himself for re-appointment as Director.

SPECIAL BUSINESS:

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

4. To ratify remuneration payable to the Cost Auditor

   "**RESOLVED THAT** in accordance with the provisions of Section 148 of the Companies Act, 2013, and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration payable to M/s. Sanghavi Randeria & Associates, Cost Accountants, appointed by the Board of Directors of the Company as the Cost Auditors to conduct audit of Cost Records for the financial year 2024-25, at ₹ 1,75,000/- (Rupees One Lakh Seventy Five Thousand only) p.a. plus goods and services tax as applicable, and reimbursement of out-of-pocket expenses incurred, be and is hereby approved.

   RESOLVED FURTHER THAT the Board of Directors or Company Secretary, be and is hereby authorised to do all such acts, deeds and things as may be necessary in their absolute discretion to give effect to this resolution."

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

Registered Office:
301, E Square, Subhash Road, Vile Parle (East), Mumbai 400057.
Dated: 21st May, 2024.

Sd/-
Pallavi Pednekar
Company Secretary & Compliance Officer
Membership No: A33498

NOTICE (Contd.)

Notes:

1) In continuation of Ministry's General Circular No. 14/2020 dated 8th April, 2020, 17/2020 dated 13th April, 2020, 22/2020 dated 15th June, 2020, 33/2020 dated 28th September, 2020, 39/2020 dated 31st December, 2020, 10/2021 dated 23rd June, 2021, 20/2021 dated 8th December, 2021, 3/2022 dated 5th May, 2022, 11/2022 dated 28th December, 2022 and 09/2023 dated 25th September, 2023 respectively (collectively referred to as "MCA Circulars") allowed, inter-alia, conduct of AGMs through Video Conferencing/ Other Audio-Visual Means ("VC/AOVM") facility on or before 30th September, 2024 in accordance with the requirements provided in paragraphs 3 and 4 of the MCA General Circular No. 20/2020. The Securities and Exchange Board of India ("SEBI") also vide its Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 5th January, 2023 ("SEBI Circular") has provided certain relaxations from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). In compliance with these Circulars, provisions of the Act and the Listing Regulations, the 43rd AGM of the Company is being conducted through VC/OAVM facility, which does not require physical presence of members at a common venue. The deemed venue for the 43rd AGM shall be the Registered Office of the Company.

2) In terms of the MCA Circulars, physical attendance of members has been dispensed with and, therefore, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by members under Section 105 of the Act will not be available for the 43rd AGM. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the members may be appointed for the purpose of voting through remote e-Voting through Board Resolution/ Power of Attorney/ Authority Letter, etc., for participation in the 43rd AGM through VC/ OAVM facility and e-Voting during the 43rd AGM and since the 43rd AGM is being held through VC/ OAVM facility, the Route Map is not annexed in this Notice.

3) Participation of members through VC will be reckoned for the purpose of quorum for the AGM as per Section 103 of the Companies Act, 2013 ("the Act").

4) Details of the Director seeking re-appointment under Item No. 3 of this Notice is provided at page no. 45 of this Notice.

5) Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC. Corporate Members intending to authorise their representatives to attend the AGM pursuant to Section 113 of the Act, are requested to send to the Company, a certified copy of the relevant Board Resolution together with the respective specimen signatures of those representative(s) authorised under the said resolution to attend and vote on their behalf at the meeting.

6) In compliance with the provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations, (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof, for the time being in force) and various MCA Circulars, the Company is pleased to provide its Members with the e-voting facility to exercise their right to vote on the proposed resolutions electronically. For this purpose, the Company has appointed Mr Hemant Shetye, Practicing Company Secretary, having Membership No. FCS-2827 & Certificate of Practice No. 1483, Designated Partner of M/s HSPN & Associates LLP, Practicing Company Secretaries, as the Scrutiniser for conducting the e-voting process in a fair and transparent manner.

7) The Company has engaged Central Depository Services (India) Limited ("**CDSL**") as the agency to provide the e-voting facility and the instructions for e-voting are provided as part of this Notice.

8) The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the Cut-Off Date i.e., Friday 16th August, 2024.

9) Members whose shareholding is in the electronic mode are requested to direct, change of address notification and updating of Saving Bank Account details to their respective Depository Participants. Members whose shareholding is in physical mode are requested to opt for the Electronic Clearing System (ECS) mode to receive dividend on time, in line with the Circulars. We urge members to utilise the ECS for receiving dividends. Members holding share in physical form who wish to avail NACH facility, may submit their bank details, viz. Name of the Bank and Branch, their account type and Bank Account No. with MICR No. and IFSC Code along with the copy of cancelled cheque to the RTA at

Purva Sharegistry (India) Private Limited

Shiv Shakti Industrial Estates,

Unit No. 9, 7-B J. R. Boricha Marg,

Sitaram Mills Compound,

Mumbai 400011.

Tel: 31998810/49614132

Email: support@purvashare.com

10) As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed Companies can be transferred only in dematerialised form with effect from 1st April, 2019, except in case of request received transmission or transposition and relodged transfer of securities. Further SEBI vide Circular No. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/236 dated 2nd December, 2020 had fixed 31st March, 2021 as the cut-off date for re-lodgment of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. In view of this and to eliminate all risks associated to physical shares and for ease of portfolio management. Member's holdings shares in physical form are requested to consider converting their holding to dematerialised form. Members can contact the Company or the Company's Registrar and Transfer Agent for assistance in this regard.

11) Members who are holding shares in identical order or names in more than one folio are requested to write to the Company to enable the Company to consolidate their holdings in one folio.

12) Members may note that the Board of Directors in their meeting held on 21st May, 2024 has recommended a final dividend of ₹ 1.75 per equity share of ₹ 5/-. The record date for the purpose of final dividend for the fiscal 2024 will be 16th August, 2024. The final dividend once approved by the Members in the ensuing AGM will be paid on or after 30th August, 2024, electronically through various online transfer modes to those members who have updated their bank details. To avoid any delay in receiving the dividend, members are requested to update their KYC with their depositories (where shares are held in dematerialised mode) and with the Company's Registrar and Transfer Agent (RTA) (where shares are held in physical mode) to receive the dividend directly into their bank account on the payout date.

13) Members may note that the Income Tax Act, 1961 ("the IT Act") as amended by the Finance Act, 2020, mandates that dividend paid or distributed by the Company after 1st April, 2020 shall be taxable in the hands of Members.

14) The Register of Members and Share Transfer Register in respect of equity shares of the Company will remain closed from Saturday, 17th August, 2024 to Friday, 23rd August, 2024 (both days inclusive).

15) In furtherance of Green Initiative in Corporate Governance by Ministry of Corporate Affairs, the Shareholders are requested to register their email id with the Company or with the Registrar and Transfer Agent (RTA).

16) Members are requested to intimate changes, if any pertaining to their name, postal address, email address, telephone/mobile number, Permanent Account Number (PAN), mandates, nominations, power of attorney, etc. to their DP's if the shares are held in electronic Form and to RTA if the shares are held in physical form.

17) An electronic copy of the Annual Report along with Notice of the 43rd Annual General Meeting of the Company inter alia indicating the process and manner of e-voting is being sent to all the members by email and physical copy of the same will not be made available to the Members of the Company in line with the Circulars. Members may also note that the electronic copy of Annual Report along with Notice of the 43rd Annual General Meeting for FY 2023-24 will also be available on the Company's website www.nglfinechem.com\investors\Annual Reports\Audited Financials Report - 31st March, 2024 for their download. The aforesaid documents can also be accessed from the website of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Ltd, and on the website of CDSL i.e. www.evoting.india.com

18) Pursuant to Section 7 of the Companies Act, 2013, members holding shares in physical form are advised to file nomination in the prescribed Form SH-13 with the Company's share transfer agent. In respect of shares held in electronic/ demat form, the members may please contact their respective depository participant.

19) Members may please note that SEBI has made Permanent Account Number (PAN) as the sole identification number for all participants transacting in the securities market, irrespective of the amount of such transactions.

    SEBI has also made it mandatory for submission of PAN in the following cases: (i) Deletion of name of the deceased member(s) (ii) Transmission of shares to the legal heir(s) and (iii) Transposition of shares.

    Further, the Members are requested to kindly note that as per SEBI circular bearing no. SEBI/HO/MIRSSD_RTAMB/PCIR/2021/655 dated 3rd November, 2021, it is mandatory for Members holding shares in physical form to register their PAN, KYC details, Bank Particulars and Nomination against their folio no. PAN is also required to be linked to Aadhar No. by the Members to be considered as valid PAN.

    Members are requested to provide Form ISR1, ISR2, Nomination Form duly filled and signed along with the hard copy of the following self-attested documents to Purva Sharegistry for registration against their respective folio(s):

NOTICE (Contd.)

- Identity Proof: Copy of PAN Card/ Aadhar Card
- Address Proof: Copy of Aadhar Card/ Passport/ Client Master List/ Utility Bill not over 3 months old
- Bank Details: Copy of the cancelled cheque stating the name of the Member as account holder
- Contact Details: Mobile no., email ID
- Nomination: Please provide Form SH13 duly filled and signed to Purva Sharegistry (India) Private Limited

In the absence of any of the above information registered against your folio no., your folio no. will be frozen for any updation/ dividend payment as per the direction under the aforesaid Circular.

The Form ISR1, ISR2, Nomination forms are available on the website of the Company i.e., https://www.nglfinechem.com/disclosures-under-regulation.html#7 and on the website of Purva Sharegistry (India) Private Limited.

Members are requested to send all communications relating to shares, unclaimed dividend, change of address etc. to the Registrar and Share Transfer Agents at the following address:

Purva Sharegistry (India) Private Limited
Shiv Shakti Industrial Estates, Unit No. 9,
7-B J. R. Boricha Marg,
Sitaram Mills Compound,
Mumbai 400011.
Tel: 31998810/49614132
Email: support@purvashare.com

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

21) The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act, will be available for inspection in electronic form without any fee by the Members seeking to inspect such documents can send an email to cs@nglfinechem.com

22) Instructions for Shareholders to remote E-voting and Joining Virtual Meeting are as under:

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

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

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

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

(i) The voting period begins on 20th August, 2024 at 9:00 a.m. and ends on 22nd August, 2024 5:00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date 16th August, 2024, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December, 2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

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

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

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

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with **CDSL Depository**	1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit cdsl website www.cdslindia.com and click on login icon & New System Myeasi Tab. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at cdsl website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with **NSDL Depository**	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders (holding securities in demat mode) login through their **Depository Participants (DP)**	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

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

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

(v) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form**.

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

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

(vi) After entering these details appropriately, click on "SUBMIT" tab.

(vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvi) There is also an optional provision to upload BR/ POA if any uploaded, which will be made available to scrutiniser for verification.

(xvii) **Additional Facility for Non-Individual Shareholders and Custodians – For Remote Voting only.**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutiniser to verify the same.
- Alternatively, Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorised signatory who are authorised to vote, to the Scrutiniser and to the Company at the email address viz; cs@nglfinechem.com (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutiniser to verify the same.

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

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

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

1. For Physical shareholders – Please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self

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attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.

2. For Demat shareholders – Please update your email id & mobile no. with your respective **Depository Participant (DP)**

3. **For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.**

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

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

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

Name of Director	Mr Rajesh Narayan Lawande
Director Identification Number (DIN)	00327301
Date of birth	16th March, 1976
Age	48
Nationality	Indian
Qualifications	M.Sc. in Chemistry from IIT Bombay, PGDM in Management from IIM Lucknow.
Date of first Appointment on the Board	1st June, 2015
Tenure with the Company	23 years
Nature of his expertise in specific functional areas;	He is a Whole-Time Director & CFO of the Company having experience of more than 23 years. He is M.Sc. from IIT Bombay and PGDM from IIM Lucknow. He is managing the Company's R & D Department and introducing new markets and customers. He has knowledge of various aspects relating to the Company's affairs and long and rich business experience. His business knowledge will provide valuable contribution to the Company.
Relationships between Directors inter-se	Mr Rajesh Lawande, is brother of Mrs Ajita Nachane, Non Executive Non Indpendent Director of the Company.
List of the directorships held in other listed companies	NIL
Number of board Meetings attended during the year	5
Chairman/ Member in the Committees of the Boards of companies in which he/she is Director	NIL
Number of Shares held in the Company as on 31st March, 2024	13,52,366 Equity Shares
Remuneration details	As per Special Resolution passed at the 40th Annual General Meeting held on 20th August, 2021.

By Order of the Board
For NGL Fine-Chem Limited

Sd/-
Pallavi Pednekar
Company Secretary
Membership No: A33498

Registered Office:
301, E-Square, Subhash Road, Vile Parle (East), Mumbai 400057.
Place: Mumbai.
Date: 21st May, 2024.

ANNEXURE TO THE NOTICE

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

Item No. 4:

The Board of Directors of the Company ('the Board') at the meeting held on 21st May, 2024, on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. Sanghavi Randeria & Associates, Cost Accountant, (Firm Registration No. 00175) to conduct audit of Cost Records maintained by the Company in respect of the financial year 2024-25.

In terms of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, remuneration of the Cost Auditors is required to be approved by the Members of the Company. Accordingly, consent of the Members is sought for the remuneration payable to the Cost Auditors.

None of the Directors and Key Managerial Personnel of the Company, or their relatives, is interested in this resolution.

The Board recommends passing of the Ordinary resolution set out in Item No.4 for your approval.

By order of the Board
For NGL Fine-Chem Limited

Registered Office:
301, E-Square, Subhash Road, Vile Parle (East), Mumbai 400057.
Place: Mumbai.
Date: 21st May, 2024.

Sd/-
Pallavi Pednekar
Company Secretary
Membership No: A33498

DIRECTORS' REPORT

The Board of Directors are pleased to present the Company's Forty Third Annual Report and the Company's audited financial statements (consolidated and standalone) for the financial year ended 31st March, 2024.

1. OPERATING RESULTS

The operating results of the Company for the year ended 31st March, 2024 are as follows:

(Rupees In Lakh)

	Year ended 31st March, 2024 (Standalone)	Year ended 31st March, 2023 (Standalone)	Year ended 31st March, 2024 (Consolidated)	Year ended 31st March, 2023 (Consolidated)
Revenue from Operations	3,28,97.29	2,75,05.25	3,38,68.84	2,78,08.08
Profit before tax from continuing operations	50,70.84	26,59.98	54,37.70	27,36.20
Tax Expenses (Including Deferred Tax)	(12,18.89)	(6,48.11)	(13,10.03)	(6,86.57)
Profit after Tax	38,51.94	20,11.87	41,27.67	20,49.63
Total Comprehensive Income for the year	38,36.62	20,03.68	41,12.39	20,41.24

2. TRANSFER TO RESERVES

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

3. THE STATE OF THE COMPANY'S AFFAIRS

During the year under review, your company achieved total revenue from operations of ₹ 32,897.29 Lakh (previous year ₹ 27,505.25 Lakh) resulting in increase of 19.60% over the previous year. The profit after tax (including other comprehensive income) is at ₹ 3,836.62 Lakh (previous year ₹ 2,003.68 Lakh resulting in increase of 91.48%.

Demand for the Company's products has recovered during the current year, which is reflected in the sales growth. Various issues faced during the prior year such as de-stocking of inventories by customers, recessionary trends, etc. have been resolved. However geo-political issues continue along with foreign exchange scarcities in certain economies which affects the ability to buy for some customers.

4. SHARE CAPITAL

During the year under review, there has been no change in the Share Capital of the Company. The authorised share capital of the Company, as on 31st March, 2024 aggregates ₹ 5,00,00,000/- (Rupees Five Crores) which is divided into 1,00,00,000 (One Crore) Equity Shares of ₹ 5/- each, whereas the issued share capital of the Company comprises of 61,78,024 equity shares of ₹ 5/- each aggregating to ₹ 3,08,90,120 /- (Rupees Three Crores Eight Lakhs Ninety Thousand One Hundred and Twenty).

5. DIVIDEND

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

Further, as per Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the top 1,000 listed entities based on market capitalisation are required to formulate a Dividend Distribution Policy. Accordingly, your Company has formulated its Dividend Distribution Policy, which is available on the Company's website at https://www.nglfinechem.com/images/pdf/dividend-distribution-p22.pdf

6. CASH FLOW AND CONSOLIDATED FINANCIAL STATEMENTS

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

7. FUTURE PROSPECTS

The greenfield expansion at Tarapur is under erection. While the investment had been slowed down in the previous year, the recovery in demand for the Company's products has given rise to accelerate the pace of erection and installation Civil work has been largely completed for the entire plant though machinery installation will proceed in planned phases to spread the capital expenditure over the next eighteen months.

Demand recovery was seen during the current year though price realisations were lower as compared to earlier years. Demand volume growth funnelled the increase in sales during the current year. API demand in the veterinary sector continues to demonstrate positive signals in view of the expanding livestock industry, focus on preventive care, digital transformation and telemedicine, rising pet ownership and spending and market expansion and penetration. The outlook for the coming years is positive and the Company hopes to utilise the opportunities offered.

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

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

9. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND.

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

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

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

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

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

12. INTERNAL CONTROL SYSTEM

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

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

The Company has constituted a Corporate Social Responsibility (CSR) Committee in accordance with Section 135 of the Companies Act, 2013 read with Companies Corporate Social Responsibility (Policy) Rules, 2014. As per provision of Section 135 of the Companies Act, 2013 read with Rule 8 of Companies Corporate Social Responsibility (Policy) Rules, 2014, the Board has approved CSR Policy and the Company has spent towards CSR activities, details of which are provided in attached **Annexure B** to Directors' Report.

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

The particulars of investments made and loans given to subsidiaries has been disclosed in the financial statements in notes 5 and 6 of the standalone financial statements. Also, Company has not given any guarantee during the year under review.

15. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

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

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

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

16. POLICY ON SEXUAL HARASSMENT OF WOMEN AT WORKPLACE:

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

17. ANNUAL RETURN

Pursuant to the provisions of Section 92(3) of Companies Act, 2013 following is the link for Annual Return 2023-2024.

https://www.nglfinechem.com/images/pdf/ngl-mgt-7.pdf

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

During the financial year, the Board met five times on 15th May, 2023, 4th August, 2023, 10th November, 2023, 12th February, 2024 and 18th March, 2024.

19. DIRECTORS' RESPONSIBILITY STATEMENT

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

- That in the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure.
- That the selected accounting policies were applied consistently and the directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2024, and that of the profit of the Company for the year ended on that date.
- That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- That the annual accounts have been prepared on a going concern basis.
- The Board has laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

20. DEPOSITS

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

21. PARTICULARS OF EMPLOYEES AND REMUNERATION

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

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

The Nomination and Remuneration Committee of the Company has affirmed at its meeting held on 17th May, 2024 that the remuneration is as per the remuneration policy of the Company. The policy is available on the Company's website: https://www.nglfinechem.com/images/pdf/remuneration-nomination-policy.pdf

22. CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr Dhananjay Mungale (DIN: 00007563) is appointed as Additional Non-Executive Independent Director of the Company w.e.f 18th March, 2024 and his appointment has been ratified by members by passing special resolution through postal ballot dated 20th April, 2024.

Mr Milind Shinde (DIN: 01593560) on completing his 2nd term as Independent Director of the Company, ceased to be an Independent Director of the Company from 31st March, 2024.

In accordance with the provisions of Section 152(6) of the Companies Act, 2013, the members of the Company at the 42nd Annual General Meeting re-appointed Mrs Ajita Nachane (DIN: 00279241) Non-Executive Non-Independent Director, who was subject to retire by rotation.

In accordance with the provisions of Section 152(6) of the Companies Act, 2013 Mr Rajesh Lawande (00327301) Whole-Time Director is liable to retire by rotation in this ensuing Annual General Meeting and being eligible he has offered himself for reappointment. Your Directors recommend his re-appointment.

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

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

24. DECLARATION OF INDEPENDENT DIRECTORS

The Independent Directors have submitted their disclosures to the Board that they fulfil all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant SEBI Listing Regulations.

25. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The familiarisation program aims to provide Independent Directors with the pharmaceutical industry scenario, the socio-economic environment in which the Company operates, the business model, the operational and financial performance of the Company, significant developments so as to enable them to take well informed decisions in a timely manner. The familiarisation program also seeks to update the Directors on the roles, responsibilities, rights and duties under the Act and other statutes. The policy on Company's familiarisation program for Independent Directors is posted on Company's website at https://www.nglfinechem.com/images/pdf/details-familarisation-programmee-2024.pdf

26. CREDIT RATING

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

27. STATUTORY AUDITORS

The Members of the Company at their 41st Annual General Meeting held on Thursday, 30th June, 2022 on the recommendation of Audit Committee re-appointed M/s. Manek & Associates, Chartered Accountants (FRN: 0126679W) as Statutory Auditors of your Company for a period of 5 consecutive years from the conclusion of 41st Annual General Meeting till the conclusion of 46th Annual General Meeting to be held in the year 2027.

The Company has not proposed an Ordinary Resolution for ratification of appointment of Statutory Auditor for the Financial Year 2024-2025 because pursuant to the Companies (Amendment) Act, 2017, the same is omitted with effect from 7th May, 2018.

28. INTERNAL AUDITORS

On recommendation of Audit Committee, the Board of Directors of the Company at its meeting held on 21st May, 2024 has appointed Mr Kamal Dharewa from M/s. KD Practice Consulting Pvt. Ltd., Chartered Accountants, Mumbai, as internal auditors for financial year 2024-25.

29. SECRETARIAL AUDITORS

On recommendation of the Audit Committee, the Board of Directors of the Company at its meeting held on 21st May, 2024 have appointed M/s. HSPN & Associates LLP, Company Secretaries, as Secretarial Auditors of the Company to carry out the Secretarial Audit for the Financial Year 2024-25 and to issue Secretarial Audit Report as per the prescribed format under rules in terms of Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Further, the Secretarial Audit issued by M/s. HSPN & Associates LLP, Company Secretaries for the financial year 2023-2024 is annexed herewith and forms part of this report as **Annexure E**.

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

30. COST AUDITORS

The Company has appointed M/s. Sanghavi Randeria & Associates, as Cost Auditors of the Company for the Financial Year 2024-2025.

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

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

32. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

33. CORPORATE GOVERNANCE

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

34. SUBSIDIARY, JOINT VENTURES AND ASSOCIATE COMPANIES

Macrotech Polychem Private Limited is a wholly owned subsidiary of the Company. The Consolidated Financial Statements of your Company form part of this Annual Report. Annual Report of your Company does not contain the Financial Statements of its Subsidiary. The Audited Annual Accounts and related information of the Company's Subsidiary will be made available upon request. These documents will be available for inspection during all days expect Saturdays, Sundays and public holidays from 10.00 a.m. to 4 p.m. at the Company's Registered Office. The Subsidiary Companies Audited Accounts are available on the Company's Website: https://www.nglfinechem.com/images/pdf/audit-financial-report-31st-march-2024.pdf

35. VIGIL MECHANISM

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

36. REPORTING OF FRAUD BY AUDITORS

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

37. PERFORMANCE EVALUATION

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

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

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

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

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

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

Company and its promoters have received a Show Cause Notice dated 29th December, 2023 from SEBI for incorrectly disclosures in shareholding pattern for the quarters from December 2002 to June, 2019 and making incorrect disclosures as required under regulation 30(1) of SAST regulation as required promoters of the Company. Company has filed a settlement application as per SEBI (Settlement Proceedings) Regulations, 2018 to Show Cause Notice and as on the date of this report there is no further action from SEBI towards the Company.

In FY 2022-23 the Company and its Officers received a notice from Hon'ble National Lok Adalat to answer to a charge for the offence punishable under Section 148 of the Companies Act, 2013 regarding non- submission of Cost Audit Report for the Financial Year 2014-15. The management is of the opinion that there is no non-compliance, as the said provisions are not applicable. The management is seeking suitable legal re-course. As on date of signing of this report, there is no further action from the concerned authority.

40. COMMITTEES OF THE BOARD

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

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

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

41. BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

Regulation 34(2) of the SEBI Listing Regulations, inter alia, provides that the Annual Report of the top 1,000 listed entities based on market capitalisation, should mandatorily include a Business Responsibility & Sustainability Report ("BRSR") from financial year 2022-23 onwards. The Company is not in Top 1,000 list for FY 2022-23 & FY 2023-24.

Further, in line with the SEBI listing requirements, your Company has included BRSR as part of this Report for the financial year 2023-24, as **Annexure H**, describing the initiatives taken by the Company from an environmental, social and governance perspective.

The BRSR for the financial year 2023-24 has also been hosted on the Company's website, which can be accessed at https://www.nglfinechem.com/images/pdf/audited-financials-report-31-march-2024.pdf

42. OTHER DISCLOSURES

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

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

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

43. COST RECORDS AND COST AUDIT

Maintenance of cost records as prescribed under the provisions of Section 148(1) of the Companies Act, 2013 was not applicable for the business activities carried out by the Company for the financial year 2023-24. Accordingly, such accounts and records are not made and maintained by the Company for the said period. The requirement for cost audit was not applicable for the said period as the export turnover was greater than 75% for the prior year.

44. POLICIES

The Company seeks to promote highest levels of ethical standards in the normal business transactions guided by the value system. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandates formulation of certain policies for listed companies. The Policies are reviewed periodically by the Board and are updated based on the need and compliance as per the applicable laws and rules and as amended from time to time. The policies are available on the website of the Company at https://www.nglfinechem.com/disclosures-under-regulation.html#7

45. COMPLIANCE OF APPLICABLE SECRETARIAL STANDARDS

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

46. ENHANCING SHAREHOLDER VALUE

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

47. CAUTIONARY STATEMENT

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

48. ACKNOWLEDGEMENTS

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

For and on behalf of the Board of Directors
NGL Fine-Chem Limited

Sd/-	Sd/-
Rahul Nachane	**Rajesh Lawande**
Managing Director	Whole-Time Director & CFO
DIN: 00223346	DIN: 00327301

Mumbai, 21st May, 2024

ANNEXURE A

TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2024

Information pursuant to the Companies (Accounts) Rules, 2014

A. CONSERVATION OF ENERGY

I. Steps taken or impact on conservation of energy

Following activities were taken to conserve Energy

1. Energy audits to identify key areas for improvement in energy efficiency of processes adopted and eliminating wastage.
2. Implementation of the energy conservation methods and improving input-output ratios.
3. Utilisation of greener fuels: During earlier years, the Company has replaced fossil fuels with greener fuels. At one unit, coal has been replaced with biomass briquettes which are obtained from agricultural waste. Total fossil fuel saving was 205 mt during the year. At another unit, the Company has replaced furnace oil with natural gas resulting in a saving of 969 mt of furnace oil.

II. Capital investment on energy conservation

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

B. TECHNOLOGY ABSORPTION:

1. Research & Development

I Efforts made towards technology absorption.

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

III Expenditure on R&D activity.

(₹ in Lakh)

	FY 2023-24	FY 2022-23
Capital	22.62	18.18
Revenue	474.16	326.61
Total	496.78	344.79
As percentage of turnover	1.51%	1.25%

The Company has not acquired any technology during the year.

2. Technology Absorption, Adaptation and Innovation

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

Total Foreign Exchange Earned : ₹ 24,088.71 Lakh

Total Foreign Exchange Used ₹ 5,088.80 Lakh

For and on behalf of the Board of Directors

NGL Fine-Chem Limited

Sd/- **Rahul Nachane** Managing Director DIN: 00223346	Sd/- **Rajesh Lawande** Whole-Time Director & CFO DIN: 00327301

Mumbai, 21st May, 2024

ANNEXURE B
TO THE DIRECTORS' REPORT

CORPORATE SOCIAL RESPONSIBILITY POLICY

Introduction

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

ANNEXURE TO CSR POLICY

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.
   - Promoting education, including special education and employment enhancing vocation skills especially among children and livelihood enhancement projects.
   - Empowerment of rural women by strengthening their financial capabilities.
   - Promoting sanitation care by construction of toilets and awareness programs.
   - Provide healthcare by organising free medical camps, mobile clinics with doctors, free ambulance services, awareness programs and blood donation camps.
   - Sustainable livelihood by skill development and vocational training, vermi-composting, etc.
   - Reduction in pollution and recycling of waste.
   - Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women.
   - Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
   - Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government.
   - Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.
   - Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.
   - Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts.
   - Measures for the benefit of armed forces veterans, war widows and their dependents.
   - Training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports.
   - Rural development projects.
   - Slum area development.

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

   The Committee shall consist of minimum of three members with at least one being an Independent Director. The present constitution of the CSR Committee is as follows:
   - Mr Jayaram Sitaram – Chairman
   - Mr Rajesh Lawande – Member
   - Mrs Ajita Nachane – Member
   - Mrs Sarala Menon – Member
3. Provide the web-link where Composition of CSR Committee, Policy and CSR projects approved by the Board are disclosed on the website of the Company: https://www.nglfinechem.com/images/pdf/csr-policy-10-08-2022.pdf https://www.nglfinechem.com/images/pdf/csr-projection-2024-25.pdf
4. Provide the details of Impact assessment of CSR Project carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Responsibility Policy) Rules, 2014, if applicable (attach the report): Not Applicable.

ANNEXURE B
TO THE DIRECTORS' REPORT (Contd.)

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

Sr. No.	Financial Year	Amount available for set off from preceding financial year (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1.	FY 2022-23	68,391	68,391
	Total	68,391	68,391

6. Average net profit of the Company as per section 135(5) : ₹ 56,31,77,554/-

7. (a) Two percent of average net profit of the Company as per Section 135(5) : ₹ 1,12,63,551/-

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

   (c) Amount required to be set off for the financial year, if any: ₹ 68,391/-

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

Total amount spent for the financial year (in ₹)	Amount Unspent				
	Total Amount Transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of transfer
₹ 84,82,432/-	₹ 27,12,728/-	26th April, 2024	Not Applicable	--	--

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

Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/ No)	Location of the Project	Project duration	Amount allocated for the project	Amount spent in the current financial year	Amount Transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of implementation Direct (Yes/No)	Mode of Implementation Through Implementing Agency	
									Name	CSR Registration Number
Shree Shankara Hindu Mission	Education & Healthcare	Yes	Maharashtra	2023-25	₹ 30,76,308	₹ 30,36,310	₹ 39,998	No	CSR00001623	
Palghar Dahanu Taluka Sports Association	Promotion of Rural Sports	Yes	Maharashtra	2023-25	₹ 13,70,730	₹ 1,98,000	₹ 11,72,730	Yes	NA	
Kumbhavali Village – Conservation of water bodies Project	Environmental sustainability & protection of Flora & Fauna	Yes	Maharashtra	2023-26	₹ 15,00,000	NIL	₹ 15,00,000	Yes	NA	

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

Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/ No)	Location of the Project	Project duration	Amount allocated for the project	Amount spent in the current financial year	Amount Transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of implementation Direct (Yes/No)	Mode of Implementation Through Implementing Agency	
									Name	CSR Registration Number
Krishna Hospital	Health Care	Yes	Maharashtra	2023-24	₹ 1,26,631	₹ 1,26,631	NIL	Yes	NA	
Educational Scholarships	Education	Yes	Maharashtra	2023-24	₹ 20,30,191	₹ 20,30,191	NIL	Yes	NA	
Shri KVO Jain Manav Seva Kendra	Health Care	Yes	Maharashtra	2023-24	₹ 15,600	₹ 15,600	NIL	Yes	NA	
Shree Sai Hospital	Health Care	Yes	Maharashtra	2023-24	₹ 1,50,000	₹ 1,50,000	NIL	Yes	NA	
Nirali Hospital	Health Care	Yes	Maharashtra	2023-24	₹ 80,000	₹ 80,000	NIL	Yes	NA	

ANNEXURE B
TO THE DIRECTORS' REPORT (Contd.)

Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/ No)	Location of the Project	Project duration	Amount allocated for the project	Amount spent in the current financial year	Amount Transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of implementation Direct (Yes/No)	Mode of Implementation Through Implementing Agency	
									Name	CSR Registration Number
Gokhale Eye Hospital	Health Care	Yes	Maharashtra	2023-24	₹ 27,000	₹ 27,000	NIL	Yes	NA	
Yogyam Hospital	Health Care	Yes	Maharashtra	2023-24	₹ 40,000	₹ 40,000	NIL	Yes	NA	
DU Foundation	Education	Yes	Maharashtra	2023-24	₹ 5,00,000	₹ 5,00,000	NIL	No	CSR00005425	
Woman Empowerment	Woman Empowerment	Yes	Maharashtra	2023-24	₹ 4,80,000	₹ 4,80,000	NIL	Yes	NA	
Nilesh Shaharkar	Promotion of Traditional Art	Yes	Maharashtra	2023-24	₹ 1,50,000	₹ 1,50,000	NIL	Yes	NA	
Light of Life Trust	Education	Yes	Maharashtra	2023-24	₹ 2,50,000	₹ 2,50,000	NIL	No	CSR00000156	
Housing Project for Senior Citizen & economically backward class	Facilities for Senior Citizens & Reducing inequalities	Yes	Maharashtra	2023-24	₹ 8,50,000	₹ 8,50,000	NIL	Yes	NA	
Aastha Enterprises – Jhilla Parishad School	Education	Yes	Maharashtra	2023-24	₹ 4,30,700	₹ 4,30,700	NIL	Yes	NA	
Shree Gajanan Frame Makers – Jhilla Parishad School	Education	Yes	Maharashtra	2023-24	₹ 1,18,000	₹ 1,18,000	NIL	Yes	NA	

(d) Amount spent in Administrative Overheads: NIL

(e) Amount spent on Impact Assessment, if applicable: Not Applicable

(f) Total amount spent for the Financial Year: ₹ 84,82,432/-

(g) Excess amount for set off, if any - NIL

CSR		
1	Two percent of average net profit of the Company as per section 135(5)	₹ 1,12,63,551
2	Total amount spent for the Financial Year	₹ 84,82,432
3	Excess amount spent for the Financial Year [(2)-(1)]	NIL
4	Surplus arising out of the CSR projects or programs or activities of the previous Financial Years, if any	NIL
5	Amount available for set off in succeeding Financial Years [(3) – (4)]	NIL

* Total Amount to be spent for the year ₹ 1,12,63,551 - Excess Spent Last year adjusted ₹ 68,391 = Amount to be spent for the year ₹ 1,11,95,160, Amount Spent for the year ₹ 84,82,432. Ongoing Projects Amount transferred to Unspent CSR Account ₹ 27,12,728.

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

Year	Amount (₹)
FY 2020-21	(62,766)
FY 2021-22	(4,801)
FY 2022-23	(68,391)
Total	NIL

ii. Details of CSR amount spent in the Financial Year for ongoing projects of the preceding Financial Year(s): Nil.

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the Financial Year (asset-wise details): Not Applicable

a) Date of creation or acquisition of the capital asset(s): Not Applicable

b) Amount of CSR spent for creation or acquisition of capital asset: Nil

c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: Not Applicable

d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not Applicable

11. Specify the reason, if the Company has failed to spend two percent of the average net profit as per section 135(5) : NIL

For and on behalf of the Board of Directors
NGL Fine-Chem Limited

Sd/-	Sd/-	Sd/-
Rahul Nachane	**Rajesh Lawande**	**Jayaram Sitaram**
Managing Director	Whole-Time Director & CFO	Chairman CSR Committee
DIN No: 00223346	DIN No: 00327301	DIN No: 00103676

Mumbai, 21st May, 2024

ANNEXURE C
TO THE DIRECTORS' REPORT

Form AOC-1

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

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

Part "A": Subsidiaries

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

Sl. No.	Particulars	Details
1.	Name of the subsidiary	Macrotech Polychem Private Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	FY 2023-24
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA
4.	Share capital	30,01,900
5.	Reserves & surplus	1,21,54,449
6.	Total assets	34,83,06,429
7.	Total Liabilities	34,83,06,429
8.	Investments	-
9.	Turnover	27,99,22,970
10.	Profit before taxation	4,06,31,506
11.	Provision for taxation	(91,13,802)
12.	Profit after taxation	3,15,17,704
13.	Proposed Dividend	--
14.	% of shareholding	100

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

1. Names of subsidiaries which are yet to commence operations – N.A.

2. Names of subsidiaries which have been liquidated or sold during the year – N.A.

Part "B": Associates and Joint Ventures

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

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

1. Names of associates or joint ventures which are yet to commence operations. N.A.

2. Names of associates or joint ventures which have been liquidated or sold during the year. N.A.

For and on behalf of the Board of Directors
NGL Fine-Chem Limited

Sd/-
Rahul Nachane
Managing Director
DIN No: 00223346

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

Mumbai, 21st May, 2024

ANNEXURE C
TO THE DIRECTORS' REPORT (Contd.)

FORM NO. AOC - 2

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

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

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

2. Details of material contracts or arrangement or transactions at arm's length basis: NIL
   - (a) Name(s) of the related party and nature of relationship
   - (b) Nature of contracts/arrangements/transactions
   - (c) Duration of the contracts/arrangements/transactions
   - (d) Salient terms of the contracts or arrangements or transactions including the value, if any:
   - (e) Date(s) of approval by the Board, if any:
   - (f) Amount paid as advances, if any:

For and on behalf of the Board of Directors
NGL Fine-Chem Limited

Sd/-	Sd/-
Rahul Nachane	**Rajesh Lawande**
Managing Director	Whole-Time Director & CFO
DIN No: 00223346	DIN No: 00327301

Mumbai, 21st May, 2024

ANNEXURE D
TO THE DIRECTORS' REPORT

MEDIAN REMUNERATION

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

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

Name of the directors	Ratio to median remuneration
Non-executive directors	
Mr Jayaram Sitaram	--
Mr Milind Vasant Shinde	--
Mrs Ajita Rahul Nachane	--
Mrs Sarala Menon	--
Mr Dhananjay Mungale	--
Executive directors	
Mr Rahul Jayant Nachane	28.20
Mr Rajesh Narayan Lawande	27.99

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

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase in remuneration in the financial year
Mr Rahul Jayant Nachane	18.63
Mr Rajesh Narayan Lawande	18.79
Mr Jayaram Sitaram	Nil
Mr Milind Vasant Shinde	Nil
Mrs Ajita Rahul Nachane	Nil
Mrs Sarala Menon	NIL
Mrs Pallavi Pednekar	9.23

c. The percentage increase in the median remuneration of employees in the financial year: 4.41%

d. The number of permanent employees on the rolls of Company: 390

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

The annual increase was around 13.19%

Increase in the managerial remuneration for the year was 4.41%

Affirmation that the remuneration is as per the remuneration policy of the Company: The Nomination and Remuneration Committee of the Company has affirmed at its meeting held on 17th May, 2024 that the remuneration paid is as per the remuneration policy of the Company. The Policy is available on the Company's Website: www.nglfinechem.com

ANNEXURE D
TO THE DIRECTORS' REPORT (Contd.)

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

Name	Designation	Qualification	Age (years)	Date of joining	Remuneration paid (₹ Lakh)	Experience (years)
Rahul Nachane	Managing Director	B.Com, A.C.A, M.M.S, D.B.F	58	4th January, 1993	189.66	35
Rajesh Lawande	Whole-Time Director & CFO	M.Sc (IIT BOM), PGDBA (IIML)	47	1st June, 2005	188.22	23

Notes:

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

For and on behalf of the Board of Directors
NGL Fine-Chem Limited

Sd/-
Rahul Nachane
Managing Director
DIN No: 00223346

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

Mumbai, 21st May, 2024

ANNEXURE E
TO THE DIRECTORS' REPORT

SECRETARIAL AUDIT REPORT

Form No. MR-3

FOR FINANCIAL YEAR ENDED ON 31ST MARCH, 2024

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

To,

The Members,

NGL Fine-Chem Limited.

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period ended on 31st March, 2024, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, Forms and returns filed and other records maintained by NGL Fine-Chem Limited ("The Company"), for the year ended on 31st March, 2024 to the extent applicable to the provisions of:

I. The Companies Act, 2013 (the Act) and the rules made there under to the extent applicable;

II. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the Rules made thereunder;

III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") to the extent applicable to the Company: -

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

   d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;

   e. The Company has complied with the requirements under the Equity Listing Agreements entered into with BSE Limited and NSE Limited.

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

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

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

   b) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 (with effect from 1st December, 2015);

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

We further report that:

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

1. During the period under review Board Appointed Mr Dhananjay Mungale (DIN: 00007563) as an Additional Independent Director of the Company w.e.f 18th March, 2024 and their appointment was ratified by shareholders of the Company through Special resolution in Postal Ballot.

2. Mr Milind Shinde (DIN: 01593560) ceased to be Independent Director w.e.f the closing hours of 31st March, 2024 due to completion of second term of office as an Independent Director.

ANNEXURE E
TO THE DIRECTORS' REPORT (Contd.)

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

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

We further report that during the audit period:

1. The Company has obtained Shareholders approval in the 42nd AGM for;
   (i) declaration and payment of Final dividend @35% i.e. ₹ 1.75/- per Equity Share for the financial year ended 31st March, 2023 which was in compliance with the provisions of Section 123 of the Companies Act, 2013 read with Rule 3 of the Companies (Declaration and Payment of Dividend) Rules, 2014;
   (ii) modification in the terms of appointment of Mr Ahaan Nachane, Vice President of the Company to include either payment of educational expenses of ₹ 1,00,00,000 (Rupees One Crore Only) or remuneration of ₹ 1,00,00,000 (Rupees One Crore Only) pursuant to the provisions of Section 188 (f) of the Companies Act, 2013 read with Companies (Meeting of Board and its Powers) Rules, 2014 and other applicable provisions read with Regulation 23 of SEBI (LODR) Regulations, 2015.
2. During the period for financial year 2022-23, Company and its Officers received a notice from Hon'ble National Lok Adalat to answer to a charge for the offence punishable under Section 148 of the Companies Act, 2013 regarding non-submission of Cost Audit Report for the Financial Year 2014-15. The management is of the opinion that there is no non-compliance and that the said provisions are not applicable to the Company. The Management of the Company is contesting the said allegation in Hon'ble National Lok Adalat and as on the date of this Report there is no further action from Hon'ble National Lok Adalat in this regard.
3. Company and its promoters have received a Show Cause Notice dated 29th December, 2023 from SEBI for incorrectly disclosures in shareholding pattern for the quarters from December 2002 to June, 2019 and making incorrect disclosures as required under regulation 30(1) of SAST regulation as required by Promoter and Promoter Group of the Company. Company filed Settlement Application under Regulation 3(1) SEBI (Settlement Proceedings) Regulations, 2018 and as on the date of this Report there is no further action from SEBI in this regard.
4. The Company was required to spend an amount of ₹ 1,12,63,551/- (Rupees One Crore Twelve Lakh Sixty Three Thousand Five Hundred and Fifty One) (Gross Amount) during the financial year 2023-24, out of which an amount of ₹ 68,391/-(Sixty Eight Thousand Three Hundred and Ninety One) was set-off i.e. excess amount spent towards CSR activities during the previous financial year 2022-23. The net amount required to be spent / allocated towards CSR projects / activities during the financial year 2023-24 was ₹ 1,11,95,160/- (Rupees One Crore Eleven Lakh Ninety Five Thousand One Hundred and Sixty). Further, the Company spent an amount of ₹ 84,82,432 (Rupees Eighty Four Lakh Eighty Two Thousand Four Hundred and Thirty Two Only) towards CSR activities and transferred ₹ 27,12,728 (Rupees Twenty Seven Lakh Twelve Thousand Seven Hundred Twenty Eight) to unspent CSR account on 26th April, 2024.

For **HSPN & ASSOCIATES LLP**
Company Secretaries

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

Date: 21st May, 2024
Place: Mumbai
ICSI UDIN: F002827F000410784
PEER REVIEW NO: 2507/2022

ANNEXURE E
TO THE DIRECTORS' REPORT (Contd.)

Annexure-1 (A)

Sector Specific Laws as Applicable to the Company.

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

Annexure-1 (B)

To,

The Members,

NGL Fine-Chem Limited.

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

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

For **HSPN & ASSOCIATES LLP**
Company Secretaries

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

Date: 21st May, 2024
Place: Mumbai
ICSI UDIN: F002827F000410784
PEER REVIEW NO: 2507/2022

ANNEXURE F

TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2024

CORPORATE GOVERNANCE REPORT

1. Company's philosophy

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

2. Board of Directors

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

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

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

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

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

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

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

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

*Mr Dhananjay Mungale appointed as Independent Director as on 18th March, 2024.

**Mr Milind Shinde completed his 2nd term as Independent Director and ceased to be Independent Director as on close of business hour on 31st March, 2024.

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

None of the Directors on the Board hold Directorships in more than 7 (Seven) listed companies. Further, none of them is a member of more than 10 (Ten) committees (committees being Audit Committee and Stakeholders Relationship Committee) or chairman of more than 5 (Five) committees across all the Indian public companies in which he/she is a Director.

The Independent Directors do not have any material pecuniary relationship or transactions with the Company, Promoters or Management, which may affect their judgement in any manner. The Independent Directors provide a confirmation to the effect that they meet the criteria of independence as defined under the Companies Act, 2013. None of the Independent Directors of the Company serve as an Independent Director in more than seven listed companies. All Directors are also in compliance with the limit on Independent Directorships of listed companies as prescribed under Regulation 17A of the SEBI Listing Regulations. The Board confirms that the Independent Directors fulfil the conditions specified in the SEBI Listing Regulations and that

ANNEXURE F
TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

they are Independent of the management. Further, the Independent Directors have in terms of Section 150 of the Act read with rules framed thereunder, confirmed that they have enrolled themselves in the Independent Directors' Databank maintained with the Indian Institute of Corporate Affairs ('IICA'). No person has been appointed or continues as an alternate director for an Independent Director of the Company.

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

During the year, Mr Dhananjay Mungale (DIN: 0007563) was appointed as an Independent Director w.e.f. 18th March, 2024.

During the year, Mr Milind Shinde (DIN: 0159360) completed his 2nd tenure as Independent Director and ceased to be Independent Director w.e.f close of business hour on 31st March, 2024.

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

Section 152 of the Companies Act, 2013, states that one-third of the Board members other than Independent Directors who are subject to retire by rotation, shall retire every year and shall be eligible for re-appointment, if approved by the shareholders at the Annual General meeting.

In view of the above, Mr Rajesh Lawande (DIN: 00327301), Whole-Time Director of the Company, retires by rotation at the forthcoming Annual General Meeting, and being eligible seeks re-appointment.

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

During the year there were in total five board meetings held on 15th May, 2023, 4th August, 2023, 10th November, 2023, 12th February, 2024 and 18th March, 2024. The time gap between the two meetings was not more than 120 days. All the information required to be furnished to the Board was made available to them along with detailed Agenda notes.

Name of Director	Category of Director-ship	No of Board Meeting Attended	Attendance at AGM
Rahul. J. Nachane	PMD	5	Yes
Rajesh. N. Lawande	PWTD	5	Yes
Milind. V. Shinde	INED	5	Yes
Jayaram Sitaram	INED	5	Yes
Ajita R. Nachane	WNED	5	Yes
Sarala Menon	WINED	5	Yes
Dhananjay Mungale*	INED	1	NA

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

*Mr Dhananjay Mungale joined w.e.f 18th March, 2024.

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

Sr. No.	Name of Director	*No. of other Directorship	No. of Other Committee Membership in other Companies	No. of Other Committee chairmanship in other Companies
1.	Rahul. J. Nachane	Nil	NA	NA
2.	Rajesh N. Lawande	Nil	NA	NA
3.	Milind. V. Shinde	Nil	NA	NA
4.	Jayaram Sitaram	Nil	NA	NA
5.	Ajita R. Nachane	Nil	NA	NA
6.	Sarala Menon	Nil	NA	NA
7.	Dhananjay Mungale	5	9	4

*Mr Dhananjay Mungale joined the Board w.e.f 18th March, 2024.

*Mr Milind Shinde ceased to be a director on completion of his second term on 31st March, 2024.

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

ANNEXURE F
TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

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

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

Sr. No	Date of Board Meetings
1	15th May, 2023
2	4th August, 2023
3	10th November, 2023
4	12th February, 2024
5	18th March, 2024

e. Disclosure of Relationships between Directors Inter-se

Sr. No.	Name of Director & DIN Number	Inter-se Relationship between Directors
1.	Mr Milind Vasant Shinde Non-Executive Independent Director & Chairman (DIN: 01593560)	Not related to any member of the Board
2.	Mr Rahul Jayant Nachane Managing Director (DIN: 00223346)	Spouse of Mrs Ajita Nachane
3.	Mr Rajesh Narayan Lawande Whole-Time Director and CFO (DIN: 00327301)	Brother of Mrs Ajita Nachane
4.	Mr Jayaram Sitaraman Non-Executive Independent Director (DIN: 00103676)	Not related to any member of the Board
5.	Mrs. Ajita Nachane Non-Executive Women Director (DIN: 00279241)	Spouse of Mr Rahul Nachane and Sister of Mr Rajesh Lawande
6.	Mrs Sarala Menon Non-Executive Women Independent Director (DIN: 09433901)	Not related to any member of the Board
7.	*Mr Dhananjay Mungale Non-Executive Independent Director (DIN: 00007563)	Not related to any member of the Board

*Mr Dhananjay Mungale joined the Board w.e.f 18th March, 2024.

*Mr Milind Shinde ceased to be a director on completion of his second term on 31st March, 2024.

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

Sr. No.	Name of Non-Executive Director	Equity Shares held	Convertible Instruments
1.	Mr Milind Shinde	NIL	NA
2.	Mrs Ajita Nachane	7,13,449	NA
3.	Mr Jayaram Sitaram	23,616	NA
4.	Mrs Sarala Menon	NIL	NA
5.	Mr Dhananjay Mungale	7,750	NA

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

The Company has not issued any non-convertible securities.

g. Induction and Familiarisation Program for Directors:

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

ANNEXURE F
TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

The details of familiarisation program can be accessed from the website: https://www.nglfinechem.com/images/pdf/details-familarisation-programmee-2024.pdf

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

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

Financial	Understands the organisation's financial processes. Prepares, justifies, and administers the program budget. Oversees procurement and contracting to achieve desired results. Monitors expenditures and uses cost-benefit thinking to set priorities.
Leadership	Inspires and fosters team commitment, spirit, pride, and trust. Facilitates cooperation and motivates team members to accomplish group goals.
Technology	Keeps up-to-date on technological developments. Makes effective use of technology to achieve results. Ensures access to and security of technology systems.
Sales and Marketing	Experience in developing strategies to grow sales and market share, build brand awareness and enhance enterprise reputation.
Board service and governance	Service on a company board to develop insights about maintaining board and management accountability, protecting shareholder's interest and observing appropriate governances' practices.
Industry experience	Experience in and knowledge of the drugs & pharmaceutical industry.
Communication	Communication can help team members to understand how their contributions benefit not only the team, but also the broader organisation. In addition, a powerful communicator can create productive connections with other departments, making the organisation stronger as a whole.

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

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

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

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

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

j. Detailed reasons for the resignation of an Independent Director – Mr Milind Shinde (DIN : 01593560) ceased to be Independent Director of the Company w.e.f. 31st March, 2024 since he completed consecutive 2 terms as Independent Director of the Company.

3. AUDIT COMMITTEE

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

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

1 Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

2 Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;

3 Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

4 Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

(a) matters required to be included in the director's responsibility statement to be included in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;

(b) Changes, if any, in accounting policies and practices and reasons for the same;

(c) Major accounting entries involving estimates based on the exercise of judgment by management;

(d) significant adjustments made in the financial statements arising out of audit findings;

(e) compliance with listing and other legal requirements relating to financial statements;

(f) disclosure of any related party transactions;

(g) modified opinion(s) in the draft audit report;

5 Reviewing with the management, the quarterly financial statements before submission to the board for approval;

6 Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;

7 Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;

8 Approval or any subsequent modification of transactions of the listed entity with related parties;

9 Scrutiny of inter-corporate loans and investments;

10 Valuation of undertakings or assets of the listed entity, wherever it is necessary;

11 Evaluation of internal financial controls and risk management systems;

12 reviewing, with the management, performance of statutory and Internal Auditors, adequacy of the internal control systems;

13 Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

14 Discussion with internal auditors of any significant findings and follow up there on;

15 Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

16 Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

17 To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

18 To review the functioning of the whistle blower mechanism;

19 Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

20 Carrying out any other function as is mentioned in the terms of reference of the audit committee.

21 Reviewing the utilisation of loans and/ or advances from investment by the holding company in the subsidiary exceeding Rupees 100 Crores or 10% of the asset size of the subsidiary, whichever is lower [including existing loans / advances / investments existing as on the date of coming into force of this provision]

22 Reviewing with the Management the following information

a management discussion and analysis of financial condition and results of operations;

ANNEXURE F
TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

b statement of significant related party transactions (as defined by the audit committee) submitted by management;

c management letters / letters of internal control weaknesses issued by the Statutory Auditors;

d internal audit reports relating to internal control weaknesses;

e the appointment, removal and terms of remuneration of the chief Internal auditor shall be subject to review by the audit committee and

f statement of deviations:

(a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).

(b) Annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

The Audit Committee is vested with the necessary powers, as defined in its charter, to achieve its objectives.

Composition, Name of Members and Chairperson:

The Audit Committee as on the date of the report comprises of 3 Non-Executive Independent Directors & 1 Whole-Time Director. Due to completion of 2 consecutive terms as Independent Director Mr Milind V. Shinde, Chairman and Non-Executive Independent Director of the Company, the Audit Committee has been reconstituted and following are the members of the committee

- Mr Milind V. Shinde – Chairman (Up to 31st March, 2024)
- Mr Dhananjay Mungale – Chairman (w.e.f 1st April, 2024)
- Mr Jayaram Sitaram – Member
- Mr Rajesh N. Lawande – Member
- Ms Sarala Menon – Member (w.e.f 1st April, 2024)

Meetings and Attendance:

During the year there were in total five Audit committee meetings held on 15th May, 2023, 4th August, 2023, 10th November, 2023, 12th February, 2024 and 18th March, 2024. The attendance of the meetings is given below.

Name of Director	Category of Directorship	No. of Committee Meetings attended	No. of Committee Meetings held
Milind Shinde	INED	5	5
Jayaram Sitaram	INED	5	5
Rajesh Lawande	ED	5	5

The Chairperson of Audit Committee was present in previous AGM held on Friday, 25th August, 2023 to answer shareholder's queries.

Invitees / Participants: -

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

4. NOMINATION AND REMUNERATION COMMITTEE

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

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

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

(1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

(2) Formulation of criteria for evaluation of performance of independent directors and the board of directors;

(3) Devising a policy on diversity of board of directors;

(4) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal.

(5) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

ANNEXURE F
TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

(6) To recommend to the Board all remuneration, in whatever form, payable to senior management.

Composition, Name of Members and Chairperson:

The Committee comprises of 3 Non-Executive Directors. Due to completion of 2 consecutive terms as Independent Director Mr Milind V Shinde, Member and Non-Executive Independent Director of the Company, the Nomination & Remuneration Committee has been reconstituted and following are the members of the committee.

Following are the members of the Committee.

- Mr Jayaram Sitaram – Chairman
- Mr Milind Shinde – Member (up to 31st March, 2024)
- Ms Sarala Menon – Member (w.e.f. 1st April, 2024)
- Mrs Ajita Nachane – Member

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

Meetings and Attendance:

The Nomination and Remuneration Committee met five times in the financial year 2023-24 on 12th May, 2023, 3rd August, 2023, 9th November, 2023, 7th February, 2024 and 29th February, 2024. The necessary quorum was present in the said meetings. The Chairman of the Nomination and Remuneration Committee was present at the last Annual General Meeting of the Company held on 25th August, 2023. The details of meetings held and attended by the Directors are as under:

Name of Director	Category of Directorship	No. of Committee Meetings attended	No of Committee Meetings held
Jayaram Sitaram	Chairman & INED	5	5
Milind Shinde	Member & INED	5	5
Ajita Nachane	Member & WNED	5	4

Performance evaluation criteria for Independent Directors:

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

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6) Initiative in terms of new ideas and planning for the Company.
7) Timely inputs on the minutes of the meetings of the Board and Committee's.
8) Raising of concerns to the Board.

5. STAKEHOLDER RELATIONSHIP COMMITTEE

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

Composition, Name of Members and Chairperson:

The Committee comprises of 1 Non-Executive Independent Director, 1 Non-Executive Director & 1 Executive Director. Due to completion of 2 terms as Independent Director, Mr Milind V Shinde, Chairman and Non-Executive Independent Director of the Company, the Audit Committee has been reconstituted and following are the members of the committee

- Mr Milind Shinde – Chairman (up to 31st March, 2024)
- Mr Jayaram Sitaram – Chairman (w.e.f. 1st April, 2024)
- Mrs Ajita Nachane – Member
- Mr Rahul Nachane – Member

Compliance Officer Details:

Mrs Pallavi Pednekar

Company Secretary & Compliance Officer

Membership No: A33498

Details of Complaints Received During the Year.

The Company has not received complaints from shareholders during the year. Further, during the year ended on 31st March, 2023 the Company approved issue of 1,800 (One Thousand Eight Hundred) duplicate

ANNEXURE F
TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

shares, transmission of 2,300 (Two Thousand Three Hundred) shares, transposition of NIL Shares and Name deletion of 1,200 (One Thousand Two Hundred) and Change on Name 100(Hundred) equity shares of ₹ 5/-.

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

Number of pending complaints- Nil

Meetings and Attendance:

The committee looks into the shareholders and investors grievances that are not settled at the level of Compliance Officer and helps to expedite the share transfers and related matters. The Committee periodically reviews the status of stakeholders' grievances and redressal of the same. The Committee met four times in FY 2023-24 on 12th May, 2023, 3rd August, 2023, 9th November, 2023 and 7th February, 2024. The necessary quorum was present for all the meetings. The Chairman of the Committee was present at the last Annual General Meeting of the Company held on 25th August, 2023.

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

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

Mr Milind V. Shinde, Chairperson of the Stake Holders Relationship Committee was present at the 42nd Annual General Meeting of the Company held on Friday 25th August, 2023 to address the queries of members of the Company.

5A. Risk Management Committee

Company has complied with regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and constituted Risk Management Committee on 8th May, 2015.

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

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

Details of Composition, Name of Members and Chairperson:

Due to completion of 2nd consecutive term as Independent Director of Mr Milind Shinde, the constitution of Risk Management Committee is as follows:

Name of Director	Chairperson/ Member
Rahul Nachane	Chairperson
Ajita Nachane	Member
Rajesh Lawande	Member
Milind Shinde (Up to 31st March, 2024)	Member
Jayaram Sitaram (w.e.f. 1st April, 2024	Member

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

Meeting and attendance during the year:

During the year ended the committee met twice on 12th May, 2023 and 8th November, 2023.

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

5B. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Pursuant to Section 135 of the Companies Act, 2013, the Board of Directors of the Company had constituted a "Corporate Social Responsibility Committee" on 6th February, 2015 comprising four Directors including 2 (two) Independent, 1 (One) Non-Executive Director and 1 (One) Whole-Time Director.

The Terms of Reference of the Committee are to: -

a. Frame the CSR Policy and its review from time-to-time.

b. Ensure effective implementation and monitoring of the CSR activities as per the approved policy, plans and budget.

c. Ensure compliance with the laws, rules & regulations governing the CSR and to periodically report to the Board of Directors.

The Committee met three times in FY 2023-24 on 12th May, 2023, 9th November, 2023 and 7th February, 2024. The necessary quorum was present for the said meeting. The composition of the Committee during the financial year and the details of meetings held and attended by the Directors are as under:

ANNEXURE F
TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

Name of Director	Category of Directorship	No. of Committee Meetings attended
Milind Shinde (Up to 31st March, 2024)	Chairman & INED	3
Jayaram Sitaram (from 1st April, 2024)	Chairman & INED	3
Ajita Nachane	Member & WNED	3
Rajesh Lawande	Member & ED	3
Sarala Menon	Member & WINED	0

5C. ADMINISTRATIVE COMMITTEE

The Company has constituted an Administrative Committee in its Board Meeting held on 3rd February, 2017. The composition of the Committee is as under:

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

During the year there were 3 meeting held of Administrative Committee on 19th May, 2023, 31st August, 2023, and 2nd December, 2023.

5D. SENIOR MANAGEMENT

Sr. No.	Name	Designation
1.	Mr Rajesh Lawande	CFO
2.	Mrs Pallavi Pednekar	CS
3.	Mr Ganesh Bhat	General Manager Production
4.	Mr. Shrikant Makode	Vice President
5.	Mr. Ranjit Patil	General Manager – Corporate Quality Assurance

6. REMUNERATION OF DIRECTORS

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

Details of remuneration paid to Executive Directors:

(₹ In Lakh)

Name of Director	Mr Rahul Nachane	Mr Rajesh Lawande
Designation	Managing Director	Whole-Time Director
Salary	85.44	84.00
Commission	104.00	104.00
Leave Encashment	--	--
Provident Fund & Gratuity Fund	0.22	0.22
Bonus	NIL	NIL
Stock Option	NIL	NIL
Pension	NIL	NIL
Service Contracts	NA	NA
Notice Period	NA	NA
Severance Fees	NA	NA

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

Criteria for making payments

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

During FY 2023-24, the Sitting fees of ₹ 85,000/- per Board meeting and ₹ 25,000/- per meeting of the Audit Committee and ₹ 15,000/- per meeting for other Committee Meetings were paid to the Non-Executive Directors attending respective meetings. The sitting fees was subsequently increased from 18th March, 2024 to ₹ 1,00,000/- per Board Meeting, ₹ 35,000/- per Audit Committee Meeting and ₹ 25,000/- per other committee Meetings.

The details of remuneration, sitting fees, performance bonus, and commission paid to each of the Non-Executive Directors during the year ended on 31st March, 2024 are given below: -

Sitting Fees

(In ₹)

Name	Milind Shinde	Jayaram Sitaram	Ajita Nachane	Sarala Menon	Dhananjay Mungale
Sitting fees	7,60,000	7,30,000	6,35,000	4,40,000	1,00,000
Remuneration	Nil	Nil	Nil	Nil	Nil
No. of equity shares	Nil	23,616	7,13,449	Nil	7,750
Commission	Nil	Nil	Nil	Nil	Nil
Non-convertible instruments	Nil	Nil	Nil	Nil	Nil

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

Service contracts, notice period, severance fees: - NA

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

ANNEXURE F
TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

7. GENERAL BODY MEETINGS:

Financial Year	Date	Time	Venue	Special Resolution(s)
FY 2020-21 AGM	20th August, 2021	11 a.m.	Virtual Mode	Re-appointment of Mr Rajesh Lawande as Whole-Time Director of the Company.
FY 2021-22 AGM	30th June, 2022	11 a.m.	Virtual Mode	No special resolution was passed during the AGM held on 30th June, 2022.
FY 2022-23 AGM	25th August, 2023	11 a.m.	Virtual Mode	No special resolution was passed during the AGM held on 25th August, 2023.

Extraordinary general meeting:

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

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

The Company has not conducted Postal Ballot during the financial year ended 31st March, 2024. Further the Company has conducted voting by Posting Ballot for the year ended 31st March, 2022. Apart from this, no voting by postal ballot during last 3 years:

8. MEANS OF COMMUNICATION

i) The quarterly/yearly results are normally submitted to Stock Exchanges immediately after Board meetings.

ii) The results are also published in local English (Free Press Journal) and regional language (Navshakti) newspapers. The results are also displayed at the Company's website at https://www.nglfinechem.com/disclosures-under-regulation.html#7. Matters of material nature are communicated to the stock exchanges.

iii) Website & News Release

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

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

Company had arranged conference calls with the investors on 19th May, 2023 and 20th November, 2023 and the transcript of the same was sent to BSE & NSE and also available on the Company's website: https://www.nglfinechem.com/disclosures-under-regulation.html#6

9. GENERAL SHAREHOLDER INFORMATION

a	AGM (Date, Time and Venue)	:	The 43rd Annual General Meeting is proposed to be held on Friday, the 23rd August, 2024 at 11.00 a.m. by video conferencing or other Audio Visual Means
b	Financial Year	:	1st April, 2023 to 31st March, 2024
c	Dividend Payment Date	:	Your directors recommend dividend of ₹ 1.75 per fully paid up equity share of ₹ 5/- each aggregating to ₹ 108.12 Lakhs. The dividend payment date shall be 30th August, 2024 or onwards, if declared at the Annual General Meeting on 23rd August, 2024.
d	Listing Details	:	The Company's Shares are listed on the BSE Ltd., having corporate office at Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001 and National Stock Exchange of India Limited (NSE), having corporate office at Exchange Plaza, 5th Floor, Plot No.C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400050. The Company has paid listing fees up to 31st March, 2025 to BSE Ltd and NSE Ltd where Company's shares are listed.
e	Scrip Code	:	524774
f	Symbol	:	NGLFINE

ANNEXURE F
TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

f. Stock market price data for FY 2023-24 (BSE) & (NSE)

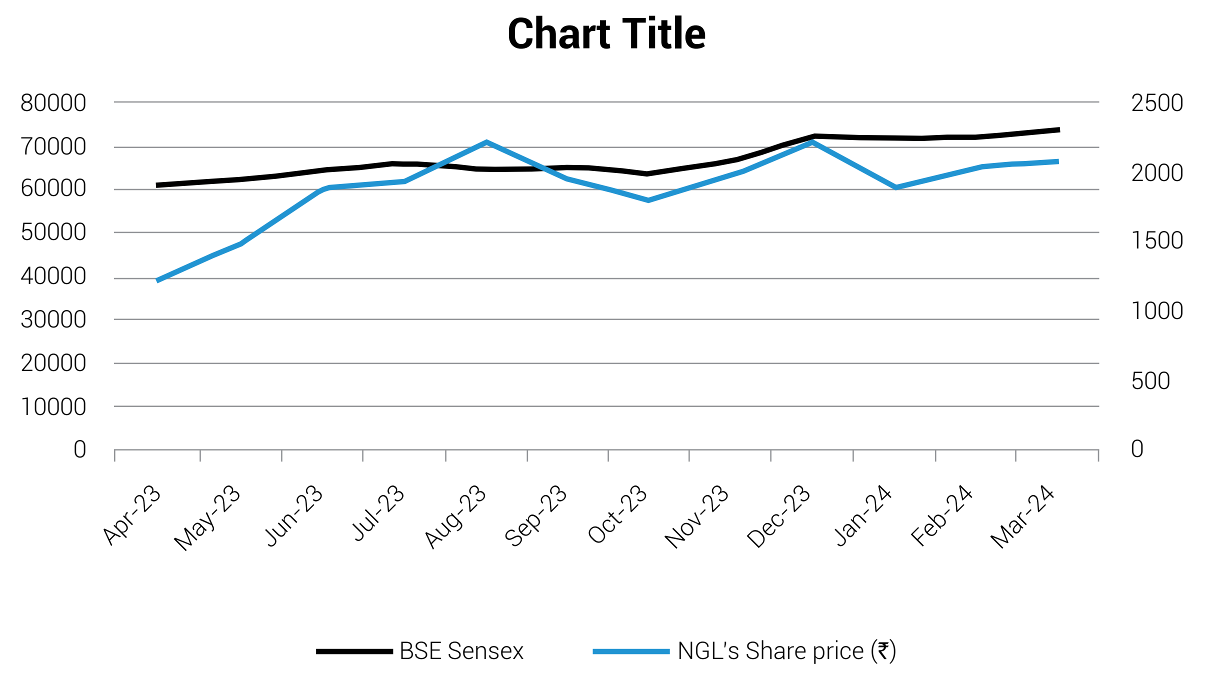
Month	BSE		
	High	Low	Volume of shares traded (Nos)
Apr-23	1,614.70	1,211.00	16,735
May-23	1,740.00	1,411.00	16,199
Jun-23	1,897.95	1,428.20	19,378
Jul-23	2,116.90	1,830.70	19,358
Aug-23	2,425.10	1,930.00	33,810
Sep-23	2,358.00	1,908.80	21,916
Oct-23	2,028.95	1,711.30	13,964
Nov-23	2,050.00	1,765.05	14,445
Dec-23	2,248.00	1,871.00	15,668
Jan-24	2,331.90	1,881.75	9,158
Feb-24	2,190.00	1,790.00	14,400
Mar-24	2,277.00	1,950.05	17,208

Month	NSE		
	High	Low	Volume of shares traded (Nos)
Apr-23	1,620.00	1,200.70	14,842
May-23	1,744.00	1,400.00	15,728
Jun-23	1,922.45	1,429.80	39,159
Jul-23	2,117.95	1,826.05	28,961
Aug-23	2,439.95	1,925.10	58,586
Sep-23	2,369.95	1,900.10	41,913
Oct-23	2,045.00	1,728.10	23,756
Nov-23	2,050.00	1,785.00	20,090
Dec-23	2,249.50	1,850.00	29,025
Jan-24	2,244.50	1,862.05	17,813
Feb-24	2,195.70	1,773.05	22,617
Mar-24	2,288.50	1,922.00	28,559

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

Month	NGL's Share price (₹)	BSE Sensex
Apr-23	1,254.55	61112.44
May-23	1,486.45	62622.24
Jun-23	1,875.95	64718.56
Jul-23	1,952.35	66527.67
Aug-23	2,230.55	64831.41
Sep-23	1,961.10	65828.41
Oct-23	1,802.70	63874.93
Nov-23	1,972.70	66988.44
Dec-23	2,231.45	72240.26
Jan-24	1,897.80	71752.11
Feb-24	2,034.00	72500.30
Mar-24	2,090.10	73651.35

ANNEXURE F
TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)



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

i. **Registrar to an issue and Share Transfer Agent:**

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

Purva Sharegistry (India) Pvt. Ltd.

Website: www.purvashare.com

Shiv Shakti Industrial Estate, Unit No. 9,

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

Mumbai 400011. Tel: (022) 31998810/49614132

Email: support@purvashare.com

j. **Share Transfer System**

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

k. **Distribution of Shareholding as at 31st March, 2024.**

No. of shares	No. of Shareholders	% of Shareholders	Share-holding (₹)	% of Shareholding
Up to 5000	14,850	98.73	40,29,760	13.05
5001 – 10000	92	0.61	6,55,415	2.12
10001 – 20000	53	0.35	7,22,780	2.34
20001 – 30000	17	0.11	4,29,745	1.39
30001 – 40000	3	0.02	1,11,655	0.36
40001 – 50000	4	0.03	1,86,405	0.60
50001 – 100000	8	0.05	5,61,295	1.82
100001 & above	14	0.09	2,41,93,065	78.32
	15,041	**100.00**	**3,08,90,120**	**100.00**

ANNEXURE F
TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

l. De-materialisation of shares

As on 31st March, 2024, 96.67 % of the Company's total shares representing 59,72,177 shares were held in de-materialised form & the balance 3.33% representing 2,05,847 shares in paper form. The Company has liquidity in trading due to majority of shares are in Demat mode. The details are given below:

Type	No. of Shares	% Shareholding
De-materialised shares		
With N.S.D. L	54,01,242	87.43
With C.D.S. L	5,70,935	9.24
Total Demat shares	59,72,177	96.67
Physical shares	2,05,847	3.33
	61,78,024	**100.00**

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

n. Commodity Price Risk or Foreign Exchange Risk and Hedging Activities. - The Company has not entered into any commodity contracts as on 31st March, 2024. Foreign Exchange receivables and payables are re-stated at the exchange rate prevailing on the Balance Sheet date to reflect mark to market valuation. Forward contract on foreign exchange are marked to market on the date of the balance sheet and the gain or loss there in recognised in the Statement of Profit & Loss.

o. Plant Location

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

Unit NGL: W142C TTC MIDC Industrial Area, Thane Belapur Road, Pawane Village, Navi Mumbai 400705.

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

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

Plant Location Subsidiary Company:

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

p. Address for correspondence

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

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

And /or

Compliance Officer Details:

Mrs Pallavi Pednekar

Company Secretary & Compliance Officer.

Membership No. A33498

Email: cs@nglfinechem.com

q. Credit rating obtained during the year

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

10. OTHER DISCLOSURES:

A. Material related Party Transaction

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

B. Details of Non-Compliance

During the Financial Year 2021-22 there was delay in appointment of Non-Executive Women Independent Director for the period of 76 days for

ANNEXURE F
TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

which Company has received Show Cause Notice from BSE and levied penalty of ₹ 4,36,600/- and the same was paid by the Company other than this no penalties or strictures have been imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years.

3. Company and its promoters have received a Show Cause Notice dated 29th December, 2023 from SEBI for incorrectly disclosures in shareholding pattern for the quarters from December 2002 to June, 2019 and making incorrect disclosures as required under regulation 30(1) of SAST regulation as required promoters of the Company. Company has filed a settlement application as per SEBI (Settlement Proceedings) Regulations, 2018 to Show Cause Notice and as on the date of this report there is no further action from SEBI towards the Company.

During the period for FY 2022-23 the Company and its Officers received a notice from Hon'ble National Lok Adalat to answer to a charge for the offence punishable under Section 148 of the Companies Act, 2013 regarding non- submission of Cost Audit Report for the Financial Year 2014-15. The management is of the opinion that there is no non-compliance, as the said provisions are not applicable. The management is seeking suitable legal re-course. As on date of signing of this report, there is no further action from the concerned authority.

C. Vigil Mechanism and Whistle-Blower Policy

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

D. Compliance of Mandatory and Non-Mandatory Requirements:

Mandatory

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

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

i) The Board

The Company is having a Non-Executive Chairman Milind Shinde (up to 31st March, 2024) and w.e.f 1st April, 2024 Mr Dhananjay Mungale . The Chairman is reimbursed for the expenses incurred in performance of his duties.

ii) Shareholder Rights

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

iii) Modified Opinion in Audit Report

There is no audit qualification in the Company's financial statements for the year ended on 31st March, 2024. The Company continues to adopt best practices to ensure the regime of unqualified financial statements.

iv) Separate Post of Chairman and Chief Executive Officer

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

v) Reporting of Internal Auditor

The Internal Auditor reports directly to the Audit Committee.

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

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

ANNEXURE F
TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

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

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

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

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

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

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

I. Certificate from Company Secretary in practice

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

J. The board had accepted recommendations of all committees of the board which is mandatorily required, in the relevant financial year 2023-2024.

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

Particulars	Standalone	Subsidiary	Total
Audit Fees paid	₹ 9.00 Lakh	₹ 2.90 Lakh	₹ 11.90 Lakh
Other fees paid	₹ 6.25 Lakh	₹ 1.35 Lakh	₹ 7.60 Lakh

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

a. Number of complaints filed during the financial year - NIL

b. Number of complaints disposed of during the financial year - NIL

c. Number of complaints pending as on end of the financial year – NIL

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

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

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

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

IV) OTHER INFORMATION

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

CODE OF CONDUCT

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

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

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

ANNEXURE F
TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

CEO/CFO CERTIFICATION:

The Chief Executive Officer (CEO) and Chief Financial Officer (CFO) have issued certificate pursuant to the provisions of Regulation 17(8) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed to this Report.

COMPANY SECRETARY IN PRACTICE'S CERTIFICATE ON CORPORATE GOVERNANCE

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

DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT

(1) The listed entity shall disclose the following details in its annual report, as long as there are shares in the demat suspense account or unclaimed suspense account, as applicable: The Company has transferred 400 unclaimed shares to Unclaimed Suspense Account pursuant to Regulation 39 (4) of SEBI (LODR) 2015 during the Financial Year 2022-23.

(a) aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year: N.A.

(b) number of shareholders who approached listed entity for transfer of shares from suspense account during the year N.A.

(c) number of shareholders to whom shares were transferred from suspense account during the year: N.A.

(d) aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year: 400

(e) that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares: 400

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

The Company has obtained yearly Certificates pursuant to Clause 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, from Mr Hemant Shetye, Designated Partner of M/s HSPN & ASSOCIATES LLP, Practicing Company Secretaries, Mumbai and the same were placed before the Board for review. The certificates obtained during FY 2023-24 Regulation 40(9) has qualification regarding delay in delivery of share certificate regarding to issue of duplicate share certificates.

ANNUAL SECRETARIAL COMPLIANCE REPORT

The Company has undertaken an audit for the financial year 2023-24 for all applicable compliances as per Securities and Exchange Board of India Regulations and Circulars/Guidelines issued thereunder. The Annual Secretarial Compliance Report has been submitted to the stock exchanges within 60 days of the end of the financial year.

MANAGEMENT DISCUSSION AND ANALYSIS

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

PREVENTION OF INSIDER TRADING

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

POLICY ON DIVIDEND DISTRIBUTION

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021, the Company, the Board of Directors at its meeting held on 1st June, 2021 inter-alia, have adopted Dividend Distribution Policy in terms of the aforesaid Regulation. The Policy is available on the website of the Company at https://www.nglfinechem.com/images/pdf/dividend-distribution-p22.pdf

INTERNAL CONTROL SYSTEMS

The Company has both external and internal audit systems in place. Auditors have access to all records and information of the Company. The Board recognises the work of the auditors as an independent check on the information received from the management on the operations and performance of the Company. The Board and the management periodically review the findings and recommendations of the statutory and internal auditors and takes corrective actions, whenever necessary.

INTERNAL CONTROLS

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

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

STATUTORY AUDIT

For FY 2023-24, M/s. Manek & Associates., Chartered Accountants, audited the financial statements prepared under the Indian Accounting Standards.

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

Disclosure of certain types of agreements binding listed entities: No such Agreements.

For and on behalf of the Board of Directors
NGL Fine-Chem Limited

Sd/-
Rahul Nachane
Managing Director
DIN No: 00223346

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

Mumbai, 21st May, 2024

COMPLIANCE WITH THE CODE OF CONDUCT AND ETHICS

In accordance with Regulation 17(5)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and Senior Management Personnel of the Company have confirmed compliance with the Code of Business Conduct and Ethics for the financial year ended 31st March, 2024.

For NGL Fine-Chem Limited

Sd/-
Rahul Nachane
Managing Director

Date: 21st May, 2024
Place: Mumbai

ANNEXURE F
TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

To,

The Board of Directors,

NGL Fine-Chem Limited

301, E Square Subhash Road,

Vile Parle (East), Mumbai-400057.

We, Rahul Nachane, Managing Director and Rajesh Lawande, Whole-Time Director & CFO of the Company, hereby certify that for the financial year, ending 31st March, 2024

A. We have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:

   (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   (2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and they have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.

D. We have indicated to the auditors and the Audit Committee

   (1) significant changes in internal control over financial reporting during the year.

   (2) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   (3) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

For NGL Fine-Chem Limited

Sd/-	Sd/-
Rahul Nachane	**Rajesh Lawande**
Managing Director	Whole-Time Director & CFO
DIN No: 00223346	DIN No: 00327301

Date: 21st May, 2024
Place: Mumbai.

ANNEXURE G

COMPANY SECRETARY IN PRACTICE'S REPORT ON CORPORATE GOVERNANCE

To,
The Board of Directors,

NGL Fine-Chem Limited.

301, E Square Subhash Road,

Vile Parle (East), Mumbai-400057.

The Corporate Governance Report prepared by NGL FINE-CHEM LIMITED ("the Company"), contains details as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") with respect to Corporate Governance for the year ended 31st March, 2024 pursuant to the Listing Agreement of the Company with the BSE Limited and National Stock Exchange of India Limited (Herein after referred to as the "Stock Exchange").

Management's Responsibility:

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

Auditor's Responsibility:

Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether for the year ended 31st March, 2024 the Company has complied, with the conditions of Corporate Governance as stipulated in the Listing Regulations. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

Opinion:

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

Other Matters and Restriction on use:

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, for the year ended 31st March, 2024, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

FOR HSPN & ASSOCIATES LLP
COMPANY SECRETARIES

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

DATE: 21st May, 2024
PLACE: MUMBAI

ICSI UDIN: F002827F000410850
PEER REVIEW NO: 2507/2022

ANNEXURE G (Contd.)

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

SR.NO.	NAME OF DIRECTOR	DIN	DATE OF APPOINTMENT
1.	RAJESH NARAYAN LAWANDE	00327301	1st June, 2015
2.	RAHUL JAYANT NACHANE	00223346	4th January, 1993
3.	MILIND VASANT SHINDE (up to 31st March, 2024)	01593560	31st March, 2003
4.	AJITA RAHUL NACHANE	00279241	15th September, 2014
5.	JAYARAM SITARAM	00103676	5th August, 2015
6.	SARALA MENON	09433901	14th December, 2021
7.	DHANANJAY MUNGALE	00007563	18th March, 2024

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

FOR HSPN & ASSOCIATES LLP
COMPANY SECRETARIES

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

Date: 21st May, 2024
Place: Mumbai
ICSI UDIN: F 002827F 000410839
PEER REVIEW NO: 2507/2022

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

DIRECTOR'S MESSAGE

"Sustainability is integral to NGL Fine-Chem Limited's (referred to as 'NGL' or 'The Company') business strategy, empowering it to flourish amid evolving landscapes. Innovation and adaptability are central to the Company's approach, and are essential for navigating challenges and fostering resilience. The Company prioritises transparency, accountability, and ethical conduct across its operations, maintaining an indomitable commitment to purpose-driven business.

Through comprehensive reporting, NGL aims to update stakeholders on its Environmental, Social, and Governance (ESG) performance, showcasing its progress and impact. This communication underscores the Company's dedication to driving meaningful change and creating sustainable value for all stakeholders.

However, the Company faces several critical challenges, including the adoption of emerging technologies at competitive costs, particularly for its products, and navigating the transition to clean energy. Over the past year, NGL has intensified its efforts to foster sustainability commitments.

The Company has been working to achieve carbon neutrality and has become water-positive in its operations, including investments in energy efficient products and processes. Ensuring the health and safety of its workforce is of utmost importance, alongside partnerships with waste recyclers and community support initiatives through CSR engagement. These actions underscore the Company's dedication to sustainable practices and responsible corporate citizenship.

NGL views sustainability as an ongoing journey, recognising there's always more to be accomplished. It is committed to embracing challenges and enhancing its business practices through transformation."

SECTION A GENERAL DISCLOSURES

I. DETAILS OF THE LISTED ENTITY

1. **Corporate Identity Number (CIN) of the listed entity**
   L24110MH1981PLC025884
2. **Name of the listed entity**
   NGL FINE-CHEM LIMITED
3. **Year of incorporation**
   18th December, 1981
4. **Registered office address**
   301, E Square Subhash Road, Vile Parle (East)
   Mumbai - 400 057
5. **Corporate address**
   301, E Square Subhash Road, Vile Parle (East)
   Mumbai - 400 057
6. **E-mail**
   cs@nglfinechem.com
7. **Telephone**
   022-40842222
8. **Website**
   https://www.nglfinechem.com/
9. **Financial year for which reporting is being done**
   1st April, 2023 to 31st March, 2024
10. **Name of the Stock Exchange(s) where shares are listed**
    a) National Stock Exchange of India Ltd.
    b) BSE Ltd.
11. **Paid-up capital**
    ₹ 308.90 Lakh
12. **Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report:**
    a) Name - Ms Pallavi Pednekar
    b) Designation - Company Secretary & Compliance Officer
    c) Telephone - 022-40842263
    d) E-mail ID - cs@nglfinechem.com
13. **Reporting boundary**
    Standalone basis
14. **Name of the assurance provider**
    Not Applicable
15. **Type of assurance obtained**
    Not Applicable

II. PRODUCTS/SERVICES

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

Description of the main activity	Description of business activity	% of turnover of the entity
Pharmaceutical	Manufacturing of pharmaceuticals and intermediates for usage in veterinary and human health.	100%

2. **Products/services sold by the entity (accounting for 90% of the entity's turnover):**

Product/service	NIC code	% of turnover consolidated
Manufacture of pharmaceuticals, medicinal and chemical products	21002	100

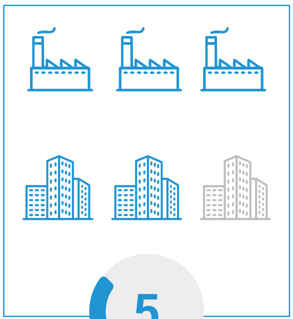
III. OPERATIONS

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

National

Number of plants

Number of offices



5

Total

Location	Number of plants	Number of offices	Total
International	0	0	0

4. Markets served by the entity:

a. Number of locations

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

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

Over the years, NGL has been focussing on expanding its market reach. Currently, the Company serves the market requirements in over 51 countries over the globe. In the reporting financial year, exports contributed over 73.30% of the Company's total turnover.

c. A brief on types of customers

NGL serves a variety of global companies engaged in manufacturing custom high-quality pharmaceuticals, geographically located in more than 51 countries and across India.

IV. EMPLOYEES

5. Details as at the end of financial year:

a. Employees and workers (including differently abled):

Employees

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
1.	Permanent (D)	348	317	91%	31	9%
2.	Other than permanent (E)	3	3	100%	0	0%
3.	**Total employees (D + E)**	**351**	**320**	**91%**	**31**	**9%**

Workers

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
4.	Permanent (F)	334	334	100%	0	0
5.	Other than permanent (G)	0	0	100%	0	0
6.	**Total employees (F + G)**	**334**	**334**	**100%**	**0**	**0**

b. Differently abled employees and workers:

Differently abled employees

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
1.	Permanent (D)	00	00	0%	00	0%
2.	Other than permanent (E)	00	00	0%	00	0%
3.	**Total employees (D + E)**	**00**	**00**	**0%**	**00**	**0%**

Differently abled workers

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
4.	Permanent (F)	00	00	0%	00	0%
5.	Other than permanent (G)	00	00	0%	00	0%
6.	**Total employees (F + G)**	**00**	**00**	**0%**	**00**	**0%**

6. Participation/inclusion/representation of women:

Board of Directors

Total (A)	No. and percentage of females	
	No. (B)	% (B/A)
6	2	33.33

Key Management Personnel

Total (A)	No. and percentage of females	
	No. (B)	% (B/A)
3	1	33.33

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

FY 2023-24 (Turnover rate in current FY)

	Male	Female	Total
Permanent employees	97	4	101
Permanent workers	2	0	2

FY 2022-23 (Turnover rate in previous FY)

	Male	Female	Total
Permanent employees	2.18	0.17	2.35
Permanent workers	0	0	0

FY 2021-22 (Turnover rate in the year prior to the previous FY)

	Male	Female	Total
Permanent employees	2.10	0.15	2.25
Permanent workers	0	0	0

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

21. (a) Names of holding/subsidiary/associate companies/joint ventures as 31st March, 2024

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

VI. CSR DETAILS

22. (i) Whether CSR is applicable as per Section 135 of Companies Act, 2013 » **Yes**

22. (ii) Turnover (in Lakh) » **32,897**

22. (iii) Net worth (in Lakh) » **26,280**

VII. TRANSPARENCY AND DISCLOSURES COMPLIANCE

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

Stakeholder group from whom complaint is received	Grievance redressal mechanism in place (Yes/No (If Yes, then provide web-link for grievance redress policy)	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes. NGL engages with various communities in and around its operating locations through the Gram Panchayat, supporting several projects like water regeneration and increasing green coverage through plantation drives. Further, the Company has a Whistle Blower Policy that allows workers, employees and others to lodge their grievances via the Mail ID provided in the outlined policy/mechanism. The same has been uploaded on the Company website and can be accessed at the below link: https://www.nglfinechem.com/disclosures-under-regulation.html[#1]	Nil	Nil	-	Nil	Nil	-
Investors (other than shareholders)[1]	Not Applicable						
Shareholders	Yes NGL has a multi-pronged grievance redressal mechanism for shareholders. The Company has appointed Purva Sharegistry (India) Private Limited as the Share Registrar and transfer agent, which primarily takes care of shareholders' grievances. Further, shareholders can register their grievances through the SEBI Scores portal. https://www.purvashare.com/contact/	Nil	Nil	-	3	0	-

Stakeholder group from whom complaint is received	Grievance redressal mechanism in place (Yes/No (If Yes, then provide web-link for grievance redress policy)	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Employees and workers	Yes, the Company's employees and workers have access to its whistle blower mechanism through which the grievances can be addressed to the Company.	Nil	Nil	No reportable complaint was registered during the year.	Nil	Nil	No reportable complaint was registered during the year.
Customers	NGL has a dedicated E-mail id (info@nglfinechem.com) through which customers can register their complaints. This E-mail id is monitored by the Executive Director of the Company.	1	Nil		3	Nil	
Value chain partners	The Company proactively engages with its value chain partners and has a dedicated E-mail id (info@nglfinechem.com) through which they can register their complaints. The same is monitored by the Executive Director of the Company.	Nil	Nil		Nil	Nil	

#1. The Company has established a unified redressal mechanism for both shareholders and investors, documented under the 'Shareholders' category.

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

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

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	ESG compliance	Risk	Risk: ESG compliance risk is associated with non-adherence to the standards and guidelines set forth by all local and global regulatory agencies, focussing on pharmacovigilance, proprietary, confidentiality and other core governance standards (For instance, CGMP and CGLP, among others)	1. Focussing on stable and larger markets. 2. Strengthening regulatory capacity in key markets by actively engaging with regulatory agencies and hence mitigating risks from external sources.	Positive: Compliance with relevant regulatory requirements pertaining to the ESG domain reflects the Company's commitment towards responsible business practices. Negative: Non-compliance with ESG and regulatory requirements may affect the Company's image and impact its business continuity in the long term.
2.	Regulatory compliance				

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3.	Managing waste	Risk and Opportunity	Risk: Waste, water and energy management have been identified as key material issues under the climate change and environmental risk. This risk is addressed to emphasise on the Company's climate consciousness and its contribution towards mitigation action plans against climate change. Opportunity: Comprehensive resource management plans aligned with NGL's environment conservation strategy will highlight the Company's commitment towards improving environmental preservation and its contribution towards climate change mitigation action plans	1. Ensuring compliance through robust governance and review mechanisms, strengthening capabilities of the EHS and legal compliance teams, conducting risk assessments and periodic reviews, and implementing compliance management software to track and monitor adherence to all relevant regulatory requirements. 2. Undertaking proactive initiatives to mitigate the physical and transitional risks linked to climate change, such as, decarbonising operations, GHG emission reduction measures, and physical climate risk assessment to safeguard assets from the effects of climate change. 3. The Company adheres to the precautionary principle (as outlined in the Rio Declaration 1992) through the ERM framework to mitigate environmental risks.	Positive: The Company's focus on strengthening climate and ESG-specific initiatives bolsters long-term value-creation and enables the Company to effectively respond to rising stakeholder demands. Negative: The lack of robust initiatives and action plans to contribute to ESG awareness and climate change could adversely impact the Company's operations and lead to work force disruption.
4.	Occupational health and safety	Risk and Opportunity	Risk: Occupational health and safety is a critical aspect of the Company's commitment to workforce welfare, emphasising the importance of providing a safe and secure working environment. Identification of a high number of health and safety incidents reflects the effectiveness of the existing EHS management approach.	1. Implementing a robust EHS management system with periodic internal and external audits of safety practices. 2. Adopting comprehensive corrective action plans following the identification and assessment of safety incidents to prevent future instances.	Positive: A robust occupational health and safety management approach enables the Company to prevent the occurrence of incidents. Negative: Frequent safety incidents and injuries may adversely impact the Company's performance, both in terms of safety and workforce well-being.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
			Opportunity: A strong EHS management system integrated with comprehensive hazard identification, mitigation plans, root cause analysis of the reported incidents and corresponding corrective action plans, will highlight NGL's approach and dedication to ensuring workforce health and safety.		
5.	Climate change	Risk	Extreme weather events linked to climate change can disrupt supply chains and manufacturing operations, thereby affecting the production and distribution of NGL's products. For example, events such as heat waves or excessive rainfall in the areas where the Company's manufacturing facilities and offices are located can lead to increased absenteeism, thereby impacting the overall efficiency of the Company.	NGL conducts mandatory safety training and awareness sessions across its operations, including manufacturing sites and offices. These sessions cover emergency evacuation procedures, especially important during natural disasters.	Negative: Since this is a systemic risk, the Company cannot fully control the same, and instead, strives to mitigate it to a certain extent.
6.	Talent development	Opportunity	Investing in talent development gives the Company a strategic edge, promoting individual growth that enhances organisational agility and competitiveness. Prioritising employee growth nurtures a culture of continuous improvement and positions companies as preferred employers, attracting top talent and ensuring long-term success.	NA	Positive

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
7.	Business ethics	Risk	Failing to uphold business ethics can expose a company to significant risks. Engaging in unethical behaviour can harm the Company's reputation and erode public trust, resulting in the loss of customers, investors, and other stakeholders.	The Company adheres strictly to its Code of Conduct, which serves as a comprehensive guide for all employees on values, ethics, and business principles. The Company's Whistle Blower Policy provides a mechanism for the employees to report any unethical or improper activity concerning the Company to the Chairman of the Board Audit Committee.	Negative

SECTION B MANAGEMENT AND PROCESS DISCLOSURES

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes, NGL's Board has approved some of the policies that are in accordance with the relevant statutory requirements.								
c. Web link of the policies, if available	https://www.nglfinechem.com/disclosures-under-regulation.html[#1]								
2. Whether the entity has translated the policy into procedures. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4. Name of the national and international codes/ certifications/label/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	OECD Principles of Corporate Governance	cGMP standards. WHO CMP standards. Compliance with (ISO 9001:2008) quality control systems.	Occupational Health and Safety management system (ISO 45001:2018) at all manufacturing sites in India	-	-	One manufacturing site is certified for the Environment Management System ISO 14001:2015	-	-	Yes cGMP standards. WHO CMP Standards.
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	-	-	-	-	-	Switch to greener fuels for cleaner energy. Conserve Water. Recycle solvents mandatorily. Produce by-products that can be utilised.	-	-	-
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	The Company's performance with regard to each of the Principles is reviewed periodically by the Board of Directors.								
Governance, leadership and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements	Please refer to the Managing Director's Message at the beginning of this Business Responsibility and Sustainability Report.								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).	Name: Mr Rahul Nachane Designation: Managing Director DIN: 00223346								
9. Does the entity have a specified Committee of the Board/Director responsible for decision making on sustainability related issues? (Yes/No). If yes, provide details.	Yes, NGL's business responsibility and sustainability initiatives are overseen by the Mr Rahul Nachane, Managing Director of NGL. Further, some parts of the responsibility are also overseen by the Stakeholders' Relationship Committee.								

10. Details of Review of NGRBCs by the Company:

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

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

P1 P2 P3
P4 P5 P6
P7 P8 P9

No, the Company conducts internal reviews of the implementation and effectiveness of its policies.

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

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

SECTION C » PRINCIPLE WISE PERFORMANCE DISCLOSURE

ETHICS AND INTEGRITY

PRINCIPLE 1

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

ESSENTIAL INDICATORS

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

	Board of Directors	Key Managerial Personnel	Employees other than BoD and KMPs	Workers
Total number of training and awareness programs held	6	6	348	334
Topics/Principles covered under the training and its impact	P 1,2,3,4,6,9	P 1,2,3,4,6,9	P 1,2,3,6,9	P 2,3
% of persons in respective category covered by the awareness programs	100%	100%	100%	100%

2. **Details of fines/penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year 2023-2024:**

   No such cases were reported during the current reporting period.

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

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

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

Case Details	Name of the regulatory/enforcement agencies/judicial institutions
Not Applicable	

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

The Company has not adopted separate policy of anti-corruption or anti-bribery policy. However, these issues are addressed under the Code of Conduct for Board Members & Senior Management, adopted in accordance with the provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The Code of Conduct is available on the Company's website at: https://www.nglfinechem.com/images/pdf/code-of-conduct.pdf. The Company is committed to conducting its business with integrity.

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

FY 2023-24 (Current Financial Year)

Directors	KMPs	Employees	Workers
0	0	0	0

FY 2022-23 (Previous Financial Year)

Directors	KMPs	Employees	Workers
0	0	0	0

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

	FY 2023-24 (Current Financial Year)		FY 2022-23 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of conflict of interest of the directors	0	0	0	0
Number of complaints received in relation to issues of conflict of interest of the KMPs	0	0	0	0

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

8. Number of days of accounts payables ((Accounts payable*365)/Cost of goods/services procured) in the following format:

	FY 2023-24 (Current FY)	FY 2022-23 (Previous FY)
No. of days of accounts payable	103.44	71.87

9. Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2023-24	FY 2022-23
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	0	0
	b. Number of trading houses where purchases are made from	0	0
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	0	0
Concentration of Sales	a. Sales to dealers/distributors as % of total sales	0	0
	b. Number of dealers/distributors to whom sales are made	0	0
	c. Sales to top 10 dealers/distributors as % of total sales to dealers/distributors	0	0
Share of RPTs in	a. Purchases (Purchases with related parties/Total purchases)	19.95%	31.37%
	b. Sales (Sales to related parties/Total sales)	0.70%	0.97%
	c. Loans & advances (Loans & advances given to related parties/Total loans & advances)*	100%	100%
	d. Investments (Investments in related parties/Total investments made)	6.50%	8.62%

*Company has provided loan to its wholly owned Subsidiary only.

SUSTAINABLE BUSINESS

PRINCIPLE 2

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

ESSENTIAL INDICATORS

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

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

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes, NGL implements responsible procurement practices across its supply chain. The Company encourages local sourcing to reduce costs, currency risks and the environmental impact of its transportation activities.

b. If yes, what percentage of inputs was sourced sustainably?

92.59% of the total inputs were sourced sustainably.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

Yes, NGL has a Standard Operating Procedure (SOP) for Waste Management, for disposing of hazardous & non-hazardous waste. The Company seeks permission from the concerned regulatory authority before sending the waste to the authorised dealer for disposal of the same.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Not applicable, since NGL is engaged in manufacturing of APIs which are used as inputs in making pharmaceutical products.

EMPLOYEE WELLBEING

PRINCIPLE 3

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

ESSENTIAL INDICATORS

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

Category	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	317	317	100%	317	100%	00	00	00	0%	317	100%
Female	31	31	100%	31	100%	31	100%	00	0%	31	100%
Total	**348**	**348**	**100%**	**348**	**100%**	**31**	**100%**	**00**	**0%**	**348**	**100%**
Other than permanent employees											
Male	3	0	0%	0	0%	0	0%	0	0%	0	0%
Female	0	0	0%	0	0%	0	0%	0	0%	0	0%
Total	**3**	**0**	**0%**	**0**	**0%**	**0**	**0%**	**0**	**0&**	**0**	**0%**

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

Category	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male	334	334	100%	334	100%	0	0%	0	0%	277	100%
Female	0	0	0%	0	0%	0	0%	0	0%	0	0%
Total	**334**	**334**	**100%**	**334**	**100%**	**0**	**0%**	**0**	**0%**	**277**	**100%**
Other than permanent workers											
Male	0	0	0	00	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Cost incurred on wellbeing measures as a % of total revenue of the Company.	0.11%	0.13%

2. Details of retirement benefits, for current FY and previous financial year.

PF

	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total employees	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total employees	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Yes	100%	100%	Yes

Gratuity

	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total employees	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total employees	Deducted and deposited with the authority (Y/N/N.A.)
Gratuity	100% subject to applicability of threshold	100% subject to applicability of threshold	Yes	100% subject to applicability of threshold	100% subject to applicability of threshold	Yes

ESI

	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total employees	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total employees	Deducted and deposited with the authority (Y/N/N.A.)
ESI	100% subject to applicability of threshold	100% subject to applicability of threshold	Yes	100% subject to applicability of threshold	100% subject to applicability of threshold	Yes

Bonus

	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total employees	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total employees	Deducted and deposited with the authority (Y/N/N.A.)
Bonus	100% subject to applicability of threshold	100% subject to applicability of threshold	Yes	100% subject to applicability of threshold	100% subject to applicability of threshold	Yes

3. Accessibility of workplaces

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

Being a pharmaceutical and chemical company, NGL does not currently employ any physically handicapped person. However, the Company is in the process of setting up infrastructure for differently abled individuals.

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

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

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

Gender	Permanent employees		Permanent workers	
	Return of work	Retention rate	Return of work	Retention rate
Male	0	0	0	0
Female	100	100	0	0
Total	**100**	**100**	**0**	**0**

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

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

	Yes/No (if yes, then give details of mechanism in brief)
Permanent Workers	Yes, permanent workers communicate their grievances through their respective supervisors, who then convey the same to the Company via the Human Resource Representative based at the factory.
Other than permanent workers	Yes, the non-permanent workers report their grievances to their respective supervisors, and the same are communicated to the Company through the Human Resource Representative based at the factory.
Permanent employees	Yes, employees communicate their grievances through their respective supervisors, who then forward them to the Company through the Human Resource Representative. Additionally, the employees can report their concerns through the Company's whistle blower mechanism.
Other than permanent employees	Yes, employees communicate their grievances through their respective supervisors, who then forward them to the Company through the Human Resource Representative. Additionally, the employees can report their concerns through the Company's whistle blower mechanism.

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

Category	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Total employees/ workers in respective category (A)	No. of employees/ workers in respective category, who are part of associations or union (B)	% (B/A)	Total employees/ workers in respective category (C)	No. of employees/ workers in respective category, who are part of associations or union (D)	% (D/C)
Total permanent employees	348	0	0%	344	0	0%
- Male	317	0	0%	320	0	0%
- Female	31	0	0%	24	0	0%
Total permanent workers	334	0	0%	329	12*	3.65%
- Male	334	0	0%	329	12	3.65%
- Female	0	0	0%	0	0	0%

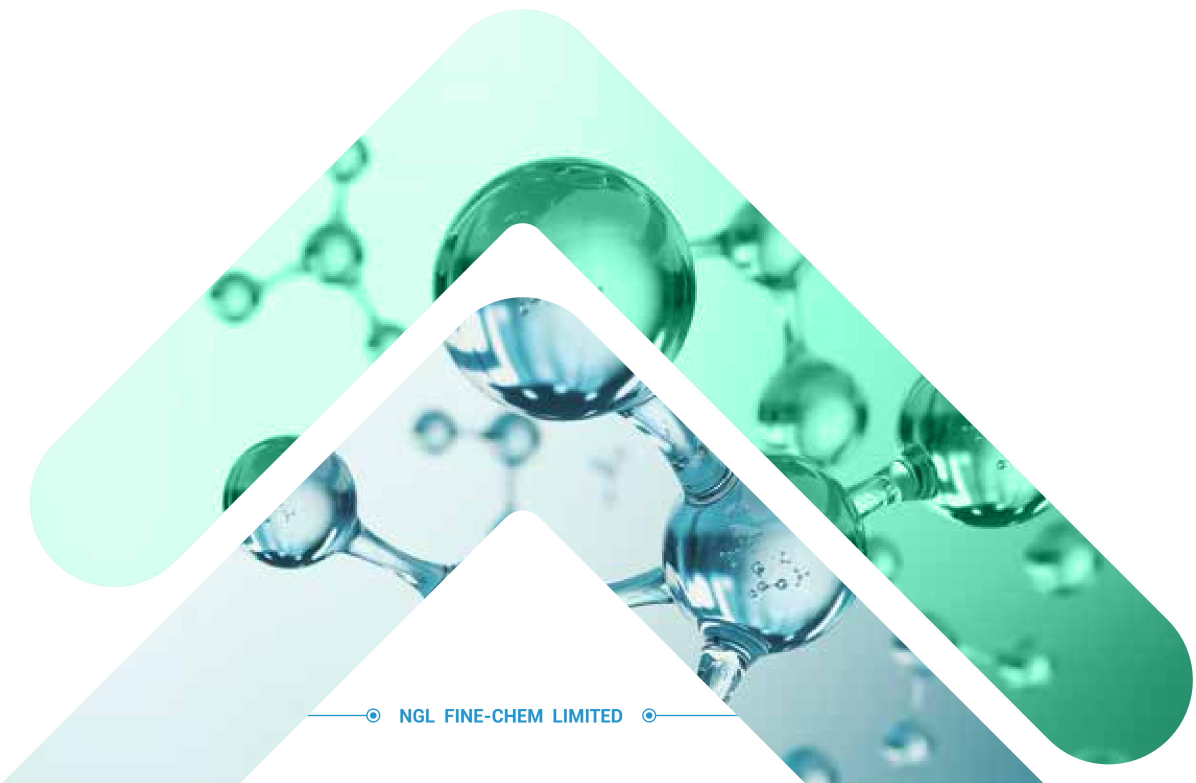
* These employees were members of external Unions and have resigned from the Company subsequently. Further, the Company is not member of any worker's association(s) or Unions.

8. Details of training given to employees and workers:

Category	FY 2023-24 Current Financial Year					FY 2022-23 Previous Financial Year				
	Total	On health and safety measures		On skill upgradation		Total (D)	On health and safety measures		On skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	320	254	79.38%	00	00	328	312	95.12%	196	59.76%
Female	31	5	16.13%	00	00	22	21	95.45%	21	95.45%
Total	**351**	**259**	**73.79%**	**00**	**00**	**350**	**333**	**94.14%**	**217**	**62%**
Workers										
Male	334	154	46.11%	00	00	52	47	90.38%	31	59.62%
Female	00	00	0	00	00	00	00	00%	00	00%
Total	**334**	**154**	**46.11%**	**00**	**00**	**52**	**47**	**90.38%**	**31**	**59.62%**

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

Category	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	320	293	91.56%	328	277	84.45%
Female	31	24	77.42%	22	22	100%
Total	**351**	**317**	**90.31%**	**350**	**299**	**85.42%**
Workers						
Male	334	10	2.99%	52	40	76.92%
Female	0	0	0%	0	0	0%
Total	**334**	**10**	**2.99%**	**52**	**40**	**76.92%**



10. Health and safety management system:

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

Yes, all plants of the Company have an Occupational Health and Safety System in place, which is in accordance with the guidelines of ISO 45001:2018 Occupational Health and Safety management system and various legal requirements such the Factories Act, and Environmental Protections Act, among others.

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

NGL undertakes periodic internal audits to ensure compliance with the occupational health and Safety management systems put in place by the Company.

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

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

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

Yes, NGL provides non-occupational medical and healthcare services to its employees.

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

Safety Incident/Number	Category	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (Per one million-person hours worked)	Employees	-	-
	Workers	2.08	-
Total recordable work-related injuries	Employees	-	-
	Workers	1	-
No. of fatalities	Employees	-	-
	Workers	-	-
High consequence work-related injury or ill-health (excluding fatalities)	Employees	-	-
	Workers	-	-

This also includes contract workforce.

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

NGL has implemented an Environment Health and Safety (EHS) System in the organisation. The Company has established Standard Operating Procedures (SOP) to ensure adherence to this system. Various measures are in place, including a work permit system, a near-miss reporting system for accidents and incidents, mock drills, hazard identification and risk assessment, and a Hazard Operability Study (HAZOP). These systems collectively contribute to maintaining a safe & healthy workplace.

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

	FY 2023-24 Current Financial Year			FY 2023-24 Previous Financial Year		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Working conditions	Nil	Nil	Nil	Nil	Nil	Nil
Health & safety	Nil	Nil	Nil	Nil	Nil	Nil

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100 %
Working conditions	100 %

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

No such incidents were reported for the Company during the year under review.

STAKEHOLDER INCLUSIVENESS

PRINCIPLE 4

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

ESSENTIAL INDICATORS

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

NGL identifies stakeholder groups by considering people or entities affected by the Company's operations or having a significant impact on its business. The key groups identified are as given in table 2.

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

Stakeholder Group	Whether identified as vulnerable & marginalised group (Yes/No)	Channels of communication (Email, SMS, newspaper, pamphlets, advertisement, community meetings, notice board, website), other	Frequency of engagement (Annually/half yearly/quarterly/ others – Please Specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Investors/ shareholders	No	Website of the Company/ Stock Exchanges/ grievance mechanism/ newspaper publications or announcements/ meetings or conferences	Annually/half yearly/quarterly and event-based	To communicate the business & financial performance of the Company and its overall strategy. To seek the feedback and expectation of shareholders from the management of the Company.
Communities	Yes[1]	Interaction through CSR initiatives	Periodic or need based	To develop a sustainable ecosystem for the Company's communities. To understand the areas for sustainable development.
Employees	No	One-to-one meeting/ grievance mechanism/ training programmes	Ongoing/event based/ongoing	To communicate the performance and strategy of the Company. To foster a safe, diverse and inclusive working environment. To seek their feedback & suggestions on the work culture.

Stakeholder Group	Whether identified as vulnerable & marginalised group (Yes/No)	Channels of communication (Email, SMS, newspaper, pamphlets, advertisement, community meetings, notice board, website), other	Frequency of engagement (Annually/Half Yearly/Quarterly/ Others – Please Specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Value Chain Partners or B2B Partners	No	Vendor meets, virtual or in-person meetings	Continuous and as and when required.	To engage with value chain partners to identify issues impacting the value chain.
Regulator	No	E-mail/website of the regulators	Need-based/ ongoing	Promote transparent communication with regulator to meet compliance obligations.

1. The Company undertakes various CSR activities in the domains of education and health care, for the local communities. Majority of beneficiaries of these CSR activities can be termed as vulnerable or belonging to marginalised groups.

HUMAN RIGHTS

PRINCIPLE 5

Businesses should respect and promote human rights

ESSENTIAL INDICATORS

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

Category	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
Employees						
Permanent	348	0	0	0	0	0
Other than permanent	3	0	0	0	0	0
Total employees	**351**	**0**	**0**	**0**	**0**	**0**

Category	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
Workers						
Permanent	334	0	0	0	0	0
Other than permanent	0	0	0	0	0	0
Total workers	**334**	**0**	**0**	**0**	**0**	**0**

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

Category	FY 2023-24 Current Financial Year					FY 2022-23 Previous Financial Year				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent										
Male	317	0	0	317	100%	320	0	0%	320	100%
Female	31	0	0	31	100%	24	0	0%	24	100%
Other than permanent										
Male	3	0	0	3	100%	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0
Workers										
Permanent										
Male	334	0	0	334	100%	277	194	70.04%	83	29.96%
Female	0	0	0	0	0	0	0	0%	0	0%
Other than permanent										
Male	0	0	0	0	0	52	0	0%	52	100%
Female	0	0	0	0	0	0	0	0%	0	0%

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

a. Median remuneration /wages:

	Male		Female	
	Number	Median remuneration/ salary/wages of respective category	Number	Median remunerations/ salary/wages of respective category
Board of Directors (BoD)	2	189.66	0	0
Key Managerial Personnel	0	0	1	9.11
Employees other than BoD and KMP	387	1,641.94	32	155.71
Workers	0	0	0	0

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Gross wages paid to females as % of total wages	3.77	3.66

*The Company does not employ any female worker.

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

Yes, NGL maintains a zero-tolerance policy towards discrimination and harassment of any kind, based on race, religion, colour, age, sex, pregnancy, sexual orientation, nationality, disability or any other classification as mandated by local laws. Additionally, the Company's Human Resource Department is primarily responsible for addressing the impacts of human rights issues that may arise from time to time.

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

While the Company does not have a formal mechanism in place, the Human Resource Department is well-equipped to address such issues as and when they arise.

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

	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Sexual harassment	Nil	Nil	Nil	Nil	Nil	Nil

Discrimination at workplace

	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year	
Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Nil	Nil	Nil	Nil	Nil	Nil

Child labour

	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year	
Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Nil	Nil	Nil	Nil	Nil	Nil

Forced labour/ involuntary labour

	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year	
Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Nil	Nil	Nil	Nil	Nil	Nil

Wages

	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year	
Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Nil	Nil	Nil	Nil	Nil	Nil

Other human rights related issues

	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Other human rights related issues	Nil	Nil	Nil	Nil	Nil	Nil

7. **Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:**

	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Total complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	NIL	NIL
Complaints on POSH as a % of female employees/workers	NIL	NIL
Complaints on POSH upheld	NIL	NIL

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

   NGL has a zero tolerance policy for retaliation against whistleblowers or any employee who reports a complaint in good faith. The Company ensures complete confidentiality of the complainant or the whistleblower and provides protection from retaliation during investigation and thereafter.

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

   No. The Company will strive to incorporate human rights requirements into future business agreements and contracts.

10. **Assessments for the year:**

Child labour	Forced/ involuntary labour	Sexual harassment	Discrimination at workplace	Wages

% of your plants and offices that were assessed (by entity or statutory authorities or third parties) — **100%**

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

ENVIRONMENT

PRINCIPLE 6

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

ESSENTIAL INDICATORS

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

Parameter	FY 2023-24	FY 2022-23
From renewable sources		
Total electricity consumption (A)		
Total fuel consumption (B)		
Energy consumption through other sources (C)	Briquette – 13,42,553.55 GJ PNG – 2,143.68 GJ	Briquette – 147.23496 GJ Steam – 2,871.77 GJ
Total energy consumed from renewable sources (A+B+C)	**16,98,865.234**	**31,710.48445**
From non-renewable sources	13,44,697.23	3,019.00496
Total electricity consumption (D)	9,674.334 GJ	27,171.2052 GJ
Total fuel consumption (E)	Diesel – 3,44,493.67 GJ	Diesel – 1,520.27429 GJ
Energy consumption through other sources (F)		
Total energy consumed from non-renewable sources (D+E+F)	**3,54,168.004**	**28,691.47949**
Total energy consumed (A+B+C+D+E+F)	**16,98,865.234 GJ**	**31,710.48445**
Energy intensity per rupee of turnover (Total energy consumed/Revenue from operations)	0.00005239	0.00001176
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed/Revenue from operations adjusted for PPP)	0.011989062	0.000269102
Energy intensity in terms of physical output	3.874035368	-
Energy intensity (optional) – the relevant metric may be selected by the entity		

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

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

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

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

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	NA	NA
(ii) Groundwater	NA	NA
(iii) Third party water	20.4	NA
(iv) Seawater/desalinated water	NA	NA
(v) Others (MIDC)	60,220	56,72,361
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**60,240.4**	**56,72,361**
Total volume of water consumption (in kilolitres)	**60,240.4**	**56,72,361**

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Water intensity per rupee of turnover (Total water consumption/Revenue from operations)	0.00001857	0.00210
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption/Revenue from operations adjusted for PPP)	0.00042512	0.048136914
Water intensity in terms of physical output	0.137369278	-
Water intensity (optional) – the relevant metric may be selected by the entity		

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

4. Provide the following details related to water discharged:

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) Surface Water		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) To Groundwater		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) To Seawater		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third-parties		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(v) Others		
- No treatment		
- With treatment – please specify level of treatment	As per the Maharashtra Pollution Control Board's (MPCB) consent, the Company conducts primary, secondary and tertiary treatment of the effluent before discharging it to the Common Effluent Treatment Plant (CETP).	As per the Maharashtra Pollution Control Board's (MPCB) consent, the Company applies primary, secondary and tertiary treatment procedures for the effluent before discharging it to the Common Effluent Treatment Plant (CETP).
Total water discharged (in kilolitres)	**416.293**	**29.7**

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

1. MPCB, during their JVS inspection.
2. M/s Green Envirosafe Engineers & consultant Pvt. Ltd as a part of Environmental Monitoring.
3. Eurofine Enviro Lab Pvt. Ltd.

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

Yes, the Company has a zero liquid discharge plant and a full functional effluent treatment plant as under:

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

There is no zero liquid discharge plant at W-41 & W-42.

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

Parameter	Please specify unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
NOx	Ug/m^3	16.77	14.22
SOx	Ug/m^3	3.00	13.69
Particulate Matter (PM)	Ug/m^3	52.73	30.5
Persistent Organic Pollutants (POP)	NA	NA	NA
Volatile Organic Compounds (VOC)	NA	NA	NA
Hazardous Air Pollutants (HAP)	NA	NA	NA
Others – Please Specify	NA	15	NA

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

Yes, an independent assessment/evaluation/assurance has been carried out by

a) M/s Sadekar Enviro Engineers Pvt. Ltd and
b) M/s Green Envirosafe Engineers & Consultants Pvt. Ltd. and
c) MPCB, during their JVS inspection.

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

Parameter	Unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent Mg/m^3	CO_2-0.62 Ug/m^3 N_2O-6.82 Ug/m^3	CO_2-0.52 Ug/m^3 N_2O-5.66 Ug/m^3
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	NOx-13.40 ug/m^3	NA
Total Scope 1 and Scope 2 emissions intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions /Revenue from operations)		0.00000000642	0.0000000023
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions /Revenue from operations adjusted for PPP)		0.00000014688	0.00000005244

Parameter	Unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Scope 1 and Scope 2 emission intensity in terms of physical output		0.00004752	-
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity			

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency?

(Y/N) If yes, name of the external agency. **Yes**

1. MPCB, during their JVS inspection, and
2. M/s Green Envirosafe Engineers & Consultant Pvt. Ltd. as a part of Environmental Monitoring

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

Not Applicable

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

Parameter	FY 2023-24	FY 2022-23
Total waste generated (in metric tonnes)		
Plastic waste (A)	4.614	2.742
E-waste (B)	0.905	0.275
Bio-medical waste (C)	NA	NA
Construction and demolition waste (D)	NA	NA
Battery waste (E)	NA	NA
Radioactive waste (F)	NA	NA
Other hazardous waste. Please specify, if any. (G)	952.449	417.733
Other non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	NA	NA
Total (A+B + C + D + E + F + G + H)	**957.968**	**420.75**
Waste intensity per rupee of turnover (Total waste generated/Revenue from operations)	0.0000002955	0.0000001561
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated/Revenue from operations adjusted for PPP)	0.000006	0.0000001
Waste intensity in terms of physical output	0.002184518	-
Waste intensity (optional) – the relevant metric may be selected by the entity		
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
(i) Recycled	NA	NA
(ii) Re-used	NA	NA
(iii) Other recovery operations	NA	NA
TOTAL		
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	2.86	2.31
(ii) Landfilling	20.589	NA
(iii) Other disposal operations - pre processing	483.69	5.26
(iv) Other disposal operations – recycle	362.335	-
Total	**869.474**	**7.57**

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

1. MPCB, during their JVS inspection and
2. M/s Green Envirosafe Engineers & consultant Pvt. Ltd. as a part of Environmental Monitoring.

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

NGL implements a waste management plan, adopting a comprehensive approach towards waste minimisation. The Company follows dedicated Standard Operating Procedures (SOPs) for waste management, specifically EHS/008 and for the disposal of hazardous waste, which is disposed through government-approved partners.

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

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

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

No Environmental Impact Assessments were undertaken by the Company during the year.

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

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

RESPONSIBLE PUBLIC ADVOCACY

PRINCIPLE 7

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

ESSENTIAL INDICATORS

1. a. Number of affiliations with trade and industry chambers/associations. **Two**

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

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

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

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

COMMUNITY UPLIFTMENT

PRINCIPLE 8

Businesses should promote inclusive growth and equitable development

ESSENTIAL INDICATORS

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

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

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

NGL did not undertake any ongoing Rehabilitation and Resettlement (R&R) project during the year under review.

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

NGL reaches out to various communities in and around its operating locations through the Gram Panchayat, supporting projects like water regeneration and increasing green coverage via plantation drives. Further, the Company has a Whistle Blower Policy that allows workers, employees and others to submit their grievances via the designated E-mail id provided in the said policy. The same has been uploaded on the website of the Company and accessed by the below link: https://www.nglfinechem.com/disclosures-under-regulation.html#1

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

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Directly sourced from MSMEs/small producers	44.09	80
Sourced directly from within the district and neighbouring districts	72.1	73.2

5. **Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/on contract basis) in the following locations, as % of total wage cost.**

Location	FY 2023-24	FY 2022-23
Rural	-	-
Semi Urban	-	-
Urban	-	-
Metropolitan	100%	100%

(Place to be categorised as per RBI Classification System - rural/semi-urban/urban/metropolitan)

CONSUMER WELLBEING

PRINCIPLE 9

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

ESSENTIAL INDICATORS

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

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

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

	As a percentage to total turnover
Environmental and social parameters relevant to the product	*Not Applicable
Safe and responsible usage	100
Recycling and/or safe disposal	*Not Applicable

*Company is engaged in manufacturing of pharmaceuticals and intermediates for usage in veterinary and human health thus this clause is not applicable.

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

	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	Nil	Nil		Nil	Nil	
Advertising	Nil	Nil		Nil	Nil	
Cyber-security	Nil	Nil		Nil	Nil	
Delivery of essential services	Nil	Nil		Nil	Nil	
Restrictive trade practices	Nil	Nil		Nil	Nil	
Unfair trade practices	Nil	Nil		Nil	Nil	
Other	1	Nil		3	Nil	

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

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

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

   Yes, the Company has adopted Risk Management Policy and the same is hosted on the website of the Company. The policy same can be accessed by the below link: https://www.nglfinechem.com/images/pdf/risk-management-policy.pdf

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

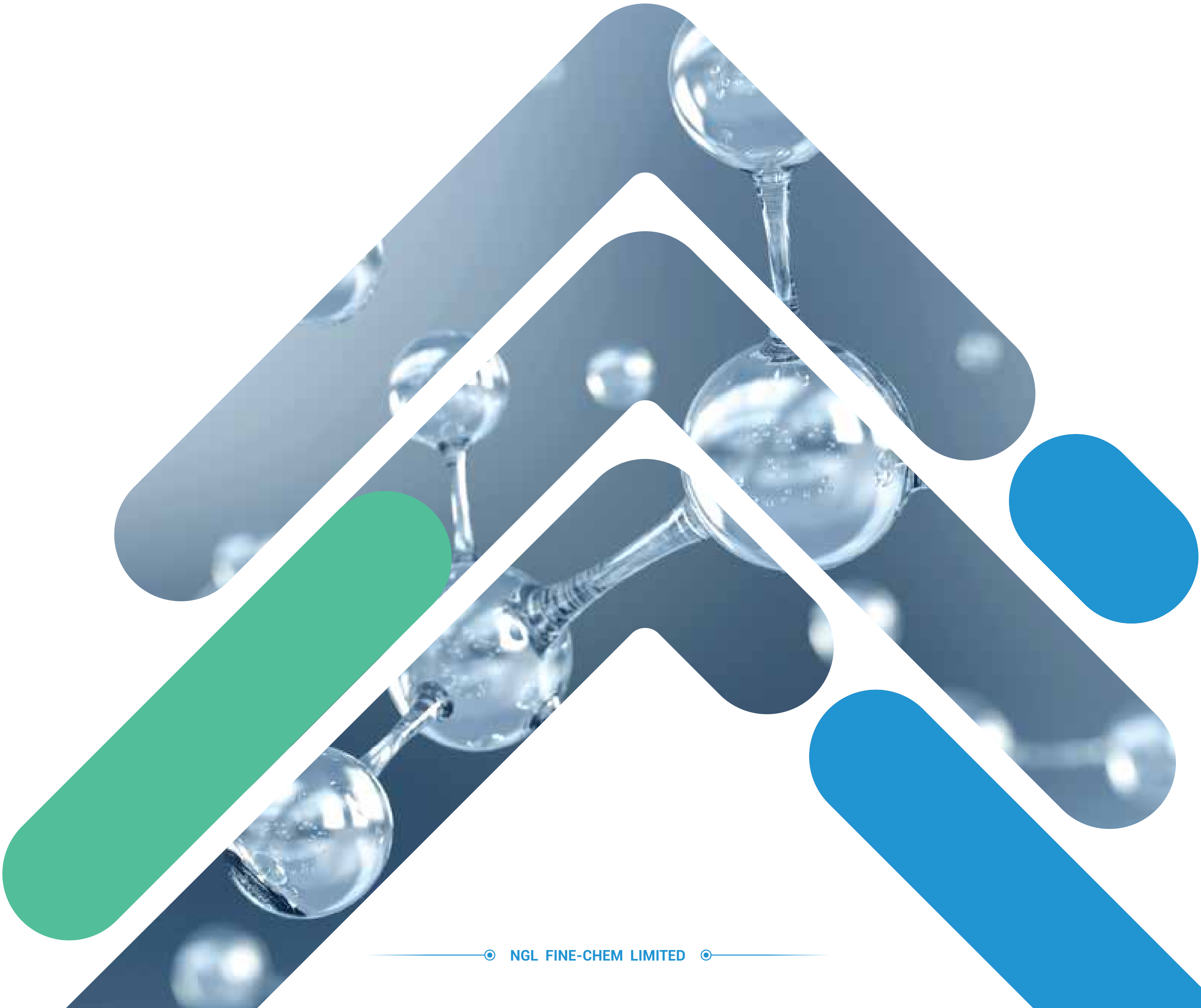
   Not Applicable

7. **Provide the following information relating to data breaches:**

   a) Number of instances of data breaches: NIL

   b) Percentage of data breaches involving personally identifiable information of customers: NIL

   c) Impact, if any, of the data breaches: NIL



MANAGEMENT DISCUSSION AND ANALYSIS

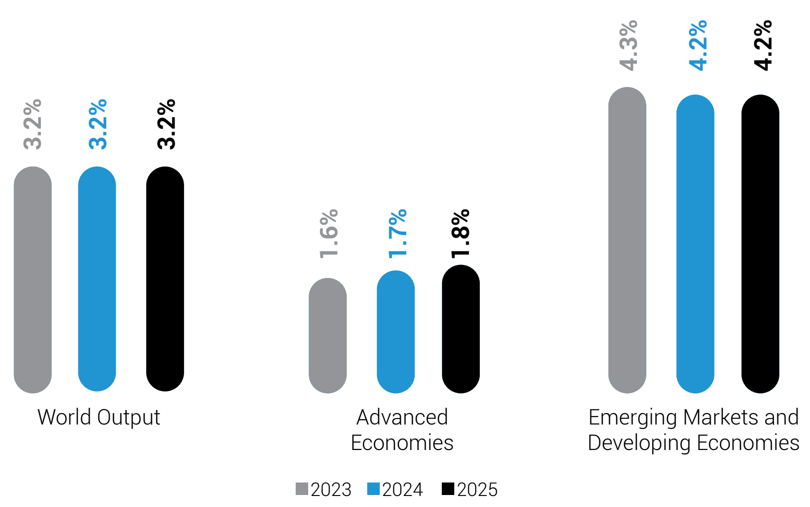
GLOBAL ECONOMY

The global economy underwent a modest recovery to grow at an estimated 3.2%, in CY 2023. This can be attributed to a robust increase in consumer demand, accumulation of savings during pandemic restrictions, and abundant job opportunities in labour markets. However, there were also challenges such as geopolitical tensions and ongoing supply chain disruptions. The decision by central banks around the world to raise interest rates to combat inflation also posed challenges to economic growth.

Advanced economies such as the United States (US) experienced a more modest growth rate of 2.5% in CY 2023. This can be attributed to strong consumer spending and a robust job market. However, the Eurozone faced a tougher climb with growth recorded at 0.4% in CY 2023. High energy prices and a less confident consumer base were significant factors influencing this slower growth. In contrast, emerging and developing economies fared better, collectively experiencing a more rapid expansion at 4.3% in CY 2023. This growth was strengthened by China's reopening of the economy after stringent pandemic restrictions and India's robust domestic demand.

However, despite overall growth, inflation remained a significant global concern. While headline inflation figures began to cool towards the end of the year, they remained above central bank targets in most countries. Consequently, major central banks such as the Federal Reserve and the European Central Bank maintained a hawkish stance, repeatedly raising interest rates and tightening financial conditions in response.

World Economy Outlook GDP Growth Projections



Source: [International Monetary Fund (IMF}, World Economic Report Projections, April 2024]
Source: https://www.imf.org/en/Publications/WEO/Issues/2024/04/16/world-economic-outlook-april-2024

OUTLOOK

In CY 2024 and 2025, the global economy is walking on a tightrope, having shown resilience by avoiding pessimistic recession projections and maintaining stable growth. Growth is projected at a modest 3.2% for both years, despite challenges from stricter monetary policies, reduced government spending, and slow productivity gains. Inflation is expected to cool to 5.9% in CY 2024 and 4.5% in CY 2025, but policymakers must carefully manage its decline to avoid hindering growth. Faster disinflation and China's recovery offer promising opportunities, while geopolitical tensions and persistent inflation pose downside risks. Long-term growth, especially in emerging markets, relies heavily on structural reforms aimed at boosting productivity and ensuring sustainable debt levels.

INDIAN ECONOMY

India has been witnessing robust economic growth due to resilient domestic demand and proactive policy measures implemented by the Government. The Indian economy is estimated to grow at 7.6% in FY 2023-24, surpassing the 7% growth rate recorded in FY 2022-23. Accordingly, the construction sector is estimated to post double-digit growth rate of 10.7%. This is followed closely by the manufacturing sector, which is estimated to record a solid growth rate of 8.5%. The global rating agency Moody's anticipates that the Indian economy will continue to outpace other G-20 economies, driven by policy continuity following the general election.

Source: [https://www.moneycontrol.com/news/business/economy/moodys-raises-indias-2024-gdp-growth-estimate-to-6-8-from-6-1-12396911.html, https://pib.gov.in/PressReleasePage.aspx?PRID=2010223]

There is a sustained focus on infrastructure development and the Government's production linked incentive (PLI) scheme aims to bolster key manufacturing industries. This is expected to make India a global leader in manufacturing. As of September 2023, investments of nearly ₹ 95,000 Crores were made under the PLI schemes. These investments have resulted in the production of goods worth ₹ 7.80 Lakhs Crores and the creation of direct and indirect employment to over 6.4 Lakhs. Additionally, the PLI schemes have led to exports surpassing ₹ 3.20 Lakh Crores. Some of the sectors contributing to these exports include pharmaceuticals, large-scale electronics manufacturing, food processing, and telecom and networking products.

Source: [https://economictimes.indiatimes.com/news/economy/policy/pli-schemes-attract-over-rs-95000-crore-investment-till-september-this-year/articleshow/106297472.cms, https://www.moneycontrol.com/news/economy/policy/pli-schemes-investment-seen-at-over-rs-1-03-lakh-crore-but-rs-4415-crore-disbursed-so-far-2-12070141.html]

India also continues to stand out as an appealing investment destination, especially amid escalating geopolitical tensions. The country's large market size, skilled workforce, and improving infrastructure have positioned it favourably in terms of attracting FDI and international business. Global companies are increasingly looking at diversifying their investments into secure and stable locations. India's economic growth prospects and investor-friendly environment have enabled it to emerge as a preferred destination for international investments.

OUTLOOK

As per the International Monetary Fund (IMF), India's growth is forecast at around 6.5% in FY 2024-25, underpinned by resilient domestic demand. This is supported by the strengthening of economic fundamentals, including a narrowing current account deficit, high foreign exchange reserves, relatively contained inflation around 5%, and a fiscal deficit target of 5.9% of GDP. The key drivers behind this growth momentum include a focus on technology, expansion of manufacturing capacity, and the promotion of higher value-added exports. Despite challenges such as geopolitical tensions and energy transition, India's economic outlook is positive. This is further bolstered by strategic initiatives in manufacturing, clean energy, and export diversification.

GLOBAL PHARMACEUTICAL MANUFACTURING INDUSTRY

The global pharmaceutical industry has witnessed remarkable growth in recent years. Some factors driving this growth include rising demand, technological advancements, an ageing population, increasing healthcare expenditure, and the growing burden of chronic diseases worldwide. According to industry estimates, the total global pharmaceutical market for FY 2023-24 stood at around US$ 1.6 Trillion. The industry is expected to continue on a growth trajectory in the coming years.

Globally, the US is by far the leading market for pharmaceuticals, followed by other developed countries and emerging markets. Emerging markets, which include middle and low-income countries such as Brazil, India, Russia, Colombia, and Egypt, among others, present substantial growth opportunities for the pharmaceutical industry.

Source: [https://www.statista.com/statistics/263102/pharmaceutical-market-worldwide-revenue-since-2001/#:~:text=The%20global%20pharmaceutical%20market%20has,billion%20dollars%20compared%20to%202022.]

Global Animal Healthcare Market

Animal healthcare has an important role in addressing a spectrum of diseases impacting animals—an upward trend witnessed in recent years that continues today. The increasing demand for animal healthcare has driven intensified research initiatives and ramped up pharmaceutical production tailored to this market. This is expected to further boost the animal healthcare market. The global animal healthcare market was valued at US$ 60.72 Billion in CY 2023. It is anticipated to grow from US$ 66.97 Billion in 2024 to US$ 149.02 Billion by CY 2032, clocking in a CAGR of 10.5% during the forecast period.

This growth is fuelled by the increasing ownership of pets worldwide which is further driving the demand for pet healthcare products and veterinary services. Additionally, there is a growing awareness among both livestock and pet owners regarding the importance of preventive healthcare measures for animals. This is leading to a rise in the demand for animal vaccines, diagnostics, and healthcare products. Governments around the world are increasingly promoting initiatives for animal healthcare. These efforts are expected to further strengthen the potential of the animal healthcare market in the long run, as they contribute to raising awareness, improving access to veterinary services, and ensuring the overall health and well-being of animals.

Source: [https://www.polarismarketresearch.com/industry-analysis/animal-health-market

https://www.factmr.com/report/animal-healthcare-market]

Global Veterinary API Manufacturing Market

In CY 2023, the global veterinary active pharmaceutical ingredients (API) manufacturing market was valued at US$ 8.54 Billion. Projections suggest that the market will continue to grow steadily, with estimates indicating it could reach a value of US$ 13.47 Billion by 2030 at a CAGR of 6.8% throughout the forecast period.

Global Veterinary API Manufacturing Market

Source: [https://www.researchandmarkets.com/reports/5415607]

APIs for veterinary use are essential components of animal medicines and have a crucial role in achieving desired therapeutic effects. Before receiving commercial approval, these APIs undergo rigorous testing and research. With the escalating demand for animal healthcare solutions, the market for premium veterinary APIs is experiencing significant growth. This can be attributed to robust research and development of veterinary products, increased investments in outsourcing, facility expansions, and higher expenditure on animal health.

The veterinary APIs manufacturing market is expanding primarily due to the rising prevalence of transboundary and zoonotic diseases. These diseases pose substantial threats to both animal and human well-being, endangering public health, global trade, and animal welfare. Utilising veterinary APIs has become imperative in controlling and preventing the spread of such diseases. These APIs are essential in treating sick animals, developing effective remedies, and alleviating symptom severity, thereby helping in the recovery of affected animals.

Moreover, veterinary APIs play a crucial role in addressing animal population epidemics. They also help in reducing the risk of disease transmission from animals to humans. Consequently, there has been a significant increase in the global adoption of veterinary APIs for pre-empting and managing zoonotic and transboundary diseases. Governments, veterinary professionals, and international organisations are collaborating to develop and implement comprehensive disease control initiatives.

Source: [https://www.globenewswire.com/en/news-release/2024/04/01/2855038/28124/en/Global-Veterinary-API-Market-Poised-for-Growth-Expected-to-Reach-US$-13-47-Billion-by-2030.html,

https://www.polarismarketresearch.com/industry-analysis/veterinary-active-pharmaceutical-ingredients-api-manufacturing-market]

Indian Pharmaceutical Industry

The Indian pharmaceutical industry is poised for phenomenal growth, with projections indicating a substantial surge in market valuation. In FY 2023-24, the market size reached US$ 54.6 Billion, and according to the IMARC Group, it is expected to reach US$ 163.1 Billion by CY 2032, at a CAGR of 12.3% during 2024-2032. This growth is likely to be fuelled by several key factors driving demand from both domestic and international markets.

On the export front, the industry has demonstrated remarkable performance. According to data from the Ministry of Commerce, pharmaceutical exports surged by 12.73% in March, reaching US$ 2.8 Billion. In FY 2023-24, exports totalled an impressive US$ 27.9 Billion. This robust export performance is a testament to the industry's global competitiveness and the increasing demand for Indian pharmaceutical products worldwide.

Source: [https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/indias-pharma-exports-rise-10-to-usd-27-9-bn-in-fy24/articleshow/109560417.cms?from=mdr]

The outlook remains equally promising on the domestic front. Domestic sales are expected to grow by 8-10% in FY 2024-25, with the chronic segment playing a pivotal role due to rising lifestyle-related diseases and heightened health awareness among the masses. The increasing

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

burden of diseases and healthcare needs in the country, coupled with favourable government initiatives promoting the development of healthcare infrastructure, has created a fertile environment for the industry's growth.

Source: [https://www.businesstoday.in/industry/pharma/story/indian-pharma-industry-aims-for-8-10-growth-with-strong-domestic-and-export-sales-to-regulated-markets-397906-2023-09-11]

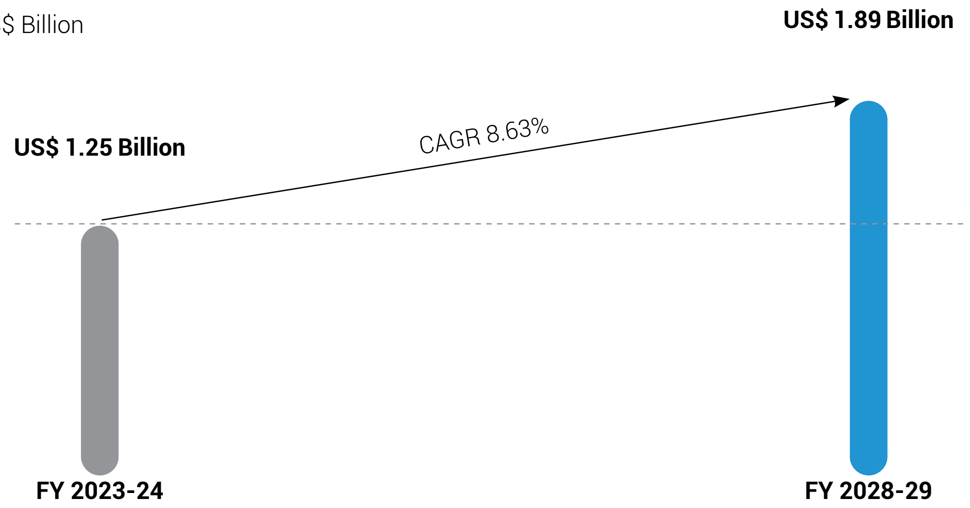
India's pharmaceutical industry has consistently remained one of the fastest-growing sectors due to its immense domestic and international demand. In FY 2023-24, it gained significant momentum by forging strategic global alliances with numerous countries, solidifying its position as a significant global player. India has maintained its status as the third-largest producer of pharmaceuticals by volume and the fourteenth largest by value.

The growth of the pharmaceutical industry is being complemented by significant growth in the Indian animal healthcare market, which is witnessing a parallel surge. This market will continue expanding at a rate of 7.8% CAGR until CY 2032. Animal healthcare encompasses a wide range of practices, products, and services, seamlessly integrating to enhance and sustain the health and well-being of animals. Its scope extends from companion animals such as dogs, cats, birds, and small mammals to livestock species including cattle, poultry, pigs, sheep, and goats.

The Indian veterinary healthcare market is projected to reach US$ 1.25 Billion in CY 2024, and US$ 1.89 Billion by CY 2029, recording a CAGR of 8.63% during 2024-2029. This can be attributed to increasing animal health expenditure, rising pet ownership, growing livestock population, and heightened awareness regarding animal healthcare. The industry is set to play a crucial role in ensuring the well-being of animals and contributing to the overall growth of the Indian pharmaceutical sector.

Indian Veterinary Healthcare Market

Market size in US$ Billion



Source: https://www.mordorintelligence.com/industry-reports/india-veterinary-healthcare-market-industry/market-size

OPPORTUNITIES

Increasing Pet Ownership

Pet ownership in India is on the rise, with the country estimated to have more than 10 Million dogs and 2.4 Million cats in FY 2023-24. This is driving the demand for veterinary APIs. The widespread use of NSAIDs and other drugs for pain management, anti-inflammatory treatments, and osteoarthritis in companion animals presents lucrative opportunities for veterinary API manufacturers. As pet owners become increasingly conscious about animal healthcare, the veterinary API market is well-positioned to capitalise on this expanding consumer base. This is likely to further foster innovation and production of high-quality APIs tailored to meet the diverse needs of India's burgeoning pet population.

Livestock Production

Given the emphasis on efficient livestock production to meet the increasing demand for protein, there is a significant opportunity for veterinary medicines to bolster the health and productivity of livestock. This is crucial for ensuring the sustainability of the food supply chain. Veterinary medicines play a vital role in supporting the health and productivity of livestock, ensuring that animals remain healthy, disease-free, and productive throughout their lifespan. These medicines are essential for preventing and treating various diseases and health conditions, ranging from common infections to more complex illnesses.

Zoonotic Disease Awareness

The animal healthcare market in India is experiencing a surge in growth, driven by the escalating incidence of zoonotic diseases across the country. Factors such as demographic shifts, land encroachment, and agricultural practices are contributing to the increased prevalence of these diseases, which also impact animal populations. In response, the Government has initiated preventive measures to curb the spread of zoonotic diseases. Market stakeholders are actively involved in raising awareness about these diseases and advocating for their prevention, thereby fostering growth in the animal healthcare market. As more individuals recognise the importance of precautionary measures, the demand for animal healthcare services is anticipated to rise significantly. Additionally, the availability of diverse treatment options is expected to further bolster the growth trajectory of the animal healthcare market in India.

Increase in Government Support

Government initiatives addressing animal welfare and public health contribute to market growth. They foster a conducive environment for the development and use of veterinary medicines, presenting significant growth opportunities for market stakeholders. The Government's investments in R&D endeavours to develop efficient vaccines and financial support extended to veterinary research laboratories are significant drivers fuelling market growth. Additionally, enhancements in animal treatment and vaccination facilities are underway, augmenting the Indian veterinary healthcare market. Furthermore, the advocacy efforts of animal welfare activists for animal rights are fostering a burgeoning population of animal enthusiasts. This is accompanied by heightened Government backing for animal healthcare products.

Telemedicine Tools Transforming Animal Healthcare in India

The Government's increasing emphasis on promoting telemedicine tools within the animal healthcare sector presents a lucrative opportunity for industry participants. The adoption of digital products by pet owners is fuelling demand for remote consultations and pet health monitoring. Consequently, stakeholders in the animal healthcare market are making substantial investments in R&D activities, thereby fostering growth in the sector. These technological advancements are significantly enhancing the delivery of veterinary healthcare services throughout the country.

THREATS

Regulatory Challenges

The Indian animal healthcare sector faces significant challenges due to a cumbersome regulatory framework governing veterinary drugs and products. The lengthy approval process for new medications, with the average duration ranging from 20-40% longer, often leads to delays and severely impacts the timely launch of new products. This further impedes innovation and hampers market competitiveness.

Of particular concern are the regulatory barriers imposed by the US Food and Drug Administration (USFDA) in the past. The heavy reliance of the Indian pharmaceutical industry on the US market exacerbates the impact of increased scrutiny by the USFDA for compliance with good manufacturing practice (GMP) regulations. Such scrutiny can result in substantial delays or even rejection of product approvals, further complicating market entry.

Counterfeit Products

The prevalence of counterfeit and substandard animal health products is a multifaceted challenge within the industry. These fraudulent products, often sold as legitimate medications, pose serious risks to both animals and consumers.

Firstly, counterfeit products compromise the efficacy of treatments. Animals may not receive the necessary dosage or active ingredients required for effective therapy, leading to inadequate treatment outcomes. This not only prolongs the suffering of the affected animals but also contributes to the spread of diseases and infections.

Moreover, the presence of counterfeit products undermines consumer trust and confidence in legitimate veterinary medications. When consumers unknowingly purchase fraudulent products that fail to deliver the expected results, they may become disillusioned with the entire market. This erosion of trust not only harms reputable manufacturers and suppliers but also creates confusion and scepticism among consumers, making them hesitant to seek veterinary care. Furthermore, counterfeit animal health products pose significant risks to market growth. As consumer confidence wanes and concerns about product authenticity grow, the demand for legitimate veterinary medications may decrease. This can stifle innovation and investment within the industry, hindering its overall growth and development.

Dependency on Imports from China

According to a report by Crisil Ratings released in mid-November 2023, India's dependence on imported APIs

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

remains significant. Nearly a third of its API requirements are being sourced from abroad. In FY 2023-24, API imports surpassed ₹ 35,000 Crores, with approximately two-thirds originating from China. In response to this reliance on bulk drug imports, particularly from China, the Government has initiated efforts to bolster domestic manufacturing. Various schemes, including the PLI, have been rolled out to incentivise the production of critical key starting materials (KSMs), drug intermediates, and APIs within the country. Projections from CareEdge ratings suggest that by the end of FY 2023-24, India's dependency on Chinese imports is anticipated to decrease by 12%. Despite government initiatives, there are still challenges such as infrastructural limitations, regulatory hurdles, and technological constraints, further threatening the reliance on imports.

Source: [https://www.pharmabiz.com/NewsDetails.aspx?aid=166012&sid=1]

Economic Uncertainty

Economic fluctuations, inflation, and currency devaluation are common occurrences in any market environment. These factors can significantly influence consumer behaviour and purchasing power, ultimately affecting the demand for veterinary products and services. During periods of economic instability, consumers may adjust their spending habits, prioritising essential expenses over discretionary purchases such as veterinary care products. For manufacturers, suppliers, and service providers in this segment, navigating these economic uncertainties becomes paramount. They must closely monitor economic indicators and trends to anticipate shifts in consumer demand and adjust their strategies accordingly. This may involve optimising production levels, managing inventory effectively, and implementing pricing strategies that remain competitive yet reflective of changing economic conditions.

COMPANY OVERVIEW AND PRODUCT PORTFOLIO

Established in 1981 by Narayan Ganesh Lawande, NGL Fine-Chem Limited ('NGL' or 'The Company') specialises in manufacturing pharmaceuticals and intermediates, focusing on APIs for both veterinary and human health sectors. While the Company's veterinary pharmaceutical raw materials primarily serve the animal health business, its APIs and intermediates cater to both veterinary and human health sectors. With a commitment to delivering exceptional quality and value-added goods, NGL has established a robust presence in Latin America, Asia, and Europe. Notably, around 65% of the global animal APIs and intermediates market targets the livestock industry, aligning with NGL's primary focus. The Company prioritises cost-effectiveness while upholding the highest standards of product quality. With strong client relationships spanning over 400 customers across more than 45 countries, NGL has emerged as a prominent player in the industry. Looking ahead, the Company aims to become a global leader in the animal health APIs market through long-term strategic initiatives. To achieve this objective, it will continue expanding the product line and exploring new markets worldwide.

Product-Wise Performance

The veterinary API sector is a crucial contributor to NGL's revenue stream. With 32 APIs in production, this division produces compounds utilised in various treatment categories, including ecto and endo parasiticides, anthelmintics, and growth nutrients. Additionally, NGL is actively engaged in manufacturing three APIs tailored for human health. These play a vital role in treating prevalent conditions like diarrhoea, angina, and malaria. Committed to delivering top-notch quality, the Company ensures that the APIs meet the requirements of customers in both veterinary and human health sectors. In FY 2023-24, NGL expanded the portfolio by introducing 6 new products, with number of other products currently in development.

FINANCIAL OVERVIEW

In FY 2023-24, NGL's total sales revenue amounted to ₹ 328.97 from ₹ 275.06 Crores in FY 2022-23. EBITDA stood at ₹ 60.19, while PAT reached ₹ 38.52 as against ₹ 20.12 Crores for FY 2022-23. The R&D expenses of the Company increased by 44% in the current financial year, while the EPS saw a increase of 91% reaching ₹ 62.35 per equity share.

(₹ in Crores)

Particulars (₹ in Crores)	FY 2023-24	FY 2022-23
Revenues	328.97	275.05
R&D Expense	4.97	3.45
Earnings before Interest, Tax and Depreciation and Amortisation	60.19	35.70
PBT	50.71	26.60
PAT	38.52	20.88
Total Assets	353.05	288.11
EPS (In ₹)	62.35	32.56

Financial Ratios

Name of the Metric	FY 2023-24	FY 2022-23	% Change Increase (Decrease)	Explanation in Case Change is 25% or More, As Compared to The Previous Year
Inventory Turnover	8.18	6.02	36	Ratio has increased indicating faster turnover of inventories.
Current Ratio	2.89	2.81	8.7	Ratio has increased, indicating strong liquidity position.
Debt-Equity Ratio	0.13	0.14	(10.2)	No significant change in the ratio.
Debtors Turnover	4.37	4.15	5.5	Improvement due to faster turn of receivables
Operating Profit Margin	18.30	12.94	41	Improvement in profitability on account of lower operating costs
Net Profit Margin	11.70	7.31%	60	Improvement in profitability on account of lower operating costs
Return on Net Worth	17.42	10.72%	62.5	Due to lower operating costs, the margins for the year have increased
Interest Coverage Ratio	45	30.00	50	Higher profits has led to better interest coverage ratio.

MANUFACTURING CAPACITY

NGL takes pride in its cutting-edge facilities, which enable the production of a diverse range of high-quality products. The Company's production facilities, situated in Navi Mumbai and Tarapur, Maharashtra, boast a combined production capacity of 600 tonnes of APIs. Spread across 10,800 m^2, these are equipped with state-of-the-art infrastructure, including 194 m^3 stainless-steel reactors, 12 m^3 gas-induction reactors, and 102 m^3 glass-lined reactors.

Maintaining an average capacity utilisation rate throughout the year leading up to 31st March 2024, NGL remains committed to enhancing operational efficiency. The Company had slowed down the pace of capital expenditures last year due to tough market conditions and demand uncertainties. However, NGL is now cautiously optimistic about demand recovery and plans to re-evaluate accelerating the capital expenditure early next calendar year. As part of the growth strategy, it plans to invest approximately ₹ 160 Crores in capital expenditures over the next three years, further reinforcing its commitment to innovation and expansion. The pilot plant for the new greenfield facility is scheduled to start operations by Q4 of FY 2024-25. The complete plant is expected to be ready within 12-15 months after finalising the equipment installation plans.

Greenfield Expansion

- 50% capacity expansion underway to meet the demand for new products in the pipeline.
- Estimated capex of ₹ 160 Crores to be financed through debt and internal accruals.
- Civil construction in progress; ₹ 45 Crores invested until Q4 of FY 2023-24.

RISK MANAGEMENT

NGL has instituted a robust risk management system to identify, assess, and address potential risks affecting the operations. Additionally, the Company's internal control systems are tailored to identify and mitigate risks, safeguarding NGL's assets and ensuring the accuracy and integrity of financial records.

Risk	Impact	Mitigation
Competition Risk	Increased competition presents a risk to NGL's market share, profitability, and return on capital employed. This risk may stem from the entry of new market players, competitors' adoption of aggressive pricing strategies, or technological advancements that confer a competitive advantage to rivals.	• The Company has forged a robust brand identity and cultivated enduring client relationships, contributing to the retention of significant market share and the cultivation of customer loyalty. • Over the past years, the Company has expanded the market share through prompt product delivery, outpacing competitors. This has been particularly valued by consumers prioritising efficiency. • Continuous investment in R&D enables the company to innovate new products, elevate product quality, and enhance production efficiency.

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

Risk	Impact	Mitigation
Environmental Regulations and Compliance Risk	This risk stems from the potential failure to comply with environmental regulations, leading to the imposition of fines, penalties, or plant shutdowns, thereby disrupting operations.	• The Company employs several strategies to mitigate this risk, including facility modernisation to ensure compliance with environmental regulations, adoption of zero-discharge facilities, and utilisation of environmentally friendly fuels. • Following temporary closure due to suspected violations, the Tarapur plant has now received conditional restart orders from the Maharashtra Pollution Control Board.
Geopolitical Risks	Geopolitical tensions and conflicts pose risks to international operations and supply chains, potentially leading to disruptions in cross-border trade and logistics, increased costs, volatile prices and currency fluctuations, and challenges in market access.	• The Company's approach involves continuous monitoring of geopolitical developments and their potential implications on business operations, seamlessly transitioning into scenario planning and contingency plans to minimise disruptions and ensure business continuity.
Foreign Currency Exchange Rate Risk	This risk arises from fluctuating foreign currency exchange rates, which may impact the Company's revenue and profitability.	• The Company has established a foreign exchange-hedge system to minimise this risk which helps to manage the impact of foreign currency exchange rate fluctuations on the Company's revenue and profitability.
Customer Concentration Risk	This risk arises from the potential loss of revenue and profitability due to a high dependence on a small number of customers.	• The Company boasts a diverse customer base comprising approximately 400 clients, with no single customer contributing more than 6% to total revenue. This effectively mitigates the impact of customer concentration risk.
Product Quality Risk	This risk stems from the potential decline in product quality, which may result in the erosion of customer trust and revenue loss.	• The Company maintains a rigorous quality control system to uphold the high quality of products. • Over the past decade, the Company has not encountered any product faults, even though it relies on contract manufacturers for 15% of total output.
Raw Material Supply Risk	This risk arises from reliance on a single or limited number of suppliers for raw materials, potentially resulting in supply disruptions that could impact production.	• The Company seeks to diversify supply base by looking for additional suppliers. China supplies approximately 25% of the Company's total raw materials.
Product Concentration Risk	This risk stems from the reliance on a single or limited number of products for a substantial portion of the Company's revenue.	• The Company intends to introduce two to four new product lines annually in the animal health sector. This initiative aims to diversify the product portfolio and diminish reliance on veterinary APIs, which currently constitute over 80% of the Company's total income.
Climate Risk	This risk pertains to the potential adverse effects on the Company's business operations, assets, and financial health resulting from climate change-related events. These events may include natural disasters, shifts in weather patterns, and regulatory measures targeting the reduction of greenhouse gas emissions.	• The Company conducts regular climate risk assessments to identify potential risks and opportunities associated with climate change, implementing appropriate measures to mitigate these risks. • NGL has set a target to reduce its carbon footprint by 30% by 2030, accompanied by measures to monitor and report on its progress towards achieving this objective.

INTERNAL CONTROL SYSTEM

NGL emphasises on adhering to local regulatory standards to ensure orderly and efficient business conduct. The Company has implemented a robust internal control system to track and report day-to-day activities, safeguard assets, detect and prevent fraud and errors, maintain comprehensive accounting records, and ensure the timely preparation of reliable financial information.

Regulatory Compliance

Committed to upholding numerous laws, regulations, and policy requirements, NGL ensures that its operations adhere to legal frameworks and ethical business practices. The Company's internal control systems efficiently monitor compliance with these requirements.

Internal Auditing

NGL's internal auditors play a crucial role in confirming the effectiveness of the Company's internal checks and control systems. They monitor and regulate day-to-day activities to ensure compliance with regulatory standards and provide recommendations for enhancing specific areas of the internal control systems.

HUMAN RESOURCE

At NGL, fostering a robust work culture centred on performance, role clarity, cooperation, and mutual respect is of utmost importance. The Company invests in its people and processes to ensure every employee feels valued.

Training and Development Programmes

To cultivate a motivated and skilled workforce, NGL offers regular training and development programmes. The Company recognises that investing in employee development is essential to stay abreast of industry trends and technological advancements. It ensures that employees are well-prepared to meet evolving business needs.

Recognition Programmes

NGL acknowledges and rewards exceptional performance to inspire and motivate employees. Various recognition programmes are in place to honour outstanding contributions, fostering a culture of excellence and driving overall performance, to the benefit of both the Company and its customers.

Health and Safety Measures

Prioritising employee safety and well-being, NGL maintains stringent health and safety protocols to ensure a secure working environment. The Company operates in compliance with all relevant laws and regulations governing occupational health and safety. Regular policy reviews and updates ensure continuous improvement in safety standards.

As of 31st March, 2024, NGL's workforce comprised 390 employees.

CAUTIONARY STATEMENT

The estimates and expectations outlined in this Management Discussion and Analysis may include 'forward-looking' statements within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed or implied. Key factors that could impact the Company's operations include economic conditions, Government regulations, tax laws, and other incidental factors.

INDEPENDENT AUDITOR'S REPORT

To,
The Members,

NGL FINE-CHEM LIMITED

REPORT ON THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying standalone financial statements of **M/S. NGL FINE-CHEM LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Report	How was the matter addressed in our audit
Revenue Recognition Revenue is recognized upon transfer of control of promised goods to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those goods. Revenue is measured based on transaction price, which is the consideration, adjusted for rebates, discounts and incentives as also estimated sales returns. Revenue is one of the key profit drivers and therefore, accounting of revenue is considered as a key audit matter. [Refer Note 3(a) to the financial statements]	**Our audit procedures, among other things, included the following:** • Considered the appropriateness of the Company's accounting policies regarding revenue recognition • Testing controls, automated and manual, around dispatches/deliveries/shipments inventory reconciliations and process of confirmation of receivable balances, testing for cut-offs and analytical review procedures. • Assessed the disclosures in accordance with the requirements of Ind AS 115 on "Revenue from Contracts with Customers".
Valuation of inventories The Company has complex product manufacturing process and thus, the overhead absorption over each process is quite complex and more particularly, to have the basis of absorption. The Company has worked out the overhead absorption cost rate based on the consumption of electricity of each process and apply the same for all other overheads. Due to significance of arriving at the overhead absorption rate for the valuation of inventories, it is considered to be a key audit matter. [Refer Note 3(d) to the financial statements]	**Our audit procedures, among other things, included the following:** • Evaluated the appropriateness of the basis applied to arrive at the overhead absorption rate; • Examined the workings of the absorption of over heads to arrive at the cost of inventories. • Our audit methodology involves process adopted to ascertain and evaluate the methods used are reasonable and absorbs overheads in an appropriate & logical manner. • Assessed the disclosures in accordance with the requirements of Ind AS 2 on "Inventories".

<table>
<tr><th>Key Audit Report</th><th>How was the matter addressed in our audit</th></tr>
<tr><td>Allowance for Expected Credit Loss of Trade Receivables
Provision for impairment by way of Allowance for Expected Credit Loss (ECL) of Trade Receivables require –
• the appropriateness of accounting policies for determination of Allowance for ECL;
• operational procedures and systems of internal control in estimation of ECL.
• estimation of expected losses and appropriate assumptions and significant judgments on the recoverability of receivables;
• the completeness, accuracy, relevance and reliability of historical information;
• the Company's overall review of the estimate; and
• the clarity and reasonableness of related ECL disclosures.
In view of the determination of the basis and quantum of Allowance of ECL, it is a significant item in the financial statements and hence, considered to be a key audit matter.
[Refer Note 3(n) to the standalone financial statements]</td><td>Our audit procedures included, among others, the following:
• Obtained sufficient and appropriate audit evidence about whether policies, operational procedures, internal control systems and other relative assumptions for estimation and determination of Allowance for ECL are reasonable.
• Objectively evaluated the estimates made in the broader context of the financial statements as a whole;
• Assessed the estimates and assumptions adopted by the Company in determining the need to recognize a provision and, where applicable, its amount;
• Evaluated the completeness of disclosures in respect of Allowance for Expected Credit Loss.</td></tr>
<tr><td>Capital Work In Progress:-
The company is in the process of greenfield expansion at Tarapur location. During the current year, the company has incurred amount of Rs.4,524.95 Lakh , disclosed as capital work in progress in note 4 of the standalone financial statements. Further, the company has disclosed an amount of Rs.1,706.79 Lakh as capital commitment in note 36 of the standalone financial statements. In view of the substantial capex and quantum of capital commitment, it is a significant item in the financial statements and hence, considered to be a key audit matter</td><td>Our audit procedures included, among others, the following:
• Obtained sufficient and appropriate audit evidence about whether all documents are in place and proper approval methodology is followed and adequate internal controls are ensured at all levels.
• Objectively evaluated the estimates made on an overall basis of the financial statements as a whole;
• Assessed the estimates and also obtained project reports to analysis the future estimates and cash outflows related to the expansion project.
• Evaluated the completeness of disclosures in respect of capital commitment.</td></tr>
</table>

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

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

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and

INDEPENDENT AUDITOR'S REPORT (Contd.)

prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e) On the basis of the written representations received from the directors as on March 31st, 2024 taken on record by the Board of Directors, none of the directors are disqualified as on March 31st, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

      In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Acts

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      (i) The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements-Refer Note 35 to the Standalone Financial Statements.

      (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

      (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

      (iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

      (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

      (c) Based on the audit procedures that have been considered reasonable

INDEPENDENT AUDITOR'S REPORT (Contd.)

and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

(iv) As stated in Note 56 to the standalone financial statements

(a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

(b) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

(v) Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 01, 2023 reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules , 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31,2024.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **MANEK & ASSOCIATES**
Chartered Accountants
Firm's registration number: 0126679W

Sd/-
(SHAILESH MANEK)
Partner
Membership number:034925
UDIN: 24034925BKGEGI2340

Mumbai
Dated: 21st May, 2024

ANNEXURE - A
TO THE AUDITOR'S REPORT

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

We have audited the internal financial controls over financial reporting of **M/S. NGL FINE-CHEM LIMITED** ("the Company") as of 31st March, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITORS' RESPONSIBILITY

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

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

ANNEXURE - A
TO THE AUDITOR'S REPORT (Contd.)

Opinion:-

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **MANEK & ASSOCIATES**
Chartered Accountants
Firm's registration number: 0126679W

Sd/-
(SHAILESH MANEK)
Partner
Membership number:034925
UDIN: 24034925BKGEGI2340

Mumbai
Dated: 21st May, 2024

ANNEXURE - B
TO THE AUDITOR'S REPORT

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2024, we report that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a regular programme of physical verification of its property, plant and equipment by which property, plant and equipment are verified in a phased manner over three years. In accordance with this programme, certain property, plant and equipment were verified during the year and the material discrepancies which were noticed have been properly dealt with in the books of account. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(d) The company has not revalued its property, plant and equipment (including right of use assets) and intangible assets during the year.

(e) In our opinion and according to the information and explanations given to us, no proceedings has been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder and therefore provision of clause 3(i)(e) of the order are not applicable to the company.

(ii) (a) The inventories have been physically verified by the management at reasonable intervals during the year.

In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets

(b) The company has availed working capital limits in excess of five crore rupees during the financial year, in aggregate, from banks or financial institutions on the basis of security of current assets. The management has been regular in furnishing returns/statements of book debts and inventories which are primary securities for the purpose of the working capital loans. In our opinion, based on the representation made by the management in note no 52 to the standalone financial statements and based upon our verification of the quarterly returns/ statements of inventories and trade receivables with the books of accounts, we have observed that, the data submitted to the bank vary with the books of accounts by 1 to 3%, due to the complexities involved in the valuation procedure. However, the management has made revised submissions at the end of each quarter and thereon the data submitted to the banks are in agreement with books of accounts.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year and therefore provisions of clause 3 (iii)(a)(A)(B)(b)(c)(d)(e)(f) of the order are not applicable.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made, as applicable.

(v) The Company has not accepted any deposits from the public and consequently the directives issued by the Reserve Bank of India, the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, and the Rules framed there under are not applicable and also no orders were passed by Company Law Board, National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal and therefore clause 3(v) of the order is not applicable.

(vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and audit) Rules, 2014 for the maintenance of cost records under Section 148 (1) of the Act in respect of the Company's products and are of the opinion that prima facie, the prescribed accounts and records

ANNEXURE - B
TO THE AUDITOR'S REPORT (Contd.)

have been made and maintained. However, we have not made a detailed examination of the said records with a view to determine whether they are accurate or complete.

(vii) (a) According to the information and explanations given to us and on the basis of the books and records examined by us, the company is generally regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income tax, Sales tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues to the appropriate authorities applicable to it.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of Goods and Services Tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues were in arrears as at 31 March, 2024 for a period of more than six months from the date they became payable.

(c) According to the information and explanation given to us, there are no material dues of Goods and Services Tax, provident fund, employees' state insurance, income tax, Sales tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues which have not been deposited on account of any dispute except the following stated below.

(Amounts In Lakh)

Name of the Statute	Nature of Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending.
Provident Fund-Contractor	Provident Fund	17.75	May,2014 to November, 2015.	Central Government Industrial Tribunal No.1 Mumbai
Cess	Cess Act under Navi Mumbai Municipal Corporation	26.67	2003-2004 to 2012-2013	High Court

(viii) In our opinion and according to the information and explanations given to us, there are no transactions that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) and hence the provision of clause 3 (viii) of the order is not applicable.

(ix) (a) The Company has not defaulted in repayment of loan or other borrowings or in the payment of interest to any lender.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared willful defaulter by any bank or financial institution or any other lender

(c) According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not taken any term loan during the year and hence the provision of clause 3 (ix)(c) of the order is not applicable.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the company, we report that the company has not taken any funds to meet the obligations of its subsidiaries, associates or joint ventures and hence the provision of clause 3 (ix)(e) of the order is not applicable.

(f) According to the information and explanations given to us and procedures performed by us, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies and hence the provision of clause 3 (ix)(f) of the order is not applicable.

(x) (a) During the financial year, the company has not raised any money by way of initial public offer or further public offer (including debt instruments) and therefore, the provisions of clause 3(x)(a) of the Order is not applicable.

ANNEXURE - B
TO THE AUDITOR'S REPORT (Contd.)

(b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year under review, therefore, the provisions of clauses 3(x)(b) of the Order are not applicable to the company.

(xi) (a) According to information and explanations given to us, there were no fraud by the company or any fraud on the Company has been noticed or reported during the year and therefore, the provision of clause 3 (xi)(a) of the Order is not applicable.

(b) According to information and explanations given to us, no report under sub- section (12) of section 143 of the Companies Act is required to be filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government and hence the provision of clause 3 (xi)(b) of the order is not applicable.

(c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.

(xii) In our opinion, the company is not a chit fund or a nidhi Company and therefore, the provisions of clause 3(xii) (a),3(xii)(b) and 3(xii)(c) of the Order are not applicable to the company.

(xiii) According to information and explanation given to us, all the transactions with related parties are in compliance with the provisions of sections 177 and 188 of Companies Act, 2013 where applicable. The details of related party transactions have been disclosed in the Ind AS financial statements, as required under the applicable Accounting Standards.

(xiv) (a) In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date.

(xv) During the financial year, the Company has not entered into any non-cash transactions with directors or persons connected with him and therefore, the provisions of clause 3(xv) of the Order are not applicable to the company.

(xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

(b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

(xvii) In our opinion, the company has not incurred cash losses in the financial year and in the immediately preceding financial year

(xviii) There has been no resignation of the statutory auditors during the year and accordingly provisions of clause 3(xviii) of the Order is not applicable

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

ANNEXURE - B
TO THE AUDITOR'S REPORT (Contd.)

(b) In respect of ongoing projects, the company has transferred unspent amount to a special account, within a period of thirty days from the end of the financial year in compliance with section 135(6) of the said Act.

(xxi) In our opinion, there have been no qualifications or adverse remarks by the auditor in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statement.

For **MANEK & ASSOCIATES**
Chartered Accountants
Firm's registration number: 0126679W

Sd/-
(SHAILESH MANEK)
Partner
Membership number:034925
UDIN: 24034925BKGEGI2340

Mumbai
Dated: 21st May, 2024

BALANCE SHEET
AS AT 31ST MARCH, 2024

(Amount in ₹ Lakh)

PARTICULARS	Notes	As at 31st March, 2024	As at 31st March, 2023
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	4	6,001.28	5,932.18
(b) Capital work-in-progress	4	4,552.11	2,631.22
(c) Other Intangible assets	5	11.28	16.68
(d) Financial assets			
(i) Investments	6	372.51	372.50
(ii) Loans	7	2,824.76	2,945.14
(iii) Others	8	881.89	858.69
(e) Other non-current assets	9	291.36	136.02
Total non-current assets		**14,935.19**	**12,892.43**
(2) Current assets			
(a) Inventories	10	4,260.11	2,696.13
(b) Financial assets			
(i) Investments	11	5,359.39	3,946.17
(ii) Trade receivables	12	8,313.36	6,518.28
(iii) Cash and cash equivalents	13	38.68	782.27
(iv) Bank balances other than (iii) above	14	121.12	512.51
(v) Others	15	580.45	475.91
(c) Other current assets	16	1,696.29	987.53
Total current assets		**20,369.40**	**15,918.80**
TOTAL ASSETS		**35,304.59**	**28,811.23**
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	17	308.90	308.90
(b) Other equity			
(i) Reserves and surplus	18	25,971.64	22,243.13
TOTAL EQUITY		**26,280.54**	**22,552.03**
(2) Liabilities			
(I) Non-current liabilities			
(a) Financial liabilites			
(i) Borrowings	19	74.48	207.31
(b) Provisions	20	307.73	259.86
(c) Deferred tax liabilities	21	190.37	117.96
(d) Other non-current liabilities	22	15.22	9.09
Total non-current liabilities		**587.80**	**594.22**
(II) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	23	3,169.76	2,840.56
(ii) Trade payables	24	4,720.96	2,295.55
(iii) Other financial liabilities	25	397.46	367.24
(b) Provisions	20	78.24	67.38
(c) Current Tax Liabilities (Net)	26	69.83	94.16
(d) Other Current Liabilities	27	-	0.09
Total current liabilities		**8,436.25**	**5,664.98**
TOTAL LIABILITIES		**9,024.05**	**6,259.20**
TOTAL EQUITY AND LIABILITIES		**35,304.59**	**28,811.23**

(The accompanying notes 1 to 58 are an integral part of the financial statements)

For **Manek & Associates**
Chartered Accountants
Firm Registration Number: 126679W

Sd/-
Shailesh Manek
Partner
Membership Number: 034925

Place: Mumbai
Date: 21st May, 2024

For and on behalf of the Board of Directors

Sd/-
Rahul Nachane
Managing Director
DIN: 00223346

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

Sd/-
Pallavi Pednekar
Company Secretary
ACS : A33498

Place: Mumbai
Date: 21st May, 2024

STATEMENT OF PROFIT AND LOSS

(Amount in ₹ Lakh)

Particulars	Notes	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Income			
Income from Operations	**28**	32,897.29	27,505.25
Other income	**29**	1,590.14	761.23
Total income		**34,487.43**	**28,266.48**
Expenses			
Cost of materials consumed	**30**	16,658.42	11,657.67
Changes in inventories of finished goods and work in progress	**31**	(1,205.83)	2,328.83
Employee benefits expense	**32**	4,132.49	3,425.47
Other expenses	**33**	8,882.92	7,284.93
Finance Cost	**34**	133.81	119.72
Depreciation expense	**4**	814.79	789.88
Total expenses		**29,416.60**	**25,606.50**
Profit before tax from continuing operations		**5,070.83**	**2,659.98**
Current tax	**46**	(1,112.50)	(720.00)
Current tax expense relating to prior years		(28.83)	(1.05)
Deferred tax		(77.56)	72.95
Income tax expense		**(1,218.89)**	**(648.10)**
Profit for the year from continuing operations		**3,851.94**	**2,011.88**
Other comprehensive income (OCI)			
Other comprehensive income not to be reclassified to profit and loss in subsequent periods:			
Profit/(Loss) on acturial valuation of post employment benefits		(20.47)	(10.95)
Add/(Less): Income tax expense		5.15	2.76
Other comprehensive income for the year, net of tax		**(15.32)**	**(8.19)**
Total comprehensive income for the year		**3,836.62**	**2,003.69**
Earnings per equity share (for continuing operations)			
Basic (₹)		62.35	32.56
Diluted (₹)		62.35	32.56

(The accompanying notes 1 to 58 are an integral part of the financial statements)

For **Manek & Associates**
Chartered Accountants
Firm Registration Number: 126679W

Sd/-
Shailesh Manek
Partner
Membership Number: 034925

For and on behalf of the Board of Directors

Sd/-
Rahul Nachane
Managing Director
DIN: 00223346

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

Sd/-
Pallavi Pednekar
Company Secretary
ACS : A33498

Place: Mumbai
Date: 21st May, 2024

Place: Mumbai
Date: 21st May, 2024

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST MARCH, 2024

A. Equity share capital

(Amount in ₹ Lakh)

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Number of shares	Value	Number of shares	Value
Balance at beginning of year	61,78,024	308.90	61,78,024	308.90
Changes in Equity Share Capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-
Changes in equity share capital during the current year	-	-	-	-
Balance at the end of the current reporting period	**61,78,024**	**308.90**	**61,78,024**	**308.90**

B. Other equity

(1) Current reporting period

(Amount in ₹ Lakh)

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus										Money received against share warrants	Total
			Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of Other Comprehensive Income (specify nature)		
Balance at the beginning of the current reporting period	-	-	150.00	11.74	59.29	22,022.11	-	-	-	-	-	-	-	22,243.14
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the current year	-	-	-	-	-	3,836.62	-	-	-	-	-	-	-	3,836.62
Dividends	-	-	-	-	-	(108.12)	-	-	-	-	-	-	-	(108.12)
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Any other change (to be specified)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the current reporting period	-	-	150.00	11.74	59.29	25,750.62	-	-	-	-	-	-	-	25,971.64

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

(2) Previous reporting period

(Amount in ₹ Lakh)

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus										Money received against share warrants	Total
			Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of Other Comprehensive Income (specify nature)		
Balance at the beginning of the current reporting period	-	-	150.00	11.74	59.29	20,126.55	-	-	-	-	-	-	-	20,347.57
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the current year	-	-	-	-	-	2,003.68	-	-	-	-	-	-	-	2,003.68
Dividends	-	-	-	-	-	(108.12)	-	-	-	-	-	-	-	(108.12)
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Any other change (to be specified)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the current reporting period	-	-	150.00	11.74	59.29	22,022.11	-	-	-	-	-	-	-	22,243.13

(The accompanying notes 1 to 58 are an integral part of the financial statements)

For **Manek & Associates**
Chartered Accountants
Firm Registration Number: 126679W

Sd/-
Shailesh Manek
Partner
Membership Number: 034925

Place: Mumbai
Date: 21st May, 2024

For and on behalf of the Board of Directors

Sd/-
Rahul Nachane
Managing Director
DIN: 00223346

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

Sd/-
Pallavi Pednekar
Company Secretary
ACS : A33498

Place: Mumbai
Date: 21st May, 2024

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH, 2024

(Amount in ₹ Lakh)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
A. Cash flow from operating activities		
Profit before extraordinary items and tax	**5,070.84**	**2,659.98**
Adjustments for:		
Depreciation and amortisation expense	814.79	789.88
Finance costs	133.81	119.72
Dividend income	(46.39)	(62.54)
Interest income	(267.34)	(248.12)
Loss/(Gain) on MTM of investments	(732.02)	-
Other Comprehensive Income	(15.32)	(8.19)
Operating profit before working capital changes	**4,958.37**	**3,250.73**
Changes in working capital:		
Adjustments for (increase)/decrease in operating assets:		
Inventories	(1,563.98)	2,816.18
Trade receivables	(1,795.08)	(28.39)
Other current financial assets	(1,126.37)	(1,253.04)
Other current assets	(708.77)	269.18
	(5,194.20)	**1,803.93**
Adjustments for increase/(decrease) in operating liabilities:		
Trade payables	2,425.40	(1,167.95)
Other current financial liabilities	30.22	(76.54)
Other current provisions	10.85	8.67
Other current liabilities	(24.40)	90.74
Other non current liabilities	78.54	(83.17)
Other non-current provisions	47.88	10.32
	2,568.49	**(1,217.93)**
Cash generated from operations	**2,332.66**	**3,836.73**
Net income tax paid	(1,218.89)	(648.11)
Net cash flow from operating activities (A)	**1,113.77**	**3,188.62**
B. Cash flow from investing activities		
(Loss)/Gain on sale of investments	732.02	-
Dividend income	46.39	62.54
Fixed Deposit Matured	-	-
Interest Income	267.34	248.12
Finance Cost	(133.81)	(119.72)
Non current Investments	-	-
Non current Loans	120.37	158.98
Long term borrowings	(132.83)	(136.29)
Short term borrowings	329.20	497.79
Other non current financial assets	(23.21)	(181.79)
Other non-current assets	(155.34)	(20.27)
Purchases of property, plant and equipment	(2,801.23)	(2,911.10)
Loss of capital goods by fire	-	-
Disposal of property, plant and equipment	1.86	39.83
Net cash flow used in investing activities (B)	**(1,749.24)**	**(2,361.91)**

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

(Amount in ₹ Lakh)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
C. Cash flow from financing activities		
Issue of Share Capital	-	-
Dividend Paid	(108.12)	(108.12)
Share application money	-	-
Share Premium	-	-
Net cash flow from/(used in) financing activities (C)	**(108.12)**	**(108.12)**
Net increase/(decrease) in Cash and cash equivalents (A+B+C)	**(743.59)**	**718.59**
Add: Cash and cash equivalents at the beginning of the year	782.27	63.69
Cash and cash equivalents at the end of the year*	**38.68**	**782.28**

(Amount in ₹ Lakh)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Cash and cash equivalents at the end of the year*		
*Comprises of:		
(a) Cash on hand	21.78	27.79
(b) Balances with banks	-	-
(i) In current accounts	16.90	754.49
	38.68	**782.28**

*Includes Unpaid Dividend of ₹ 15,30,457 (Previous year: ₹ 12,66,183)

(The accompanying notes 1 to 58 are an integral part of the financial statements)

For **Manek & Associates**
Chartered Accountants
Firm Registration Number: 126679W

Sd/-
Shailesh Manek
Partner
Membership Number: 034925

For and on behalf of the Board of Directors

Sd/-
Rahul Nachane
Managing Director
DIN: 00223346

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

Sd/-
Pallavi Pednekar
Company Secretary
ACS : A33498

Place: Mumbai
Date: 21st May, 2024

Place: Mumbai
Date: 21st May, 2024

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

1. CORPORATE INFORMATION

NGL Fine-Chem Limited (The Company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956 (CIN: L24110MH1981PLC025884). Its shares are listed on the Bombay Stock Exchange and National Stock Exchange. The Company is a manufacturer of pharmaceuticals and intermediates for usage in veterinary and human health. The Company caters to various global companies to custom manufacture high quality pharmaceuticals.

2. Basis of preparation

Standalone financial statements for the year ended 31st March, 2024 are prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 together with comparative period data as at and for the year ended 31st March, 2023.

The financial statements have been prepared on accrual basis and under the historical cost convention except for certain financial instruments which are measured at fair value. Historical cost is generally based on the fair value of consideration given in exchange of goods and services. The accounting policies are consistently applied by the Company during the period and are consistent with those used in the previous year except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS 34) as prescribed by Section 133 of the Companies Act 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and guidelines issued by the Securities and Exchange Board of India (SEBI). These financial statements do not include all the information required for a complete set of financial statements under the applicable financial reporting framework. The financial statements are presented in Indian ₹ Lakh (functional currency of the Company) unless otherwise stated.

3. MATERIAL ACCOUNTING POLICIES

3.01 Use of estimates

The preparation of standalone financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent assets and contingent liabilities at the date of financial statements, and the income and expenses during the reporting period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgements and use of assumptions in these standalone financial statements have been disclosed appropriately. Accounting estimates could change from period to period. Actual results may differ from these estimates. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances surrounding the estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in future period which are affected.

3.02 Critical accounting estimates

(a) Revenue recognition

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

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

Revenue from sale of goods and services

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

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

Revenue from sale of goods and services is recognised when the following conditions are satisfied:

- The Company has transferred the significant risks and rewards of ownership of the goods to the buyer.
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over goods/services sold.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

- The amount of revenue can be measured reliably.
- It is probable that the economic benefits associated with the transaction will flow to the Company.
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

Other income

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

Interest is recognised only when no uncertainty as a measurability or collectability exists. Interest on fixed deposits is recognised on time proportion basis considering the amount outstanding and the rate applicable.

Export Duty Drawback and RodTEP incentives are accounted on accrual basis when the certainty to receive is established.

(b) Taxes

Current income tax

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

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

Deferred tax

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

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

When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the statement of profit and loss is recognised in other comprehensive income. Deferred tax items are recognised in correlation to the underlying transaction in OCI.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same tax authority.

(c) Property, plant & equipment

Property, plant & equipment represent a significant proportion of the asset base of the Company. The charge in respect of depreciation is derived after determining an estimate of the asset's expected useful life and estimated residual value at the end of its life. The useful lives and residual value of the Company's assets are estimated by the management at the time the asset is acquired and reviewed periodically. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

(d) Inventories

The Company estimates the net realisable value (NRV) of its inventories by taking into account estimated selling price, estimated cost of completion, estimated costs necessary to make the sale, obsolescence considering the past trend. Inventories are written down to NRV where such NRV is lower than their cost.

(e) Leases

Ind As 116 requires lessees to determine the lease term as non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assess whether its reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Group's operations taking into account the location of the asset and the availability of alternatives. The lease term in future period is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Company has concluded that no changes are required to lease periods relating to existing lease contracts.

(f) Provisions and contingent liabilities

The Company estimates the provisions that have present obligation as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates. The Company has significant judgements to assess contingent liabilities.

(g) Defined benefits and compensated absences.

The cost of the defined plans, compensated absences and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes on those assumptions. All assumptions are reviewed at each reporting date.

(h) Impairment of assets

Investments in subsidiaries, goodwill and intangible assets are tested for impairment at least annually and when events occur or changes in circumstances indicate that the recoverable amount of the asset or cash generating units to which they pertain is less than its carrying value. The recoverable value of cash generating units is higher of value-in-use and fair value less cost to dispose. The calculation of value in use of a cash generating unit involves use of significant estimates and assumptions which includes turnover and earnings, multiples, growth rates and net margins used to calculate projected cash flows, risk adjusted discount rate, future economic and market conditions.

3.03 Significant accounting policies

(a) Transactions and balances

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

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

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

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

Valuation of financial instruments

Useful life of property, plant and equipment

Useful life of intangible assets

Provisions

(b) Current versus non-current classification

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

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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

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

All other assets are classified as non-current.

A liability is current when

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

The Company classifies all other liabilities as non-current.

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

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

(c) Fair value measurement

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

In the principal market for the asset or liability, or

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

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

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

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

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

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

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 -Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

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

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

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

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

(d) Property, plant and equipment

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

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

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

Subsequent cost

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

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

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

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

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

(e) Intangible assets

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

All revenue expenses pertaining to research are charged to the profit and loss account in the year in which they are incurred. Expenditure of capital nature is capitalised as property, plant and equipment and depreciated as per the Company's policy.

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

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

Subsequent expenditure

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

Amortisation of intangible assets with finite useful lives:

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

(f) Inventories

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

(g) Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

(h) Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing cost directly attributable to the cost of acquisition or construction of the fixed assets is capitalised as part of the cost of the assets, upto the date the asset is put to use. Other borrowing costs are charged to the Statement of Profit and Loss in the year in which they are incurred Costs in connection with the borrowing of funds are charged to statement of profit and loss.

(i) Provisions and contingent liabilities

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

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

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

(j) Impairment of non-financial assets

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

(k) Financial instruments

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

Financial asset

Initial recognition and measurement

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

Investment in subsidiaries are carried at cost less impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

Subsequent measurement

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

at amortised cost through profit or loss

at amortised cost through other comprehensive income

at fair value through other comprehensive income

at fair value through profit or loss

Financial assets at amortised cost

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

The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

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

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

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

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

De-recognition

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

The rights to receive cash flows from the asset have expired, or

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

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

Impairment of financials assets

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

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

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

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

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

Financial liabilities

Initial recognition and measurement

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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

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

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

Subsequent measurement

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

Loans and borrowings

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

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

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

De-recognition

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

Offsetting of financial instruments

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

(l) Cash and cash equivalents

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

(m) Employee benefits

Defined contribution plans (Provident Fund)

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

Defined benefit plans (Gratuity)

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

Compensated absences

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilised accrued absence and utilise it in future periods or receive cash compensation at retirement or termination of employment for the unutilised accrued compensated absence. The

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

(n) Segment reporting

The Company has presented data relating to its segments based on its standalone financial statements which are presented in the same Integrated Annual Report. Accordingly, in terms of paragraph 4 of the Indian Accounting Standard (Ind AS 108) "Operating Segments" no disclosures related to segments are presented in these standalone financial statements.

(o) Leases

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

Company as a lessee

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

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

Ind AS 116 Leases:

In March 2019, the Ministry of Corporate Affairs, issued the Companies (Indian Accounting Standards) Amendment Rules 2018, notifying Ind AS 116 "Leases" which replaces Ind AS 17 "Leases". The new standard shall require lessees to recognise the Leases on their Balance Sheet with limited exemptions related to low value asset and assets with a lease term of less than 12 months.

Lessees will use a single accounting model for all leases. Accordingly, the lessee is required to recognise "Right of Use" asset representing its right to use the underlying asset and a "Lease Liability" representing its obligations to make lease payments.

(p) Government Grants

Government grants are initially recognised at fair value if there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant;

In case of capital grants, the amount of grant received is set off against the value of the property, plant and equipment against which the grant has been given.

In case of grants that compensate the Company for expenses incurred are recognised in Statement of Profit and Loss on a systematic basis in the periods in which the expenses are recognised.

Export benefits available under prevalent schemes are accrued in the year in which the goods are exported and there is no uncertainty in receiving the same.

(q) Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31st March, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

4. PROPERTY, PLANT AND EQUIPMENT

(1) Current reporting period

(Amount in ₹ Lakh)

Particulars	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	As on 1st April, 2023	Additions	Deductions	As at 31st March, 2024	As on 1st April, 2023	For the year	Additions/ (-)Deductions	As at 31st March, 2024	As at 31st March, 2024	As at 31st March, 2023
Leasehold land	457.15	221.69	-	678.84	24.95	5.61	-	30.55	648.29	432.21
Buildings	2,024.53	-	-	2,024.53	392.89	70.98	-	463.86	1,560.66	1,631.64
Plant and Equipment	7,063.15	599.23	(16.53)	7,645.85	3,391.16	688.74	(15.70)	4,064.19	3,581.66	3,671.99
Furniture and Fixtures	55.14	13.17	-	68.31	33.18	4.04	-	37.22	31.09	21.96
Vehicles	257.65	34.95	(41.99)	250.61	102.23	29.51	(40.96)	90.79	159.83	155.42
Office Equipments	69.38	7.25	(0.76)	75.87	50.43	6.46	(0.76)	56.13	19.74	18.96
Total	9,927.00	876.29	(59.28)	10,744.01	3,994.84	805.34	(57.42)	4,742.74	6,001.27	5,932.18
Capital work-in-progress	2,631.22	1,920.88	-	4,552.11	-	-	-	-	4,552.11	2,631.22

(2) Previous reporting period

(Amount in ₹ Lakh)

Particulars	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	As on 1st April, 2022	Additions	Deductions	As at 31st March, 2023	As on 1st April, 2022	For the year	Additions/ (-)Deductions	As at 31st March, 2023	As at 31st March, 2023	As at 31st March, 2022
Leasehold land	312.91	144.25	-	457.15	20.00	4.94	-	24.95	432.21	292.90
Buildings	1,991.05	33.48	-	2,024.53	322.19	70.70	-	392.89	1,631.64	1,668.86
Plant and Equipment	6,490.87	638.83	(66.55)	7,063.15	2,755.81	663.57	(28.23)	3,391.16	3,671.99	3,735.06
Furniture and Fixtures	50.11	5.03	-	55.14	29.27	3.90	-	33.18	21.96	20.84
Vehicles	206.47	80.40	(29.22)	257.65	105.82	24.18	(27.76)	102.23	155.42	100.65
Office Equipments	63.24	7.12	(0.98)	69.38	44.27	7.08	(0.93)	50.43	18.96	18.96
Total	9,114.65	909.11	(96.75)	9,927.00	3,277.36	774.37	(56.92)	3,994.84	5,932.18	5,837.27
Capital work-in-progress	630.97	2,010.16	(9.91)	2,631.22	-	-	-	-	2,631.22	630.97

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

Capital-work-in progress ageing schedule:

(1) Current reporting period

(Amount in ₹ Lakh)

CWIP	Amount in CWIP for a period of				Total
	< 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1,920.88	2,000.25	630.97	-	4,552.11
Projects temporarily suspended	-	-	-	-	-

(2) Previous reporting period

(Amount in ₹ Lakh)

CWIP	Amount in CWIP for a period of				Total
	< 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2,000.25	630.97	-	-	2,631.22
Projects temporarily suspended	-	-	-	-	-

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

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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

5. INTANGIBLE ASSETS

(1) Current reporting period

(Amount in ₹ Lakh)

Particulars	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	As on 1st April, 2023	Additions	Deductions	As at 31st March, 2024	As on 1st April, 2023	For the year	Additions/ (-)Deductions	As at 31st March, 2024	As at 31st March, 2024	As at 31st March, 2023
Computer Software	99.50	4.05	-	103.56	82.82	9.45	-	92.27	11.28	16.68
Total	**99.50**	**4.05**	**-**	**103.56**	**82.82**	**9.45**	**-**	**92.27**	**11.28**	**16.68**

(2) Previous reporting period

(Amount in ₹ Lakh)

Particulars	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	As on 1st April, 2022	Additions	Deductions	As at 31st March, 2023	As on 1st April, 2022	For the year	Additions/ (-)Deductions	As at 31st March, 2023	As at 31st March, 2023	As at 31st March, 2022
Computer Software	97.77	1.74	-	99.50	67.33	15.50	-	82.82	16.68	30.44
Goodwill	-	-	-	-	-	-	-	-	-	-
Total	**97.77**	**1.74**	**-**	**99.50**	**67.33**	**15.50**	**-**	**82.82**	**16.68**	**30.44**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

Intangible assets under development aging schedule:

(1) Current reporting period

(Amount in ₹ Lakh)

Intangible assets under development	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

(2) Previous reporting period

(Amount in ₹ Lakh)

Intangible assets under development	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

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

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

6. NON CURRENT FINANCIAL ASSETS - INVESTMENTS

(Amount in ₹ Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Investment in fully paid equity shares of Macrotech Polychem Pvt Ltd-wholly owned subsidiary (unquoted)	372.51	372.51
Total	**372.51**	**372.51**

7. NON CURRENT FINANCIAL ASSETS - LOANS

(Amount in ₹ Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Loan to Macrotech Polychem Pvt Ltd- wholly owned subsidiary	2,824.76	2,945.14
Total	**2,824.76**	**2,945.14**

8. OTHER NON CURRENT FINANCIAL ASSETS

(Amount in ₹ Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Others		
Fixed deposit with bank	461.89	438.69
Earnest money deposit	420.00	420.00
Total	**881.89**	**858.69**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

9. OTHER NON CURRENT ASSETS

(Amount in ₹ Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Capital advances	291.36	136.02
Total	**291.36**	**136.02**

10. INVENTORIES

(At cost or realisable value whichever is lower)

(Amount in ₹ Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Raw materials	1,433.51	1,078.59
Work-in-progress	1,771.64	1,114.47
Finished goods	1,020.99	472.32
Fuel & Oil	8.98	7.77
Consumables	17.76	15.08
Packing Materials	7.24	7.90
Total	**4,260.12**	**2,696.13**

11. CURRENT INVESTMENTS

(Amount in ₹ Lakh)

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	No. of units	Amount	No. of units	Amount
Investments in Equity Instruments				
Quoted				
Tata Consultancy Services Ltd.	1,168	45.36	1,168	37.45
Investment in mutual funds				
Quoted				
ABSL Income Fund	2,10,232	256.86	2,10,232	238.18
ABSL Short Term Fund	19,57,166	904.24	19,57,166	837.03
ABSL Crisil AAAJun2023 Index Fund	-	-	14,83,151	156.20
ABSL Arbitrage Fund	-	-	13,84,467	332.83
ABSL Floating Rate Fund	2,31,628	233.20	2,16,724	217.61
AXIS Bluechip Fund	-	-	50,703	7.65
DSP Healthcare Fund Regular Plan Growth	7,55,915	247.67	-	-
Franklin India Banking & PSU Debt Fund	-	-	-	-
HDFC Balanced Advantage Fund - IDCW Plan	92,562	34.75	2,72,157	79.64
HDFC Flexi Cap Fund Growth	1,656	26.60	-	-
HDFC Index Fund - NIFTY	-	-	14,759	23.80
HDFC Large & Midcap Fund	41,393	119.09	-	-
HDFC Multicap Fund Growth	26,61,204	427.31	12,80,315	137.85
HDFC MID-CAP Opportunities Fund	-	-	21,789	21.73
HDFC Mid-Cap Opp Fund - IDCW Plan	76,213	36.46	2,22,744	74.79
HSBC Balanced Advantage Fund	-	-	2,22,703	69.97
HSBC Multicap Fund Growth	67,387	10.61	-	-

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

(Amount in ₹ Lakh)

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	No. of units	Amount	No. of units	Amount
ICICI Prudential Multi-Asset Fund - Growth	5,192	32.98	-	-
ICICI Prudential Smallcap Fund	2,64,562	197.05	2,64,562	139.24
ICICI Prudential Technology Fund	1,56,934	269.78	1,17,384	154.97
ICICI Prudential Value Discovery Fund	96,463	380.64	-	-
IDFC Bond Fund G Sec	9,37,943	109.25	9,37,943	101.91
Kotak Bluechip Fund	-	-	30,156	112.01
Kotak Equity Arbitrage Fund	3,20,011	109.78	-	-
Kotak Equity Arbitrage Fund Dividend	9,28,924	99.61	9,28,924	99.74
Kotak Equity Opportunities Fund	75,315	37.64	-	-
Kotak Equity Opportunities Fund - Growth	13,441	38.50	3,20,011	101.81
Kotak Equity Opportunities Fund - Payout	-	-	2,31,861	82.24
Kotak NASDAQ 100	8,36,592	127.73	8,36,592	90.52
Mirae Asset Midcap Fund regular Plan	4,78,812	143.41	7,61,443	155.27
Mirae Asset Midcap Fund regular Direct Plan	2,82,631	90.28	-	-
Motilal Oswal S&P 500	6,60,037	129.69	6,60,037	98.62
Navi Nifty Bank Index Fund regular Growth	20,98,859	252.78	15,64,102	162.79
Nippon India Balanced Advantage Fund	-	-	55,881	69.96
Nippon India Growth Fund	776	25.33	-	-
Nippon India Growth Fund Growth	10,243	334.18	-	-
SBI Arbitrage Opportunities Fund Dividend	6,71,567	109.44	6,71,567	101.58
SBI Arbitrage Opportunities Fund Growth	3,53,993	109.70	3,53,993	101.82
SBI Contra Fund Growth	7,896	26.45	-	-
SBI Focused Equity Fund	1,01,697	297.56	63,822	138.96
TATA Banking & Financial Services Fund	2,83,161	95.46	-	-
Total		**5,359.39**		**3,946.17**

Details of quoted investments

(Amount in ₹ Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Book Value	4,411.06	3,729.86
Market Value	5,359.39	3,946.17

12. TRADE RECEIVABLES

(Amount in ₹ Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Unsecured considered good	8,327.42	6,535.32
Unsecured considered doubtful	-	-
	8,327.42	6,535.32
Less: Allowance for doubtful debts	(14.06)	(17.04)
Total Receivables	**8,313.36**	**6,518.28**
Current	8,313.36	6,518.28
Non-current	-	-

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

Outstanding for following periods from due date of payment

Particulars	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
Year ended 31st March, 2024						
i) Undisputed Trade receivables – considered good	8,266.41	61.01	-	-	-	8,327.42
ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-
iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
	8,266.41	61.01	-	-	-	8,327.42
Less: Allowance for doubtful debts						(14.06)
Net Trade Receivables						8,313.36
Year ended 31st March, 2023						
i) Undisputed Trade receivables – considered good	6,520.05	15.28	-	-	-	6,535.33
ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-
iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
	6,520.05	15.28	-	-	-	6,535.33
Less: Allowance for doubtful debts						(17.04)
Net Trade Receivables						**6,518.29**

13. CASH AND CASH EQUIVALENTS

(Amount in ₹ Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Cash and cash equivalents		
- Cash on hand	21.79	27.79
- Balances with banks	16.90	754.48
Total	**38.69**	**782.27**

14. BANK BALANCES OTHER THAN ABOVE

(Amount in ₹ Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Fixed deposits with bank	121.12	512.51
Total	**121.12**	**512.51**

15. OTHER CURRENT FINANCIAL ASSETS

(Amount in ₹ Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Unsecured, considered good		
Advance to vendors	99.91	50.95
Security deposits	308.37	314.99
Interest accrued on FDR	56.50	22.88
Advances to employees	18.47	31.04
Advance Income Tax (net)	-	25.00
Others	97.20	31.05
Total	**580.45**	**475.91**

16. OTHER CURRENT ASSETS

(Amount in ₹ Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Prepaid expenses	168.57	163.56
Balance with government authorities	1,527.73	823.96
Total	**1,696.30**	**987.52**

17. SHARE CAPITAL

(Amount in ₹ Lakh)

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Number	Amount	Number	Amount
Authorised share capital				
At the beginning of the year	1,00,00,000	500.00	1,00,00,000	500.00
Increase/(decrease) during the year	-	-	-	-
At the end of the year	1,00,00,000	500.00	1,00,00,000	500.00

(Amount in ₹ Lakh)

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Number	Amount	Number	Amount
Issued share capital				
At the beginning of the year	61,78,024	308.90	61,78,024	308.90
Increase/(decrease) during the year	-	-	-	-
At the end of the year	61,78,024	308.90	61,78,024	308.90

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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

b) Details of Share holder holding more than 5% shares in the Company:

(Amount in ₹ Lakh)

Name of the shareholder	As at 31st March, 2024			As at 31st March, 2023		
	Number	% Holding	% Change during the year	Number	% Holding	% Change during the year
Rahul J Nachane	10,83,450	17.54%	-	10,83,450	17.54%	-
Rajesh N Lawande	13,52,366	21.89%	-	13,52,366	21.89%	-
Sunita Sandip Potdar	8,26,510	13.38%	(5.63%)	8,75,848	14.18%	(0.28%)
Ajita Rahul Nachane	7,13,449	11.55%	-	7,13,449	11.55%	-
PCI Fermone Chemicals (I) Pvt. Ltd.	5,17,871	8.38%	-	5,17,871	8.38%	-

c) Details of Shareholding of Promoter :

(Amount in ₹ Lakh)

Name of the shareholder	As at 31st March, 2024			As at 31st March, 2023		
	Number	% Holding	% Change during the year	Number	% Holding	% Change during the year
Rahul J Nachane	10,83,450	17.54%	-	10,83,450	17.54%	-
Rajesh N Lawande	13,52,366	21.89%	-	13,52,366	21.89%	-

d) Reconciliation of the number of equity shares and share capital:

(Amount in ₹ Lakh)

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Number	Amount	Number	Amount
Outstanding at the beginning of the year	61,78,024	308.90	61,78,024	308.90
Issued during the year	-	-	-	-
Outstanding at the end of the year	**61,78,024**	**308.90**	**61,78,024**	**308.90**

18. RESERVES AND SURPLUS

(Amount in ₹ Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Capital reserve		
Balance at the beginning of the year	150.00	150.00
Add: Additions during the year	-	-
Balance at the end of the year	**150.00**	**150.00**
Securities premium		
Balance at the beginning of the year	11.74	11.74
Add: Additions during the year	-	-
Balance at the end of the year	**11.74**	**11.74**
General reserve		
Balance at the beginning of the year	59.29	59.29
Add: Additions during the year	-	-
Balance at the end of the year	**59.29**	**59.29**
Retained earnings		
Opening Balance	22,022.11	20,126.55
Add: Profit for the year	3,836.62	2,003.68

(Amount in ₹ Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Less: Appropriations		
Dividend on Equity Shares (₹1.75/- Per Share)	(108.12)	(108.12)
Closing Balance	**25,750.61**	**22,022.11**
Total	**25,971.64**	**22,243.14**

19. NON CURRENT BORROWINGS

(Amount in ₹ Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Secured		
Term loans from banks:		
Term Loans from HDFC Bank	-	131.34
Vehicle Loan from HDFC Bank	74.48	75.97
Total	**74.48**	**207.31**

Terms and conditions of loans

Interest on term loan from HDFC Bank is @ 9.1% p.a. (Previous Year: @ 9.05% p.a.) and repayment to be made in 60 monthly instalments, secured by exclusive mortgage & charge on all of the Company's assets including moveable & immovable property, hypothecation of inventories and book debts and personally guaranteed by Mr Rahul Nachane, Managing Director and Mr Rajesh Lawande, Executive Director.

20. PROVISIONS

(Amount in ₹ Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Non-current		
Leave Encashment	185.57	158.59
Gratuity	122.16	101.27
	307.73	**259.86**
Current		
Leave Encashment	23.75	21.43
Gratuity	39.18	33.30
Others	15.30	12.65
	78.23	**67.38**
Total	**385.96**	**327.24**

21. DEFERRED TAX LIABILITIES (NET)

(Amount in ₹ Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Opening balance as at 1st April	117.96	193.66
Tax (Income)/Expense during the period recognised in:		
(i) Statement of Profit and Loss in Profit or Loss section	77.56	(72.95)
(ii) Statement of Profit and Loss under OCI Section	(5.15)	(2.76)
(iii) Retained earnings		
Closing balance	**190.37**	**117.96**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

22. OTHER NON CURRENT LIABILITIES

(Amount in ₹ Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Lease equalisation reserve	15.22	9.09
Total	**15.22**	**9.09**

23. CURRENT BORROWINGS

(Amount in ₹ Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Secured		
From banks for working capital	3,169.76	2,840.56
Total	**3,169.76**	**2,840.56**

(a) Working capital loans are personally guaranteed by Mr Rahul Nachane, Managing Director and Mr Rajesh Lawande, Executive Director

(b) Working capital loans comprise of loans repayable on demand in the form of cash credit, pre shipment finance and post shipment finance. These are secured by hypothecation of inventories, trade receivables and book debts. Interest payable on these loans is MCLR + 0.75% p.a. (Previous Year: MCLR + 0.75% p.a.)

24. TRADE PAYABLES

(Amount in ₹ Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Current		
Trade payables	4,720.96	2,295.55
Total	**4,720.96**	**2,295.55**

Outstanding for following periods from due date of payment

(Amount in ₹ Lakh)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
	₹	₹	₹	₹	₹
Year ended 31st March, 2024					
Trade payables					
i) MSME	1,094.85	-	-	-	1,094.85
ii) Others	3,626.10	-	-	-	3,626.10
iii) Disputed dues - MSME	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	-
	4,720.95	**-**	**-**	**-**	**4,720.95**
Year ended 31st March, 2023					
Trade payables					
i) MSME	519.15	-	-	-	519.15
ii) Others	1,776.41	-	-	-	1,776.41
iii) Disputed dues - MSME	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	-
	2,295.56	**-**	**-**	**-**	**2,295.56**

Notes

(Amount in ₹ Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Of the above,		
payables to Micro and Small Enterprises	1,094.85	519.15

This information as required to be disclosed under the Micro, Small & Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company. This information has been relied upon by the auditors.

(Amount in ₹ Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Principal amount due and remaining unpaid	-	-
Interest due on the above and unpaid interest	-	-
Interest paid	-	-
Payment made beyond the appointed date during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding year	-	-

25. OTHER FINANCIAL LIABILITIES

(Amount in ₹ Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Current		
Current Maturities of Long Term Debt (Refer note 18)	156.15	202.06
Unrealised Gains/Loss on Forex Derivative	8.31	-
Payables for Capital Purchases	233.01	165.18
Total	**397.47**	**367.24**

Note: Current Maturities of Long Term debt comprise of secured borrowing listed in Note 18

26. CURRENT TAX LIABILITIES

(Amount in ₹ Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Provision for taxation (net of taxes paid)	69.83	94.15
Total	**69.83**	**94.15**

27. OTHER CURRENT LIABILITIES

(Amount in ₹ Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Interest payable	-	0.08
Total	**-**	**0.08**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

28. INCOME FROM OPERATIONS

(Amount in ₹ Lakh)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Sale of products	32,421.25	26,961.35
Income from Services	1.96	101.57
Other operating Income	474.09	442.33
Total Income from operations	**32,897.30**	**27,505.25**

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

29. OTHER INCOME

(Amount in ₹ Lakh)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Interest income	267.34	248.12
Dividend income	-	-
- from current investments	46.39	62.54
Other non-operating income (net of expenses directly attributable to such income)	194.55	174.25
Net gain on sale or fair valuation of investments	732.02	-
Gain on exchange fluctuations	349.83	276.32
Total	**1,590.13**	**761.23**

30. COST OF MATERIALS CONSUMED

(Amount in ₹ Lakh)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Raw materials at the beginning of the year	1,078.59	1,557.33
Add: Purchases	17,013.34	11,178.93
Less: Raw material at the end of the year	(1,433.51)	(1,078.59)
Total cost of raw materials consumed	**16,658.42**	**11,657.67**

31. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

(Amount in ₹ Lakh)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Inventories at the end of the year:		
Finished goods	1,020.99	472.32
Work-in-progress	1,771.64	1,114.47
	2,792.63	**1,586.79**
Inventories at the beginning of the year:		
Finished goods	(472.32)	(1,263.08)
Work-in-progress	(1,114.47)	(2,652.55)
	(1,586.79)	**(3,915.63)**
Total changes in inventories of finished goods and work-in-progress	**(1,205.84)**	**2,328.84**

32. EMPLOYEE BENEFITS EXPENSE

(Amount in ₹ Lakh)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Salaries and wages	3,912.62	3,237.60
Contribution to provident fund and other funds	128.74	119.78
Staff welfare expense	91.13	68.09
Total	**4,132.49**	**3,425.47**

Disclosure pursuant to Ind AS 19 - "Employee Benefits"

(i) Defined contribution plans: Note 2.17

(Amount in ₹ Lakh)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Contribution to provident fund	82.44	76.71

(ii) Defined benefit plans: Note 2.17

Gratuity Plan

(a) Funded status of the plan

(Amount in ₹ Lakh)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
A) Present value of defined benefit obligation		
- Wholly funded	334.73	283.02
- Wholly unfunded	-	-
	334.73	**283.02**
Less: Fair value of plan assets	(173.39)	(148.45)
Amount to be recognised as liability or (asset)	161.34	134.57
B) Amounts reflected in Balance Sheet		
Liabilities	161.34	134.57
Assets	-	-
Net liability/(asset)	161.34	134.57
Net liability/(asset) - current	39.18	33.30
Net liability/(asset) - non current	122.16	101.27

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

(Amount in ₹ Lakh)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
1. Current service cost	33.30	31.46
2. Past service cost and loss/(gain) on curtailments and settlements	-	-
3. Interest cost	8.79	6.92
Total charge to Profit & Loss	**42.09**	**38.38**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

(c) The amount recognised in Other Comprehensive Income

(Amount in ₹ Lakh)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Components of actuarial gain/(losses) on obligations		
Due to change in financial assumptions	7.51	(13.05)
Due to change in demographic assumptions	-	-
Due to experience adjustments	10.36	20.42
Return on plan assets excluding amount included in interest income	2.61	3.59
Amount recognised in Other Comprehensive Income	20.48	10.96

(d) Reconciliation of defined benefit obligation

(Amount in ₹ Lakh)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Opening defined benefit obligation	283.02	263.97
Transfer in/(out) obligation	-	-
Current service cost	33.30	31.46
Interest cost	20.10	17.33
Actuarial loss/(gain) due to change in financial assumptions	7.51	(13.05)
Actuarial loss/(gain) due to change in demographic assumptions	-	-
Actuarial loss/(gain) due to experience adjustments	10.36	20.42
Past service cost	-	-
Loss/(gain) on curtaiments	-	-
Liabilities extinguished on settlements	-	-
Liabilities assumed in an amalgamation in the nature of purchase	-	-
Exchange differences on foreign plans	-	-
Benefits paid	(19.56)	(37.11)
Closing defined benefit obligation	334.73	283.02

(e) Reconciliation of plan assets

(Amount in ₹ Lakh)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Opening value of plan assets	148.45	148.62
Transfer in/(out) of plan assets	-	-
Interest income	11.32	10.41
Return on plan assets excluding amount included in interest income	(2.61)	(3.59)
Assets distributed on settlements	-	-
Contributions by employer	35.79	30.12
Assets acquired in an amalgamation in the nature of purchase	-	-
Exchange differences on foreign plans	-	-
Benefits paid	(19.56)	(37.11)
Adjustment to the opening fund	-	-
Closing balance of plan assets	173.39	148.45

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

(f) Reconciliation of net defined benefit liability

(Amount in ₹ Lakh)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Net opening provision in books of account	134.57	115.35
Transfer in/(out) obligation	-	-
Transfer in/(out) plan assets	-	-
Employee benefit expense (from (b) above)	42.08	38.39
Amounts recognised in other comprehensive income (from (c) above)	20.47	10.95
	197.12	**164.69**
Contribution to plan assets	(35.79)	(30.12)
Closing provision in books of accounts	161.33	134.57

(g) Composition of plan assets

(Amount in ₹ Lakh)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Policy of insurance	100%	100%

(h) Principal actuarial assumptions

(Amount in ₹ Lakh)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Discount rate (p.a.)	7.20%	7.45%
Salary growth rate (p.a.)	6.00%	6.00%
Withdrawal rates	10% at younger ages reducing to 2% at older ages	10% at younger ages reducing to 2% at older ages

(i) Expected cash flows based on past service liability

(Amount in ₹ Lakh)

Particulars	For the year ended 31st March, 2024		For the year ended 31st March, 2023	
	Rupees	%	Rupees	%
Year 1 Cash Flow	22.16	3.00%	26.42	4.20%
Year 2 Cash Flow	19.64	2.70%	18.85	3.00%
Year 3 Cash Flow	21.16	2.90%	23.41	3.70%
Year 4 Cash Flow	24.66	3.40%	17.86	2.80%
Year 5 Cash Flow	19.32	2.70%	19.93	3.20%
Year 6 to Year 10 Cash Flow	171.35	23.60%	139.91	22.20%

(j) Sensitivity analysis of key assumptions

(Amount in ₹ Lakh)

Particulars	For the year ended 31st March, 2024		For the year ended 31st March, 2023	
	DBO	Change in DBO %	DBO	Change in DBO %
Discount rate varied by 0.5%				
+ 0.5%	319.97	(4.41%)	270.87	(4.29%)
- 0.5%	350.57	4.73%	296.07	4.61%
Salary growth rate varied by 0.5%				
+ 0.5%	347.52	3.82%	293.71	3.78%

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

(Amount in ₹ Lakh)

Particulars	For the year ended 31st March, 2024		For the year ended 31st March, 2023	
	DBO	Change in DBO %	DBO	Change in DBO %
- 0.5%	321.52	(3.94%)	272.56	(3.69%)
Withdrawal rate (WR) varied by 10%				
WR x 110%	336.44	0.51%	284.72	0.60%
WR x 90%	332.90	(0.55%)	280.86	(0.76%)

(iii) Employee benefits (leave encashment)

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

(Amount in ₹ Lakh)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Salaries - leave encashment	66.57	31.66

33. OTHER EXPENSES

(Amount in ₹ Lakh)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Power and Fuel	1,810.08	1,525.77
Consumable Stores	249.66	171.34
Packing Materials	246.77	226.68
Processing Charges	2,095.99	1,495.17
Factory Expenses	658.76	476.42
Water Charges	49.57	19.02
Repairs to		
Plant & Machinery	747.01	643.01
Factory Buildings	162.15	134.15
Other Assets	3.04	4.95
Insurance	194.80	196.80
Laboratory Expenses	267.56	271.40
Payment to Auditors (See note below)	21.00	16.52
Postage & Telephone Expenses	38.36	35.49
Legal and Professional Fees	333.20	272.71
Bank Charges and Commission	46.65	63.04
Rent, Rates and Taxes	203.30	156.90
Printing & Stationery	43.15	38.51
Vehicle Expenses	42.16	27.32
Advertisement & Business Promotion	105.36	68.61
Commission on Sales	288.01	180.14
Travelling Expenses	181.97	131.25
Freight, Coolie & Cartage	560.08	521.01
Miscellaneous Expenses	534.29	608.72
Total	**8,882.92**	**7,284.93**

(a) Details about payment to auditors

(Amount in ₹ Lakh)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
(i) Payment to statutory auditors (net of GST input)		
As auditors - statutory audit & tax audit	10.75	9.50
As auditors - other services	4.50	3.00
sub total (i)	**15.25**	**12.50**
(ii) Payment to internal auditors and cost auditors (net of GST input)		
Internal Audit Fees	4.00	4.02
Cost Audit Fees	1.75	-
sub total (ii)	**5.75**	**4.02**
Total (I + ii)	**21.00**	**16.52**

34. FINANCE COSTS

(Amount in ₹ Lakh)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Interest expense on:		
-Long term borrowings	31.56	33.98
-Short term borrowings	102.25	85.74
Total	**133.81**	**119.72**

35. CONTINGENT LIABILITY

(Amount in ₹ Lakh)

Particulars	As at 31st March, 2024	As at 31st March 2023
(I) Provident Fund claim disputed		
Demand raised on the Company by the provident fund department for amount payable by contractor	17.76	17.76

36. COMMITMENTS

(Amount in ₹ Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
(i) Estimated amount of contracts remaining to be executed on capital account and not provided		
Tangible assets	1,770.34	1,263.96
(ii) Other commitments (specify nature)		
Guarantees issued by banks on behalf of the Company	20.30	9.40
Letters of credit established for which goods are yet to be received	131.14	99.18

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

37. RELATED PARTIES DISCLOSURES

Disclosures as required by IND AS 24 - "Related Party Disclosures" are given below

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

(i) Associates Companies/Firms in which Directors or their relatives are interested

Nupur Remedies Private Limited

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

Name	Designation	Relatives
Rahul Nachane	Managing Director	Ajita Nachane
Rajesh Lawande	Executive Director	Ajita Nachane
Ajita Nachane	Non Independent Director	Rahul Nachane & Rajesh Lawande
Milind Shinde (ceased to be director on 31st March, 2024)	Independent Director	--
Jayaram Sitaram	Independent Director	--
Sarala Menon	Women Independent Director	--
Dhananjay Mungale (appointed on 18th March, 2024)	Independent Director	
Ahaan Nachane	Vice President	Ajita Nachane & Rahul Nachane
Pallavi Pednekar	Company Secretary	

(iii) Subsidiaries of the Company

Name	% of Holding
Macrotech Polychem Private Limited	100%

(b) Nature of transaction

(Amount in ₹ Lakh)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
(i) Expenses		
Rent		
Nupur Remedies Private Limited	56.03	53.37
Rahul Nachane	36.66	34.92
Rajesh Lawande	36.66	34.92
Managerial Remuneration		
Rahul Nachane	85.66	85.66
Rajesh Lawande	84.22	84.22
Ahaan Nachane	13.44	36.38
Pallavi Pednekar	9.11	7.58
Commission on profits		
Rahul Nachane	104.00	74.22
Rajesh Lawande	104.00	74.22
Legal & Professional Fee		
Nupur Remedies Private Limited	69.30	66.00
Director's Sitting Fee		
Dhananjay Mungale	1.00	-
Ajita Nachane	6.35	4.70
Milind Shinde	7.60	5.25
Jayaram Sitaram	7.30	4.40
Sarala Menon	4.40	3.50

(Amount in ₹ Lakh)

Particulars		For the year ended 31st March, 2024	For the year ended 31st March, 2023
	Training Expenses		
	Ahaan Nachane	86.56	-
	Processing Charges		
	Macrotech Polychem Private Limited	1,532.54	1,147.21
	Purchase of Raw Material		
	Macrotech Polychem Private Limited	34.89	92.13
(ii)	**Income**		
	Interest on Loan given		
	Macrotech Polychem Private Limited	208.48	225.38
	Sales		
	Macrotech Polychem Private Limited	229.11	268.05
(iii)	**Deposits as on 31st March, 2024**		
	Nupur Remedies Private Limited	3.50	3.50
	Rahul Nachane - Office Deposit	20.00	20.00
	Rajesh Lawande - Office Deposit	20.00	20.00
(iv)	**Outstanding balances as on 31st March, 2024**		
	Nupur Remedies Private Limited (Trade Payable)	24.06	10.92
	Macrotech Polychem Private Limited- Advance to Suppliers	133.20	-
	Macrotech Polychem Private Limited- Loan given	2,824.76	2,945.14
	Macrotech Polychem Private Limited- Debtors	107.18	51.23

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

38. FAIR VALUES

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

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

Carrying amount of financial assets and liabilities:

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

(Amount in ₹ Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Financial assets		
Investments	5,359.39	3,946.17
Cash and cash equivalents	38.68	782.27
Bank balances other than above	121.12	512.51
Trade receivables	8,313.36	6,518.28
Other financial assets	580.45	475.91
At end of the year	**14,413.00**	**12,236.14**
Financial liabilities		
Borrowings	3,169.76	2,840.56
Trade payables	4,720.96	2,295.55
Other current financial liabilities	397.46	367.24
At end of the year	**8,288.18**	**5,503.35**

40. CREDIT RISK

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

Investments

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

Trade receivables

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

Ageing of trade receivable

(Amount in ₹ Lakh)

Particulars	Days			Allowance for Doubtful Debts	Net Receivable
	0-180	180-365	Above 365		
As on 31st March, 2024	8,266.41	61.01	-	(14.06)	8,313.36
As on 31st March, 2023	6,520.05	15.28	-	(17.04)	6,518.28

41. MARKET RISK

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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

42. FOREIGN CURRENCY RISK

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

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Currency	₹ Lakh	Currency	₹ Lakh
Payables				
Advances from customers	US$ 3,41,377	280.03	US$ 2,100	1.73
Trade Payables	US$ 8,34,470	706.46	US$ 4,09,804	342.02
Trade Payables	JPY 99,36,000	56.33	-	-
Trade Payables	EUR 9,180	8.43	EUR 9,180	8.37
Receivables				
Trade Receivables	US$ 67,55,185	5,541.28	US$ 63,28,357	5,171.22
Trade Receivables	EUR 524	0.46	-	-
Advances to Suppliers	US$ 440	0.37	-	-

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

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Currency	₹ Lakh	Currency	₹ Lakh
Net foreign currency assets US$	US$ 55,79,778	4,555.16	US$ 59,16,453	4,827.48
Impact on profit or loss: Income/(Expense)				
US$ - Increase by 5%		227.76		241.37
US$ - Decrease by 5%		(227.76)		(241.37)
Net foreign currency liabilities JPY	JPY 99,36,000	56.33	-	-
Impact on profit or loss: Income/(Expense)				
JPY - Increase by 5%		(2.82)		-
JPY - Decrease by 5%		2.82		-
Net foreign currency liabilities EUR	EUR 9,180	7.97	EUR 9,180	8.37
Impact on profit or loss: Income/(Expense)				
EUR - Increase by 5%		(0.40)		(0.42)
EUR - Decrease by 5%		0.40		0.42
Net Impact - increase by 5%		224.54		240.96
Net Impact - decrease by 5%		(224.54)		(240.96)

43. INTEREST RATE RISK

Company's interest rate risk arises from borrowings. The long term borrowings are at fixed interest rate while the short term borrowing are at floating interest rate. The interest rate profile of the Company's interest-bearing financial instruments is as follows:

(Amount in ₹ Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Fixed rate instruments		
Financial Assets	583.01	951.19
Financial liabilities	230.62	409.37

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

(Amount in ₹ Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Variable rate instruments		
Financial Assets	5,359.39	3,946.17
Financial liabilities	3,169.76	2,840.56

Interest rate sensitivity

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

(Amount in ₹ Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Long term variable interest rate borrowings	-	-
Short term variable interest rate borrowings	3,169.76	2,840.56
	3,169.76	**2,840.56**

Cash flow sensitivity analysis for variable-rate instruments:

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

(Amount in ₹ Lakh)

Year ended	Increase/ (decrease) in basis points	Effect on profit before tax increase/ (decrease)
31st March, 2024	100	(31.70)
	(100)	31.70
31st March, 2023	100	(28.41)
	(100)	28.41

44. LIQUIDITY RISK

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

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

(Amount in ₹ Lakh)

Particulars	On demand	Upto 1 year	1 to 5 years	More than 5 years	Total
Year ended 31st March, 2024					
Trade payables	-	4,720.96	-	-	4,720.96
Other financial liabilities	-	397.46	-	-	397.46
	-	**5,118.42**	**-**	**-**	**5,118.42**
Year ended 31st March, 2023					
Trade payables	-	2,295.55	-	-	2,295.55
Other financial liabilities	-	367.24	-	-	367.24
	-	**2,662.79**	**-**	**-**	**2,662.79**

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

45. CAPITAL MANAGEMENT

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

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

(Amount in ₹ Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Loans and borrowings	3,244.24	3,047.87
Trade payables	4,720.96	2,295.55
Other payables	545.53	528.86
Less: Cash and cash equivalents	(159.80)	(1,294.78)
Net debt (A)	**8,350.93**	**4,577.50**
Equity	26,280.54	22,552.04
Capital (B)	**26,280.54**	**22,552.04**
Capital gearing ratio (A/B)	**0.32**	**0.20**

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

46. INCOME TAX

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

Income statement

(Amount in ₹ Lakh)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Current income tax:		
Current income tax charge	(1,112.50)	(720.00)
Adjustments in respect of current income tax of previous year	(28.83)	(1.05)
Deferred tax:		
Relating to origination and reversal of temporary differences	(82.71)	72.95
Relating to origination and reversal of temporary differences through OCI	5.15	2.76
Income tax expense reported in the income statement	**(1,218.89)**	**(645.34)**

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

(Amount in ₹ Lakh)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Profit before tax	5,070.84	2,659.98
Income tax expense calculated at 25.17%	(1,276.33)	(669.52)
Effect of income that is exempt from taxation	-	-
Effect of expenses that are deductible in determining taxable profits	57.44	24.17
Total tax expense	**(1,218.89)**	**(645.34)**

The tax rate used for the reconciliations above is the corporate tax rate of 25.17% payable by corporate entities in India on taxable profits under tax law in the Indian jurisdiction.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

47. ADDITIONAL INFORMATION

(a) Earnings per share (EPS)

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

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

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

(Amount in ₹ Lakh)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Profit for the year from continuing operations	3,851.94	2,011.88
Weighted average number of equity shares for basic EPS*	61,78,024	61,78,024
Weighted average number of equity shares adjusted for the effect of dilution*	61,78,024	61,78,024
Face value per share	5	5
Basic earning per share	62.35	32.56
Diluted earning per share	62.35	32.56

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

(Amount in ₹ Lakh)

	Particulars	For the year ended 31st March, 2024		For the year ended 31st March, 2023	
(b)	**Value of imports calculated on CIF basis:**				
	Raw materials		4,592.78		2,761.59
	Capital goods		35.50		48.00
	Total		4,628.28		2,809.59
(c)	**Expenditure in foreign currency:**				
	Professional and consultation fees		-		-
	Other matters		460.52		233.66
	Total		460.52		233.66
(d)	**Details of consumption of imported and indigenous items**				
	(i) Raw materials Consumed				
	Indigenous	72.1%	12,010.23	73.2%	8,535.55
	Imported	27.9%	4,648.19	26.8%	3,122.12
	Total	**100.0%**	**16,658.42**	**100.0%**	**11,657.67**
	(ii) Stores and spares Consumed				
	Indigenous	100.0%	249.66	100.0%	171.34
	Imported	-	-	0.0%	-
	Total	**100.0%**	**249.66**	**100.0%**	**171.34**
(e)	**Earnings in foreign exchange:**				
	Export of goods calculated on FOB basis		23,806.61		20,659.84
	Other (Insurance & Freight)		282.10		285.32

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

(Amount in ₹ Lakh)

	Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
(f)	**Operating Lease**		
	The Company's significant leasing arrangements are in respect of office and laboratory in Mumbai and warehouses at Tarapur and Navi Mumbai. The leasing arrangements are usually renewed by consent on an agreeable basis. The aggregate lease rentals payable is charged as "Rent" under Other Expenses.		
	Future minimum rentals (excluding taxes) payable under operating leases are as follows:		
	Within one year	180.57	161.87
	Later than one year but not later than five years	318.30	341.05
	Later than five years	-	-
	Rental expense relating to operating lease:		
	Minimum lease payments	180.57	161.87
	Total rental expense relating to operating lease	**180.57**	**161.87**

48. SEGMENTAL INFORMATION

The Company has presented data relating to its segments based on its consolidated financial statements, which are presented in the same Annual Report. Accordingly, in terms of paragraph 4 of the Indian Accounting Standard (Ind AS 108) "Operating Segments", no disclosures related to segments are presented in these standalone financial statements.

49. REMEASUREMENT OF SECURITY DEPOSIT

Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the Company has recorded these security deposits at fair value under Ind AS. Differences between the fair value and the transaction value of the security deposits have been recognised as prepaid rent.

50. CLASSIFICATION AND PRESENTATION OF ASSETS AND LIABILITIES

Under Ind AS, the Company is required to present its assets and liabilities bifurcated between financial assets/financial liabilities and non-financial assets/non-financial liabilities. Accordingly, the Company has classified and presented the assets and liabilities.

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

51. DISCLOSURE WITH RESPECT TO LOANS OR ADVANCES GRANTED TO PROMOTERS, DIRECTORS, KMP AND THE RELATED PARTIES

(1) Current reporting period

(Amount in ₹ Lakh)

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoters	-	-
Directors	-	-
KMPs	-	-
Related Parties		
Macrotech Polychem Private Limited	2,824.76	99%

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

(2) Previous reporting period

(Amount in ₹ Lakh)

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoters	-	-
Directors	-	-
KMPs	-	-
Related Parties		
Macrotech Polychem Private Limited	2,945.14	99%

52. DISCLOSURE WITH RESPECT TO BORROWINGS FROM BANKS OR FINANCIAL INSTITUTIONS ON THE BASIS OF SECURITY OF CURRENT ASSETS

Details of monthly stock statements & trade receivables filed by the Company with banks or financial institutions are given below

(Amount in ₹ Lakh)

MONTH	Stocks and Receivables submitted to Bank	Stocks and Receivables as per books	Difference	Difference %
Apr-23	8,829.14	8,829.14	-	0%
May-23	9,828.09	9,828.09	-	0%
Jun-23	10,114.34	10,114.34	-	0%
Jul-23	10,567.56	10,567.56	-	0%
Aug-23	10,642.17	10,642.17	-	0%
Sep-23	10,713.55	10,713.55	-	0%
Oct-23	10,957.82	10,957.82	-	0%
Nov-23	10,838.54	10,838.54	-	0%
Dec-23	11,977.27	11,977.27	-	0%
Jan-24	11,645.27	11,645.27	-	0%
Feb-24	13,002.17	13,002.17	-	0%
Mar-24	12,587.53	12,587.53	-	0%

Stock statements and trade receivable details as at the end of the month are submitted to the bank within seven days of close of the succeeding month. Monthly account finalisation takes place subsequently along with valuation of stocks. If there is any variation in the valuation, a revised statement of stocks and receivables is submitted to the bank.

53. RELATIONSHIP WITH STRUCK OFF COMPANIES

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding	Relationship with the Struck off company,if any, to be disclosed
NIL	NIL	NIL	NIL

54. RATIO ANALYSIS

(Amount in ₹ Lakh)

Ratio	For the year ended 31st March, 2024	For the year ended 31st March, 2023	% of Variance	Numerator	Denominator	Remarks
Current Ratio	2.89	2.66	8.7%	Current Assets	Current Liabilities	Ratio has increased, indicating strong liquidity position.
Debt-Equity Ratio	0.13	0.14	(10.2%)	Current Borrowings + Non Current Borrowings	Total Equity	No significant change in the ratio

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

(Amount in ₹ Lakh)

Ratio	For the year ended 31st March, 2024	For the year ended 31st March, 2023	% of Variance	Numerator	Denominator	Remarks
Debt Service Coverage Ratio	16.50	9.08	81.7%	Profit after Tax + Finance Costs + Depreciation + Loss on sale of FA	Finance Cost + Current Maturities of Long Term Debt	Improvement on account of lower debt repayments due in next one year
Return on Equity Ratio	0.15	0.09	64.3%	Profit After Tax	Total Equity	Due to lower operating costs, the margins for the year have increased
Inventory turnover ratio	8.18	6.02	36.0%	Cost of Goods Sold	Inventories	Ratio has increased indicating faster turnover of inventories
Trade Receivables turnover ratio	4.37	4.15	5.5%	Sale of Products	Trade Receivables	Improvement due to faster turn of receivables
Trade payables turnover ratio	8.11	8.58	(5.4%)	Cost of Goods Sold	Trade Payables	Higher credit available from suppliers
Net capital turnover ratio	2.72	2.63	3.3%	Sale of Products	Working Capital Gap	No significant change in the ratio
Net profit ratio	0.12	0.07	59.2%	Profit After Tax	Sale of Products	Due to lower operating costs, the margins for the year have increased
Return on Capital employed	0.17	0.11	62.5%	Earnings before interest and tax	Total Equity + Total Debt + Deferred Tax Liabilities	Due to lower operating costs, the margins for the year have increased
Return on investment	0.75	(0.39)	(292.8%)	Change in market value of equity share + Dividend	Market value of equity share as on Balance Sheet date	With a recovery in the market price of the scrip, the return has turned positive

55. CORPORATE SOCIAL RESPONSIBILITY

(Amount in ₹ Lakh)

Particulars	For the year ended 31st March, 2024
(a) amount required to be spent by the Company during the year	111.95
(b) amount of expenditure incurred	84.82
(c) shortfall at the end of the year	(27.13)
(d) total of previous years shortfall	(78.68)
(e) reason for shortfall	Unspent amount was due to carry over of projects where CSR is undertaken. The expenditure will be taken up in the current year. The unspent amount of CSR is transferred to a separate current account. Unspent amount of earlier years was on account of inablity to identify suitable projects.
(f) nature of CSR activities	Modernising and upgrading science laboratories & solar electrification in school, upgrading classrooms to digital classrooms in college, water body restoration in Kumbhavali village, scholarships for students, empowerment for widows, etc.
(g) details of related party transactions	NIL
(h) provision made with respect to a liability incurred by entering into a contractual obligation.	NIL

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

56. SUBSEQUENT EVENTS

i) The final dividend on shares is recorded as a liability on the date of approval by the shareholders. Income tax consequences of dividends on financial instruments classified as equity will be recognised according to where the entity originally recognised those past transactions or events that generated distributable profits. The Company declares and pays dividends in Indian rupees. Companies are required to pay/distribute dividend after deducting applicable taxes. The remittance of dividends outside India is governed by Indian law on foreign exchange and is also subject to withholding tax at applicable rates. Dividends declared by the Company are based on profits available for distribution. On 21st May, 2024, the Board of Directors of the Company have proposed a dividend of ₹ 1.75 per share in respect of the year ended 31st March, 2023 subject to the approval of shareholders at the Annual General Meeting, and if approved, would result in a cash outflow of ₹108.12 Lakh.

ii) The Company evaluated all events and transactions that occurred after 31st March, 2024 through 21st May, 2024; the date on which the financial statements are issued. Based on the evaluation, the Company is not aware of any events or transactions that would require recognition or disclosure in the financial statements other than that mentioned above.

57. REPORTING UNDER RULE 11 (e) (i) AND RULE 11 (f) OF THE COMPANIES (AUDIT AND AUDITORS) RULES, 2014

i) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

ii) No funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

58. THE PREVIOUS YEARS FIGURES HAVE BEEN REGROUPED AND REARRANGED WHEREEVER NECESSARY.

(The accompanying notes 1 to 58 are an integral part of the financial statements)

For **Manek & Associates**
Chartered Accountants
Firm Registration Number: 126679W

Sd/-
Shailesh Manek
Partner
Membership Number: 034925

Place: Mumbai
Date: 21st May, 2024

For and on behalf of the Board of Directors

Sd/-
Rahul Nachane
Managing Director
DIN: 00223346

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

Sd/-
Pallavi Pednekar
Company Secretary
ACS : A33498

Place: Mumbai
Date: 21st May, 2024

INDEPENDENT AUDITOR'S REPORT

To,

The Members,

NGL FINE-CHEM LIMITED

REPORT ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated Ind AS financial statements of **M/S.NGL FINE-CHEM LIMITED** ("hereinafter referred to as the Holding Company") and its wholly owned subsidiary M/s. Macrotech Polychem Private Limited (Holding Company along with its subsidiary together referred to as "the Group), which comprise the consolidated Balance Sheet as at March 31, 2024, the consolidated statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of changes in Equity and the consolidated Statement of Cash Flows for the year then ended , and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2024, the consolidated profit and total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the consolidated Ind AS Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence and ethical requirements that are relevant to our audit of the consolidated Ind AS financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Key Audit Matters

Key audit matters ("KAM") are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Report	How was the matter addressed in our audit
Revenue Recognition Revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those goods. Revenue is measured based on transaction price, which is the consideration, adjusted for rebates, discounts and incentives as also estimated sales returns. Revenue is one of the key profit drivers and therefore, accounting of revenue is considered as a key audit matter. [Refer Note 4 (a) to the consolidated financial statements]	**Our audit procedures, among other things, included the following:** • Considered the appropriateness of the Group's accounting policies regarding revenue recognition • Testing controls, automated and manual, around dispatches/deliveries/shipments inventory reconciliations and process of confirmation of receivable balances, testing for cut-offs and analytical review procedures. • Assessed the disclosures in accordance with the requirements of Ind AS 115 on "Revenue from Contracts with Customers".

INDEPENDENT AUDITOR'S REPORT (Contd.)

Key Audit Report	How was the matter addressed in our audit
Valuation of inventories The Group has complex product manufacturing process and thus, the overhead absorption over each process is quite complex and more particularly, to have the basis of absorption. The Group has worked out the overhead absorption cost rate based on the consumption of electricity of each process and apply the same for all other overheads. Due to significance of arriving at the overhead absorption rate for the valuation of inventories, it is considered to be a key audit matter. [Refer Note 4(d) to the consolidated financial statements]	**Our audit procedures, among other things, included the following:** • Evaluated the appropriateness of the basis applied to arrive at the overhead absorption rate; • Examined the workings of the absorption of over heads to arrive at the cost of inventories. • Our audit methodology involves process adopted to ascertain and evaluate the methods used are reasonable and absorbs overheads in an appropriate & logical manner. • Assessed the disclosures in accordance with the requirements of Ind AS 2 on "Inventories".
Allowance for Expected Credit Loss of Trade Receivables Provision for impairment by way of Allowance for Expected Credit Loss (ECL) of Trade Receivables require – • The appropriateness of accounting policies for determination of Allowance for ECL; • operational procedures and systems of internal control in estimation of ECL. • estimation of expected losses and appropriate assumptions and significant judgments on the recoverability of receivables; • the completeness, accuracy, relevance and reliability of historical information; • the Group's overall review of the estimate; and • the clarity and reasonableness of related ECL disclosures. In view of the determination of the basis and quantum of Allowance of ECL, it is a significant item in the financial statements and hence, considered to be a key audit matter. [Refer Note 4(n) to the consolidated financial statements]	**Our audit procedures included, among others, the following:** • Obtained sufficient and appropriate audit evidence about whether policies, operational procedures, internal control systems and other relative assumptions for estimation and determination of Allowance for ECL are reasonable. • Objectively evaluated the estimates made in the broader context of the financial statements as a whole; • Assessed the estimates and assumptions adopted by the Group in determining the need to recognise a provision and, where applicable, its amount; • Evaluated the completeness of disclosures in respect of Allowance for Expected Credit Loss.
Change in Depreciation Method During the previous year, accounting policy with respect to depreciation in Macrotech Polychem Private Limited was changed from Written Down Value Method to Straight Line Method. This was in order to align its depreciation policy in conformance with its holding company. Consequent to the change in method, the depreciation for the current year is lower by Rs. 158.41 lakh and the profit for the year is higher by Rs. 158.41 lakh.	**Our audit procedures included, among others, the following:** • Verified the correctness of the computation of depreciations according to the Management's estimates for the change in the method of depreciation. Verified that there are no indicators of impairment of property, plant and equipment that require an impairment review.
Capital Work In Progress:- The company is in the process of greenfield expansion at Tarapur location. During the current year, the company has incurred amount of Rs.4,524.95 Lakhs , disclosed as capital work in progress in note 5 of the consolidated financial statements. Further, the company has disclosed an amount of Rs.1,706.79 Lakhs as capital commitment in note 35 of the consolidated financial statements. In view of the determination of the basis and quantum of capital commitment, it is a significant item in the consolidated financial statements and hence, considered to be a key audit matter.	**Our audit procedures included, among others, the following:** • Obtained sufficient and appropriate audit evidence about whether all documents are in place and proper approval methodology is followed and adequate internal controls are ensured at all levels. • Objectively evaluated the estimates made on an overall basis of the financial statements as a whole; • Assessed the estimates and also obtained project reports to analysis the future estimates and cash outflows related to the expansion project. • Evaluated the completeness of disclosures in respect of capital commitment.

Information Other than the consolidated Ind AS Financial Statements and Auditor's Report Thereon

The Group's Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the consolidated Ind AS Financial Statements

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

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

In preparing the consolidated Ind AS financial statements, the management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls system in place and the operating effectiveness of such controls.

INDEPENDENT AUDITOR'S REPORT (Contd.)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the consolidated Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding Independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our Independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Group so far as it appears from our examination of those books.

   c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss including Other Comprehensive Income, consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

   d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e) On the basis of the written representations received from the directors as on March 31st, 2024 taken on record by the Board of Directors, none of the directors are disqualified as on March 31st, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Group's internal financial controls over financial reporting.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

      In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Group to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

(i) The Group has disclosed the impact of pending litigations on its consolidated financial position in its consolidated Ind AS Financial Statements- Refer Note 34 to the consolidated Ind AS Financial Statements.

(ii) The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

(iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

(v) (a) The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.

(v) (b) As stated in note 56 to the financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

(vi) Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 01, 2023 reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules , 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31,2024.

INDEPENDENT AUDITOR'S REPORT (Contd.)

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO report issued by us for the Company and its subsidiary included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports

For **MANEK & ASSOCIATES**
Chartered Accountants
Firm's registration number: 0126679W

Sd/-
(SHAILESH MANEK)
Partner
Membership number:034925
UDIN: 24034925BKGEGL1674

Mumbai
Dated : 21st May 2024

ANNEXURE - A
TO THE AUDITOR'S REPORT

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

We have audited the internal financial controls over financial reporting of the Group as of 31st March, 2024 in conjunction with our audit of the consolidated financial statements of the Group for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

ANNEXURE - A
TO THE AUDITOR'S REPORT (Contd.)

OPINION

In our opinion, the Group has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2024, based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **MANEK & ASSOCIATES**
Chartered Accountants
Firm's registration number: 0126679W

Sd/-
(SHAILESH MANEK)
Partner
Membership number:034925
UDIN: 24034925BKGEGL1674

Mumbai
Dated : 21st May 2024

CONSOLIDATED BALANCE SHEET

AS AT 31ST MARCH, 2024

(Amount in ₹ Lakh)

PARTICULARS	Notes	As at 31st March, 2024	As at 31st March, 2023
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	5	8,529.79	8,758.66
(b) Capital work-in-progress	5	4,552.10	2,631.22
(c) Investment Property			
(c) Goodwill	6	15.27	15.27
(d) Other Intangible assets	6	11.68	17.30
Loan to Subsidiary		-	-
(g) Investment in an associate or a joint venture		-	-
(e) Financial assets			
(i) Investments		-	-
(ii) Trade receivables			
(ii) Loans		-	-
(i) Others	7	881.89	874.94
(f) Other non-current assets	8	296.02	144.82
Total non-current assets		**14,286.75**	**12,442.21**
(2) Current assets			
(a) Inventories	9	4,330.34	2,699.32
(b) Financial assets			
(i) Investments	10	5,359.41	3,946.15
(ii) Trade receivables	11	8,961.80	6,587.14
(iii) Cash and cash equivalents	12	39.52	782.84
(iv) Bank balances other than (iii) above	13	132.48	521.26
(v) Others	14	615.80	499.98
(c) Other current assets	15	1,827.48	1,228.97
Total current assets		**21,266.83**	**16,265.66**
TOTAL ASSETS		**35,553.58**	**28,707.87**
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	16	308.90	308.90
(b) Other equity			
(i) Reserves and surplus	17	25,954.29	21,946.01
TOTAL EQUITY		**26,263.19**	**22,254.91**
(2) Liabilities			
(I) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	74.48	207.31
(b) Provisions	19	322.57	270.38
(c) Deferred tax liabilities	20	219.40	137.01
(d) Other non-current liabilities	21	15.22	9.09
Total non-current liabilities		**631.67**	**623.79**
(II) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	22	3,169.76	2,840.56
(ii) Trade payables	23	4,938.64	2,458.62
(iii) Other financial liabilities	24	397.46	367.24
(b) Provisions	19	80.81	68.51
(c) Current Tax Liabilities (Net)	25	72.05	94.16
(d) Other Current Liabilities	26	-	0.08
Total current liabilities		**8,658.72**	**5,829.17**
TOTAL LIABILITIES		**9,290.39**	**6,452.96**
TOTAL EQUITY AND LIABILITIES		**35,553.58**	**28,707.87**

(The accompanying notes 1 to 58 are an integral part of the financial statements)

As per our report of even date attached
For **Manek & Associates**
Chartered Accountants
Firm Registration Number: 126679W

Sd/-
Shailesh Manek
Partner
Membership Number: 034925

For and on behalf of the Board of Directors

Sd/-
Rahul Nachane
Managing Director
DIN: 00223346

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

Sd/-
Pallavi Pednekar
Company Secretary
ACS : A33498

Place: Mumbai
Date: 21st May, 2024

Place: Mumbai
Date: 21st May, 2024

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2024

(Amount in ₹ Lakh)

Particulars	Notes	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Income			
Income from Operations	**27**	33,868.84	27,808.08
Other income	**28**	1,412.80	553.03
Total income		**35,281.64**	**28,361.11**
Expenses			
Cost of materials consumed	**29**	17,081.19	11,640.72
Changes in inventories of finished goods and work in progress	**30**	(1,212.51)	2,391.35
Employee benefits expense	**31**	4,511.63	3,687.35
Other expenses	**32**	8,161.64	6,656.64
Finance Cost	**33**	133.81	119.72
Depreciation expense	**5**	1,164.18	1,129.11
Total expenses		**29,839.94**	**25,624.90**
Profit before tax from continuing operations		**5,441.70**	**2,736.20**
Current tax	**43**	(1,182.50)	(727.00)
Current tax expense relating to prior years		(40.00)	(10.53)
Deferred tax		(87.53)	50.96
Income tax expense		**(1,310.03)**	**(686.57)**
Profit for the year from continuing operations		**4,131.67**	**2,049.63**
Other comprehensive income (OCI)			
Other comprehensive income not to be reclassified to profit and loss in subsequent periods:			
Profit/(Loss) on actuarial valuation of post employment benefits		(20.42)	(11.21)
Add/(Less): Income tax expense		5.14	2.82
Other comprehensive income for the year, net of tax		**(15.28)**	**(8.39)**
Total comprehensive income for the year		**4,116.39**	**2,041.24**
Earnings per equity share (for continuing operations)			
Basic		66.88	33.18
Diluted		66.88	33.18

(The accompanying notes 1 to 58 are an integral part of the financial statements)

As per our report of even date attached
For **Manek & Associates**
Chartered Accountants
Firm Registration Number: 126679W

Sd/-
Shailesh Manek
Partner
Membership Number: 034925

Place: Mumbai
Date: 21st May, 2024

For and on behalf of the Board of Directors

Sd/-
Rahul Nachane
Managing Director
DIN: 00223346

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

Sd/-
Pallavi Pednekar
Company Secretary
ACS : A33498

Place: Mumbai
Date: 21st May, 2024

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST MARCH, 2024

A. Equity share capital

(Amount in ₹ Lakh)

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Number of shares	Value	Number of shares	Value
Balance at beginning of year	61,78,024	308.90	61,78,024	308.90
Changes in Equity Share Capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-
Changes in equity share capital during the current year	-	-	-	-
Balance at the end of the current reporting period	**61,78,024**	**308.90**	**61,78,024**	**308.90**

B. Other equity

(1) Current reporting period

(Amount in ₹ Lakh)

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus										Money received against share warrants	Total
			Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of Other Comprehensive Income (specify nature)		
Balance at the beginning of the current reporting period	-	-	150.00	11.74	59.29	21,724.99	-	-	-	-	-	-	-	21,946.01
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the current year	-	-	-	-	-	4,116.39	-	-	-	-	-	-	-	4,116.39
Dividends	-	-	-	-	-	(108.12)	-	-	-	-	-	-	-	(108.12)
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Any other change (to be specified)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the current reporting period	-	-	150.00	11.74	59.29	25,733.26	-	-	-	-	-	-	-	25,954.29

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

(2) Previous reporting period

(Amount in ₹ Lakh)

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus										Money received against share warrants	Total
			Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of Other Comprehensive Income (specify nature)		
Balance at the beginning of the current reporting period	-	-	150.00	11.74	59.29	19,791.86	-	-	-	-	-	-	-	20,012.89
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the current year	-	-	-	-	-	2,041.24	-	-	-	-	-	-	-	2,041.24
Dividends	-	-	-	-	-	(108.12)	-	-	-	-	-	-	-	(108.12)
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Any other change (to be specified)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the current reporting period	-	-	150.00	11.74	59.29	21,724.99	-	-	-	-	-	-	-	21,946.01

(The accompanying notes 1 to 58 are an integral part of the financial statements)

As per our report of even date attached
For **Manek & Associates**
Chartered Accountants
Firm Registration Number: 126679W

Sd/-
Shailesh Manek
Partner
Membership Number: 034925

Place: Mumbai
Date: 21st May, 2024

For and on behalf of the Board of Directors

Sd/-
Rahul Nachane
Managing Director
DIN: 00223346

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

Sd/-
Pallavi Pednekar
Company Secretary
ACS : A33498

Place: Mumbai
Date: 21st May, 2024

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2024

(Amount in ₹ Lakh)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before extraordinary items and tax	**5,441.70**	**2,736.20**
Adjustments for:		
Depreciation and amortisation expense	1,164.18	1,129.11
Finance costs	133.81	119.72
Dividend income	(46.39)	(62.54)
Interest income	(59.88)	(24.79)
Loss/(Gain) on MTM of investments	-	-
Other Comprehensive Income - Profit/(Loss) on actuarial valuation of post employment benefits	(15.28)	(8.39)
Operating profit before working capital changes	**6,618.14**	**3,889.32**
Changes in working capital:		
Adjustments for (increase)/decrease in operating assets:		
Inventories	(1,631.02)	2,901.43
Other non current financial assets	(6.95)	(178.41)
Other non-current assets	(151.20)	(18.23)
Trade receivables	(2,374.66)	(189.48)
Other current financial assets	(1,140.30)	(1,254.56)
Other current assets	(598.51)	344.60
	(5,902.64)	**1,605.35**
Adjustments for increase/(decrease) in operating liabilities:		
Trade payables	2,480.02	(1,256.90)
Other current financial liabilities	30.22	(76.55)
Other current provisions	12.30	9.06
Other current liabilities	(22.19)	90.73
Other non current liabilities	88.52	(61.24)
Other non-current provisions	52.19	15.42
	2,641.06	**(1,279.48)**
Cash generated from operations	**3,356.56**	**4,215.19**
Net income tax paid	(1,310.03)	(686.57)
Net cash flow from operating activities (A)	**2,046.53**	**3,528.62**
B. CASH FLOW FROM INVESTING ACTIVITIES		
(Loss)/Gain on sale of investments	-	-
Dividend income	46.39	62.54
Fixed Deposit Matured	-	-
Interest Income	59.88	24.79
Finance Cost	(133.81)	(119.72)
Non current Investments	-	-
Non current Loans	-	-
Long term borrowings	(132.83)	(136.30)
Short term borrowings	329.20	497.79
Purchases of Property, Plant and Equipment	(2,852.41)	(3,140.67)
Disposal of Property, Plant and Equipment	1.84	109.54
Net cash flow used in investing activities (B)	**(2,681.73)**	**(2,702.04)**

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

(Amount in ₹ Lakh)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Share Capital	-	-
Dividend Paid	(108.12)	(108.12)
Share application money	-	-
Share Premium	-	-
Net cash flow from/(used in) financing activities (C)	**(108.12)**	**(108.12)**
Net increase/(decrease) in Cash and cash equivalents (A+B+C)	**(743.32)**	**718.46**
Add: Cash and cash equivalents at the beginning of the year	782.84	64.38
Cash and cash equivalents at the end of the year*	**39.52**	**782.84**

(Amount in ₹ Lakh)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Cash and cash equivalents at the end of the year*		
*Comprises of:		
(a) Cash on hand	22.27	28.16
(b) Balances with banks		
(i) In current accounts	17.25	754.68
	39.52	**782.84**

*Includes Unpaid Dividend of ₹ 15.30 Lakh (Previous year: ₹ 12.66 Lakh)

(The accompanying notes 1 to 58 are an integral part of the financial statements)

As per our report of even date attached
For **Manek & Associates**
Chartered Accountants
Firm Registration Number: 126679W

Sd/-
Shailesh Manek
Partner
Membership Number: 034925

For and on behalf of the Board of Directors

Sd/-
Rahul Nachane
Managing Director
DIN: 00223346

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

Sd/-
Pallavi Pednekar
Company Secretary
ACS : A33498

Place: Mumbai
Date: 21st May, 2024

Place: Mumbai
Date: 21st May, 2024

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2024

1. CORPORATE INFORMATION

NGL Fine-Chem Limited (Group) together with its subsidiary – Macrotech Polychem Private Limited (Subsidiary) is hereinafter referred to as "Group". NGL Fine-Chem Limited is a public Group domiciled in India and incorporated under the provisions of the Companies Act, 1956 (CIN: L24110MH1981PLC025884). Its shares are listed on the Bombay Stock Exchange. The Group is a manufacturer of pharmaceuticals and intermediates for usage in veterinary and human health. The Group caters to various global companies to custom manufacture high quality pharmaceuticals. Macrotech Polychem Private Limited, a private Group domiciled in India and incorporated under the provisions of the Companies Act, 1956 (CIN: U24100MH2004PTC145189) is a 100% subsidiary of NGL Fine-Chem Limited.

2. Basis of preparation

Financial statements for the year ended 31st March, 2024 are prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 together with comparative period data as at and for the year ended 31st March, 2023.

The consolidated financial statements have been prepared on accrual basis and under the historical cost convention except for certain financial instruments which are measured at fair value. Historical cost is generally based on the fair value of consideration given in exchange of goods and services. The accounting policies are consistently applied by the Group during the period and are consistent with those used in the previous year except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The consolidated financial statements are prepared in accordance with Indian Accounting Standards (Ind AS 34) as prescribed by Section 133 of the Companies Act 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and guidelines issued by the Securities and Exchange Board of India (SEBI). These consolidated financial statements do not include all the information required for a complete set of consolidated financial statements under the applicable financial reporting framework. The consolidated financial statements are presented in Indian ₹ Lakh (functional currency of the Group) unless otherwise stated.

3. BASIS OF CONSOLIDATION

Consolidated financial statements for the year ended 31st March, 2024 are prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 including IndAS 110 – Accounting standard on "Consolidated Financial Statements" together with comparative period data as at and for the year ended 31st March, 2023.

The parent Group consolidated entities which it owns or controls. The consolidated financial statements comprise the financial statements of the parent Group and its subsidiary. Control exists when the parent Group has power over the entity, is exposed or has rights to variable returns from its involvement with the entity; and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences till the date control ceases.

The financial statements have been consolidated on line-by-line basis by adding together the book values of like items of assets and liabilities, income and expenses after eliminating intra group balances and intra group transactions except where cost cannot be recovered. The unrealised profits or losses resulting from intra group transactions and balances have been eliminated. The financial statements of the Group and its subsidiary have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances as mentioned in those policies, unless otherwise mentioned separately under these notes

4. MATERIAL ACCOUNTING POLICY INFORMATION

4.1 Use of estimates and judgement

The preparation of consolidated financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent assets and contingent liabilities at the date of financial statements, and the income and expenses during the reporting period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgements and use of assumptions in these consolidated financial statements have been disclosed appropriately. Accounting estimates could change from period to period. Actual results may differ from these estimates. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances surrounding the estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

are recognised in the period in which the estimates are revised and in future period which are affected.

4.2 Critical accounting estimates

(a) Revenue recognition

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

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

Revenue from sale of goods and services

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

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

Revenue from sale of goods and services is recognised when the following conditions are satisfied:

i. The Group has transferred the significant risks and rewards of ownership of the goods to the buyer.

ii. The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over goods/services sold.

iii. The amount of revenue can be measured reliably.

iv. It is probable that the economic benefits associated with the transaction will flow to the Group.

v. The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those products or services.

Other income

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

Interest is recognised only when no uncertainty as to measurability or collectability exists. Interest on fixed deposit is recognised on time proportion basis considering the amount outstanding and the rate applicable.

Export Duty Drawback and RodTEP incentives are accounted on accrual basis when the certainty to receive is established.

(b) Taxes

Current income tax

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

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

Deferred tax

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

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

When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the statement of profit and loss is recognised in other comprehensive income. Deferred tax items are recognised in correlation to the underlying transaction in OCI.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same tax authority.

(c) Property, plant & equipment

Property, plant & equipment represent a significant proportion of the asset base of the Group. The charge in respect of depreciation is derived after determining an estimate of the asset's expected useful life and estimated residual value at the end of its life. The useful lives and residual value of the Group's assets are estimated by the management at the time the asset is acquired and reviewed periodically. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

(d) Inventories

The Group estimates the net realisable value (NRV) of its inventories by taking into account estimated selling price, estimated cost of completion, estimated costs necessary to make the sale, obsolescence considering the past trend. Inventories are written down to NRV where such NRV is lower than their cost.

(e) Leases

Ind As 116 requires lessees to determine the lease term as non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assess whether its reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Group's operations taking into account the location of the asset and the availability of alternatives. The lease term in future period is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Group has concluded that no changes are required to lease periods relating to existing lease contracts.

(f) Provisions and contingent liabilities

The Group estimates the provisions that have present obligation as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates. The Group has significant judgements to assess contingent liabilities.

(g) Defined benefits and compensated absences.

The cost of the defined plans, compensated absences and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes on those assumptions. All assumptions are reviewed at each reporting date.

(h) Impairment of assets

Investments in subsidiaries, goodwill and intangible assets are tested for impairment at least annually and when events occur or changes

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

in circumstances indicate that the recoverable amount of the asset or cash generating units to which they pertain is less than its carrying value. The recoverable value of cash generating units is higher of value-in-use and fair value less cost to dispose. The calculation of value in use of a cash generating unit involves use of significant estimates and assumptions which includes turnover and earnings, multiples, growth rates and net margins used to calculate projected cash flows, risk adjusted discount rate, future economic and market conditions.

4.3 Significant accounting policies

(a) Transactions and balances

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

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

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

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

Valuation of financial instruments

Useful life of property, plant and equipment

Useful life of intangible assets

Provisions

(b) Current versus non-current classification

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

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
- All other assets are classified as non-current.

A liability is current when

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

The Group classifies all other liabilities as non-current.

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

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

(c) Fair value measurement

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

In the principal market for the asset or liability, or

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

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

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

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

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

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

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 -Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

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

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

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

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

(d) Property, plant and equipment

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

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

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

Subsequent cost

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

property, plant and equipment are recognised in the statement of profit and loss.

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

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

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

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

(e) Intangible assets

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

All revenue expenses pertaining to research are charged to the profit and loss account in the year in which they are incurred. Expenditure of capital nature is capitalised as property, plant and equipment and depreciated as per the Group's policy.

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

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

Subsequent expenditure

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

Amortisation of intangible assets with finite useful lives:

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

(f) Inventories

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

(g) Earnings per share

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

(h) Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing cost directly attributable to the cost of acquisition or construction of the fixed assets is capitalised as part of the cost of the assets, upto the date the asset is put to use. Other borrowing costs are charged to the Statement of Profit and Loss in the year in which they are incurred Costs in connection with the borrowing of funds are charged to statement of profit and loss.

(i) Provisions and contingent liabilities

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

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

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

(j) Impairment of non-financial assets

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

(k) Financial instruments

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

Financial asset

Initial recognition and measurement

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

Investment in subsidiaries are carried at cost less impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

Subsequent measurement

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

at amortised cost through profit or loss

at amortised cost through other comprehensive income

at fair value through other comprehensive income

at fair value through profit or loss

Financial assets at amortised cost

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

The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

Contractual terms of the asset give rise on specified dates to cash flows that are solely

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

payments of principal and interest (SPPI) on the principal amount outstanding.

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

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

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

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

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

De-recognition

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

The rights to receive cash flows from the asset have expired, or

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

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

Impairment of financials assets

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

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

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

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

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

Financial liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

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

Loans and borrowings

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

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

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

De-recognition

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

Offsetting of financial instruments

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

(l) Cash and cash equivalents

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

(m) Employee benefits

Defined contribution plans (Provident Fund)

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

Defined benefit plans (Gratuity)

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

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FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

Compensated absences

The employees of the Group are entitled to compensated absences. The employees can carry forward a portion of the unutilised accrued absence and utilise it in future periods or receive cash compensation at retirement or termination of employment for the unutilised accrued compensated absence. The Group recognises an obligation for compensated absences in the period in which the employee renders the services. The Group provides for the expected cost of compensated absence in the statement of profit and loss as the additional amount that the Group expects to pay as a result of the unused entitlement that has accumulated based on actuarial valuations carried out by an independent actuary at the balance sheet date.

(n) Segment reporting

The Group has presented data relating to its segments based on its consolidated financial statements which are presented in the same Integrated Annual Report. Accordingly, in terms of paragraph 4 of the Indian Accounting Standard (Ind AS 108) "Operating Segments" the Group has only one reportable primary business segment - namely Pharmaceuticals. However, the Group has a secondary geographical segment which is disclosed in consolidated financial statements as per Ind AS 108.

(o) Leases

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

Group as a lessee

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

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

Ind AS 116 Leases:

In March 2019, the Ministry of Corporate Affairs, issued the Companies (Indian Accounting Standards) Amendment Rules 2018, notifying Ind AS 116 "Leases" which replaces Ind AS 17 "Leases". The new standard shall require lessees to recognise the Leases on their Balance Sheet with limited exemptions related to low value asset and assets with a lease term of less than 12 months.

Lessees will use a single accounting model for all leases. Accordingly, the lessee is required to recognise "Right of Use" asset representing its right to use the underlying asset and a "Lease Liability" representing its obligations to make lease payments.

(p) Government Grants

Government grants are initially recognised at fair value if there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant;

In case of capital grants, the amount of grant received is set off against the value of the property, plant and equipment against which the grant has been given.

In case of grants that compensate the Group for expenses incurred are recognised in Statement of Profit and Loss on a systematic basis in the periods in which the expenses are recognised.

Export benefits available under prevalent schemes are accrued in the year in which the goods are exported and there is no uncertainty in receiving the same.

(q) Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31st March, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

5. PROPERTY, PLANT AND EQUIPMENT

(1) Current reporting period

(Amount in ₹ Lakh)

Particulars	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	As on 1st April, 2023	Additions	Deductions	As at 31st March, 2024	As on 1st April, 2023	For the year	Additions/ (-)Deductions	As at 31st March, 2024	As at 31st March, 2024	As at 31st March, 2023
Leasehold land	457.15	221.69	-	678.84	24.95	5.61	-	30.56	648.28	432.20
Buildings	3,291.72	6.27	-	3,297.99	648.36	133.58	-	781.94	2,516.05	2,643.36
Plant and Equipment	9,606.30	642.79	(16.53)	10,232.56	4,187.91	966.39	(15.70)	5,138.60	5,093.96	5,418.39
Furniture and Fixtures	138.84	13.57	-	152.41	50.43	12.44	-	62.87	89.54	88.41
Vehicles	257.65	34.95	(41.99)	250.61	102.23	29.51	(40.96)	90.78	159.83	155.42
Office Equipments	71.81	8.22	(0.76)	79.27	50.93	6.97	(0.76)	57.14	22.13	20.88
Total	**13,823.47**	**927.49**	**(59.28)**	**14,691.68**	**5,064.81**	**1,154.50**	**(57.42)**	**6,161.89**	**8,529.79**	**8,758.66**
Capital work-in-progress	2,631.22	1,920.88	-	4,552.10	-	-	-	-	4,552.10	2,631.22

(2) Previous reporting period

(Amount in ₹ Lakh)

Particulars	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	As on 1st April, 2022	Additions	Deductions	As at 31st March, 2023	As on 1st April, 2022	For the year	Additions/ (-)Deductions	As at 31st March, 2023	As at 31st March, 2023	As at 31st March, 2022
Leasehold land	312.91	144.25	-	457.16	20.00	4.93	-	24.93	432.23	292.91
Buildings	3,187.20	104.51	(0.01)	3,291.70	517.27	131.08	-	648.35	2,643.35	2,669.93
Plant and Equipment	8,938.03	734.82	(66.55)	9,606.30	3,282.32	933.82	(28.23)	4,187.91	5,418.39	5,655.71
Furniture and Fixtures	130.45	8.38	-	138.83	38.43	12.00	-	50.43	88.40	92.02
Vehicles	206.47	80.40	(29.22)	257.65	105.82	24.18	(27.76)	102.24	155.41	100.65
Office Equipments	64.57	8.21	(0.98)	71.80	44.33	7.52	(0.93)	50.92	20.88	20.24
Total	**12,839.63**	**1,080.57**	**(96.76)**	**13,823.44**	**4,008.17**	**1,113.53**	**(56.92)**	**5,064.78**	**8,758.66**	**8,831.46**
Capital work-in-progress	617.08	2,057.69	(43.54)	2,631.22	-	-	-	-	2,631.22	617.08

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FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

Capital-work-in progress ageing schedule:

(Amount in ₹ Lakh)

Current Year	Amount in CWIP for a period of				Total
	< 1 year	1-2 years	2-3 years	> than 3 years	
Projects in progress	2,000.25	630.97	-	-	2,631.22
Projects temporarily suspended	-	-	-	-	-

(Amount in ₹ Lakh)

Previous Year	Amount in CWIP for a period of				Total
	< 1 year	1-2 years	2-3 years	> than 3 years	
Projects in progress	630.97	-	-	-	630.97
Projects temporarily suspended	-	-	-	-	-

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

6. INTANGIBLE ASSETS

(1) Current reporting period

(Amount in ₹ Lakh)

Particulars	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	As on 1st April, 2023	Additions	Deductions	As at 31st March, 2024	As on 1st April, 2023	For the year	Additions/ (-)Deductions	As at 31st March, 2024	As at 31st March, 2024	As at 31st March, 2023
Computer Software	100.19	4.05	-	104.24	82.88	9.68	-	92.56	11.68	17.31
Goodwill	15.27	-	-	15.27	-	-	-	-	15.27	15.27
Total	**115.46**	**4.05**	**-**	**119.51**	**82.88**	**9.68**	**-**	**92.56**	**26.95**	**32.58**

(2) Previous reporting period

(Amount in ₹ Lakh)

Particulars	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	As on 1st April, 2022	Additions	Deductions	As at 31st March, 2023	As on 1st April, 2022	For the year	Additions/ (-)Deductions	As at 31st March, 2023	As at 31st March, 2023	As at 31st March, 2022
Computer Software	97.77	2.42	-	100.19	67.33	15.56	-	82.89	17.30	30.44
Goodwill	15.27	-	-	15.27	-	-	-	-	15.27	15.27
Total	**113.04**	**2.42**	**-**	**115.46**	**67.33**	**15.56**	**-**	**82.89**	**32.57**	**45.71**

Intangible assets under development aging schedule:

(Amount in ₹ Lakh)

Intangible assets under development	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

7. OTHER NON CURRENT FINANCIAL ASSETS

(Amount in ₹ Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Others		
Fixed deposit with bank	461.89	438.69
Earnest money deposit	420.00	420.00
Advance income tax (Net of provision)	-	16.25
Total	**881.89**	**874.94**

8. OTHER NON CURRENT ASSETS

(Amount in ₹ Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Capital advances	296.02	144.82
Total	**296.02**	**144.82**

9. INVENTORIES

(At cost or realisable value whichever is lower)

(Amount in ₹ Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Raw materials	1,493.40	1,078.59
Work-in-progress	1,771.64	1,114.47
Finished goods	1,030.03	474.68
Fuel & Oil	8.98	7.77
Consumables	17.76	15.08
Packing Materials	8.53	8.73
Total	**4,330.34**	**2,699.32**

10. CURRENT INVESTMENTS

(Amount in ₹ Lakh)

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	No. of units	Amount	No. of units	Amount
Investments in Equity Instruments				
Quoted				
Tata Consultancy Services Ltd.	1,168	45.36	1,168	37.44
Investment in mutual funds				
Quoted				
ABSL Income Fund	2,10,232	256.86	2,10,232	238.18
ABSL Short Term Fund	19,57,166	904.24	19,57,166	837.03
ABSL Crisil AAAJun2023 Index Fund	-	-	14,83,151	156.20
ABSL Arbitrage Fund	-	-	13,84,467	332.83
ABSL Floating Rate Fund	2,31,628	233.20	2,16,724	217.61

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FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

(Amount in ₹ Lakh)

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	No. of units	Amount	No. of units	Amount
AXIS Bluechip Fund	-	-	50,703	7.65
DSP Healthcare Fund Regular Plan Growth	7,55,915	247.67	-	-
Franklin India Banking & PSU Debt Fund	-	-	-	-
HDFC Balanced Advantage Fund - IDCW Plan	92,562	34.75	2,72,157	79.64
HDFC Flexi Cap Fund Growth	1,656	26.60	-	-
HDFC Index Fund - NIFTY	-	-	14,759	23.80
HDFC Large & Midcap Fund	41,393	119.09	-	-
HDFC Multicap Fund Growth	26,61,204	427.31	12,80,315	137.85
HDFC MID-CAP Opportunities Fund	-	-	21,789	21.73
HDFC Mid-Cap Opp Fund - IDCW Plan	76,213	36.46	2,22,744	74.79
HSBC Balanced Advantage Fund	-	-	2,22,703	69.97
HSBC Multicap Fund Growth	67,387	10.61	-	-
ICICI Prudential Multi-Asset Fund - Growth	5,192	32.98	-	-
ICICI Prudential Smallcap Fund	2,64,562	197.05	2,64,562	139.24
ICICI Prudential Technology Fund	1,56,934	269.79	1,17,384	154.97
ICICI Prudential Value Discovery Fund	96,463	380.64	-	-
IDFC Bond Fund G Sec	9,37,943	109.25	9,37,943	101.91
Kotak Bluechip Fund	-	-	30,156	112.01
Kotak Equity Arbitrage Fund	3,20,011	109.78	-	-
Kotak Equity Arbitrage Fund Dividend	9,28,924	99.62	9,28,924	99.74
Kotak Equity Opportunities Fund	75,315	37.64	-	-
Kotak Equity Opportunities Fund - Growth	13,441	38.50	3,20,011	101.81
Kotak Equity Opportunities Fund - Payout	-	-	2,31,861	82.24
Kotak NASDAQ 100	8,36,592	127.73	8,36,592	90.52
Mirae Asset Midcap Fund regular Plan	4,78,812	143.41	7,61,443	155.27
Mirae Asset Midcap Fund regular Direct Plan	2,82,631	90.28	-	-
Motilal Oswal S&P 500	6,60,037	129.69	6,60,037	98.62
Navi Nifty Bank Index Fund regular Growth	20,98,859	252.78	15,64,102	162.79
Nippon India Balanced Advantage Fund	-	-	55,881	69.96
Nippon India Growth Fund	776	25.33	-	-
Nippon India Growth Fund Growth	10,243	334.18	-	-
SBI Arbitrage Opportunities Fund Dividend	6,71,567	109.44	6,71,567	101.58
SBI Arbitrage Opportunities Fund Growth	3,53,993	109.70	3,53,993	101.81
SBI Contra Fund Growth	7,896	26.45	-	-
SBI Focused Equity Fund	1,01,697	297.56	63,822	138.96
TATA Banking & Financial Services Fund	2,83,161	95.46	-	-
Total		**5,359.41**		**3,946.15**

Details of quoted investments

(Amount in ₹ Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Book Value	4,411.06	2,550.18
Market Value	5,359.41	3,946.15

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

11. TRADE RECEIVABLES

(Amount in ₹ Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Unsecured considered good	8,975.86	6,604.18
Unsecured considered doubtful	-	-
	8,975.86	6,604.18
Less: Allowance for doubtful debts	(14.06)	(17.04)
Total Receivables	**8,961.80**	**6,587.14**
Current	8,961.83	6,587.14
Non-current	-	-

Outstanding for following periods from due date of payment

Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
	₹	₹	₹	₹	₹	₹
Year ended 31st March, 2024						
i) Undisputed Trade receivables – considered good	8,914.85	61.01	-	-	-	8,975.86
ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-
iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
	8,914.85	61.01	-	-	-	8,975.86
Less: Allowance for doubtful debts						(14.06)
Net Trade Receivables						**8,961.80**
Year ended 31st March, 2023						
i) Undisputed Trade receivables – considered good	6,604.18	15,27,721.00	-	-	-	15,34,325.18
ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-
iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
	6,604.18	**15,27,721.00**	**-**	**-**	**-**	**15,34,325.18**
Less: Allowance for doubtful debts						(17.04)
Net Trade Receivables						**15,34,308.14**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

12. CASH AND CASH EQUIVALENTS

(Amount in ₹ Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Cash and cash equivalents		
- Cash on hand	22.27	28.16
- Balances with banks	17.25	754.68
Total	**39.52**	**782.84**

13. BANK BALANCES OTHER THAN ABOVE

(Amount in ₹ Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Fixed deposits with bank	132.48	521.26
Total	**132.48**	**521.26**

14. OTHER CURRENT FINANCIAL ASSETS

(Amount in ₹ Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Unsecured, considered good		
Advance to vendors	105.59	56.43
Security deposits	337.21	332.86
Interest accrued on FDR	56.50	22.88
Advances to employees	18.90	31.04
Advance Income Tax (net)	-	25.00
Others	97.60	31.77
Total	**615.80**	**499.98**

15. OTHER CURRENT ASSETS

(Amount in ₹ Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Prepaid expenses	181.98	170.48
Balance with government authorities	1,645.50	1,058.49
Unrealised Gains on Forex Derivative	-	-
Total	**1,827.48**	**1,228.97**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

16. SHARE CAPITAL

(Amount in ₹ Lakh)

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Number	Amount	Number	Amount
Authorised share capital				
At the beginning of the year	1,00,00,000	500.00	1,00,00,000	500.00
Increase/(decrease) during the year	-	-	-	-
At the end of the year	1,00,00,000	500.00	1,00,00,000	500.00

(Amount in ₹ Lakh)

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Number	Amount	Number	Amount
Issued share capital				
At the beginning of the year	61,78,024	308.90	61,78,024	308.90
Increase/(decrease) during the year	-	-	-	-
At the end of the year	61,78,024	308.90	61,78,024	308.90

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

b) **Details of Share holder holding more than 5% shares in the Company:**

(Amount in ₹ Lakh)

Name of the shareholder	As at 31st March, 2024			As at 31st March, 2023		
	Number	% Holding	% Change during the year	Number	% Holding	% Change during the year
Rahul J Nachane	10,83,450	17.54%	-	10,83,450	17.54%	-
Rajesh N Lawande	13,52,366	21.89%	-	13,52,366	21.89%	-
Sunita Sandip Potdar	8,26,510	13.38%	(5.63%)	8,75,848	14.18%	(0.28%)
Ajita Rahul Nachane	7,13,449	11.55%	-	7,13,449	11.55%	-
PCI Fermone Chemicals (I) Pvt. Ltd.	5,17,871	8.38%	-	5,17,871	8.38%	-

c) **Details of Shareholding of Promoter :**

(Amount in ₹ Lakh)

Name of the shareholder	As at 31st March, 2024			As at 31st March, 2023		
	Number	% Holding	% Change during the year	Number	% Holding	% Change during the year
Rahul J Nachane	10,83,450	17.54%	-	10,83,450	17.54%	-
Rajesh N Lawande	13,52,366	21.89%	-	13,52,366	21.89%	-

d) Reconciliation of the number of equity shares and share capital:

(Amount in ₹ Lakh)

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Number	Amount	Number	Amount
Outstanding at the beginning of the year	61,78,024	308.90	61,78,024	308.90
Issued during the year	-	-	-	-
Outstanding at the end of the year	**61,78,024**	**308.90**	**61,78,024**	**308.90**

17. RESERVES AND SURPLUS

(Amount in ₹ Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Capital reserve		
Balance at the beginning of the year	150.00	150.00
Add: Additions during the year	-	-
Balance at the end of the year	**150.00**	**150.00**
Securities premium		
Balance at the beginning of the year	11.74	11.74
Add: Additions during the year	-	-
Balance at the end of the year	**11.74**	**11.74**
General reserve		
Balance at the beginning of the year	59.29	59.29
Add: Additions during the year	-	-
Balance at the end of the year	**59.29**	**59.29**
Retained earnings		
Opening Balance	21,724.99	19,791.86
Add: Profit for the year	4,116.39	2,041.24
Less: Appropriations	**-**	**-**
Dividend on Equity Shares (₹ 1.75/- Per Share)	(108.12)	(108.12)
Closing Balance	**25,733.26**	**21,724.99**
Total	**25,954.29**	**21,946.01**

18. NON CURRENT BORROWINGS

(Amount in ₹ Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Secured		
Term loans from banks:		
Term Loans from HDFC Bank	-	131.34
Vehicle Loan from HDFC Bank	74.48	75.97
Total	**74.48**	**207.31**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

19. PROVISIONS

(Amount in ₹ Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Non-current		
Leave Encashment	195.09	165.75
Gratuity	127.48	104.63
	322.57	**270.38**
Current		
Leave Encashment	26.15	22.55
Gratuity	39.36	33.31
Others	15.30	12.65
	80.81	**68.51**
Total	**403.38**	**338.89**

20. DEFERRED TAX LIABILITIES (NET)

(Amount in ₹ Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Opening balance as at 1st April	137.01	190.79
Tax (Income)/Expense during the period recognised in:	-	-
(i) Statement of Profit and Loss in Profit or Loss section	87.53	(50.96)
(ii) Statement of Profit and Loss under OCI Section	(5.14)	(2.82)
(iii) Retained earnings	-	-
Closing balance as at 31st March	**219.40**	**137.01**

21. OTHER NON CURRENT LIABILITIES

(Amount in ₹ Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Lease equalisation reserve	15.22	9.09
Total	**15.22**	**9.09**

22. CURRENT BORROWINGS

(Amount in ₹ Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Secured		
From banks for working capital	3,169.76	2,840.56
Total	**3,169.76**	**2,840.56**

(a) Working capital loans are personally guaranteed by Mr Rahul Nachane, Managing Director and Mr Rajesh Lawande, Executive Director

(b) Working capital loans comprise of loans repayable on demand in the form of cash credit, pre shipment finance and post shipment finance. These are secured by hypothecation of inventories, trade receivables and book debts. Interest payable on these loans is MCLR + 0.75% p.a. (Previous Year: MCLR + 0.75% p.a.)

23. TRADE PAYABLES

(Amount in ₹ Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Current		
Trade payables	4,938.64	2,458.62
Total	**4,938.64**	**2,458.62**

Outstanding for following periods from due date of payment

(Amount in ₹ Lakh)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
	₹	₹	₹	₹	₹
Year ended 31st March, 2024					
Trade payables					
i) MSME	1,112.61	-	-	-	1,112.61
ii) Others	3,826.03	-	-	-	3,826.03
iii) Disputed dues - MSME	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	-
	4,938.64	**-**	**-**	**-**	**4,938.64**
Year ended 31st March, 2023					
Trade payables					
i) MSME	519.15	-	-	-	519.15
ii) Others	1,939.47	-	-	-	1,939.47
iii) Disputed dues - MSME	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	-
	2,458.62	**-**	**-**	**-**	**2,458.62**

Notes

(Amount in ₹ Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Of the above,		
payables to Micro and Small Enterprises	1,112.61	519.15

This information as required to be disclosed under the Micro, Small & Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the group. This information has been relied upon by the auditors.

(Amount in ₹ Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Principal amount due and remaining unpaid	-	-
Interest due on the above and unpaid interest	-	-
Interest paid	-	-
Payment made beyond the appointed date during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding year	-	-

Note: The Company has not received full information from all the Vendors regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to amounts unpaid as at the year end together with interest paid/payable under this Act has been given to the extent, the said information is available. The auditor has relied on the same.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

24. OTHER FINANCIAL LIABILITIES

(Amount in ₹ Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Current		
Current Maturities of Long Term Debt	156.14	202.06
Unrealised Gains/Loss on Forex Derivative	8.31	-
Payables for Capital Purchases	233.01	165.18
Total	**397.46**	**367.24**

25. CURRENT TAX LIABILITIES

(Amount in ₹ Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Provision for taxation (net of taxes paid)	72.05	94.15
Total	**72.05**	**94.15**

26. OTHER CURRENT LIABILITIES

(Amount in ₹ Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Interest payable	-	0.08
Total	**-**	**0.08**

27. INCOME FROM OPERATIONS

(Amount in ₹ Lakh)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Sale of products	33,353.86	27,255.92
Sale of Services	17.32	101.57
Other operating Income	497.65	450.58
Total revenue from operations	**33,868.84**	**27,808.08**

28. OTHER INCOME

(Amount in ₹ Lakh)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Interest income	59.88	24.79
Dividend income		
- from current investments	46.39	62.54
Other non-operating income (net of expenses directly attributable to such income)	224.67	189.38
Net gain on sale or fair valuation of investments	732.02	-
Gain on exchange fluctuations	349.84	276.32
Total	**1,412.80**	**553.03**

29. COST OF MATERIALS CONSUMED

(Amount in ₹ Lakh)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Raw materials at the beginning of the year	1,078.59	1,581.45
Add: Purchases	17,496.34	11,137.86
Less: Raw material at the end of the year	(1,493.73)	(1,078.59)
Total cost of raw materials consumed	**17,081.19**	**11,640.72**

30. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

(Amount in ₹ Lakh)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Inventories at the beginning of the year:		
Finished goods	474.68	1,327.96
Work-in-progress	1,114.47	2,652.55
	1,589.16	**3,980.51**
Less: Inventories at the end of the year:		
Finished goods	1,030.03	474.68
Work-in-progress	1,771.64	1,114.47
	2,801.67	**1,589.16**
Total changes in inventories of finished goods and work-in-progress	**(1,212.51)**	**2,391.35**

31. EMPLOYEE BENEFITS EXPENSE

(Amount in ₹ Lakh)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Salaries and wages	4,269.79	3,481.83
Contribution to provident fund and other funds	144.12	131.54
Staff welfare expense	97.72	73.99
Total	**4,511.63**	**3,687.35**

Disclosure pursuant to Ind AS 19 - "Employee Benefits"

(i) Defined contribution plans: Note 2.18

(Amount in ₹ Lakh)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Contribution to provident fund	94.28	85.69

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

(ii) Defined benefit plans: Note 2.18

Gratuity Plan

(a) Funded status of the plan

(Amount in ₹ Lakh)

Particulars		For the year ended 31st March, 2024	For the year ended 31st March, 2023
A)	Present value of defined benefit obligation		
	- Wholly funded	334.73	283.02
	- Wholly unfunded	5.50	3.36
		340.23	**286.38**
	Less: Fair value of plan assets	(173.39)	(148.45)
	Amount to be recognised as liability or (asset)	166.84	137.93
B)	Amounts reflected in Balance Sheet	-	-
	Liabilities	166.84	137.93
	Assets	-	-
	Net liability/(asset)	**166.84**	**137.93**
	Net liability/(asset) - current	39.36	33.31
	Net liability/(asset) - non current	127.48	104.63

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

(Amount in ₹ Lakh)

Particulars		For the year ended 31st March, 2024	For the year ended 31st March, 2023
1.	Current service cost	35.24	32.83
2.	Past service cost and loss/(gain) on curtailments and settlements	-	-
3.	Interest cost	9.04	7.04
Total charge to Profit & Loss		**44.28**	**39.87**

(c) The amount recognised in Other Comprehensive Income

(Amount in ₹ Lakh)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Components of actuarial gain/(losses) on obligations		-
Due to change in financial assumptions	7.70	(13.16)
Due to change in demographic assumptions	-	-
Due to experience adjustments	10.11	20.79
Return on plan assets excluding amount included in interest income	2.61	3.59
Amount recognised in Other Comprehensive Income	20.41	11.21

(d) Reconciliation of defined benefit obligation

(Amount in ₹ Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Opening defined benefit obligation	286.38	265.59
Transfer in/(out) obligation	-	-
Current service cost	35.24	32.83
Interest cost	20.35	17.45
Actuarial loss/(gain) due to change in financial assumptions	7.70	(13.16)
Actuarial loss/(gain) due to change in demographic assumptions	-	-
Actuarial loss/(gain) due to experience adjustments	10.11	20.79

(Amount in ₹ Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Past service cost	-	-
Loss/(gain) on curtaiments	-	-
Liabilities extinguished on settlements	-	-
Liabilities assumed in an amalgamation in the nature of purchase	-	-
Exchange differences on foreign plans	-	-
Benefits paid	(19.56)	(37.11)
Closing defined benefit obligation	**340.23**	**286.38**

(e) Reconciliation of plan assets

(Amount in ₹ Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Opening value of plan assets	148.45	148.62
Transfer in/(out) of plan assets	-	-
Interest income	11.32	10.41
Return on plan assets excluding amount included in interest income	(2.61)	(3.59)
Assets distributed on settlements	-	-
Contributions by employer	35.79	30.12
Assets acquired in an amalgamation in the nature of purchase	-	-
Exchange differences on foreign plans	-	-
Benefits paid	(19.56)	(37.11)
Adjustment to the opening fund	-	-
Closing balance of plan assets	**173.39**	**148.45**

(f) Reconciliation of net defined benefit liability

(Amount in ₹ Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Net opening provision in books of account	137.93	116.97
Transfer in/(out) obligation	-	-
Transfer in/(out) plan assets	-	-
Employee benefit expense (from (b) above)	44.28	39.87
Amounts recognised in other comprehensive income (from (c) above)	20.41	11.21
	202.63	168.05
Contribution to plan assets	(35.79)	(30.12)
Closing provision in books of accounts	**166.84**	**137.93**

(g) Composition of plan assets

(Amount in ₹ Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Policy of insurance	1.00	1.00

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

(h) Principal actuarial assumptions

(Amount in ₹ Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Discount rate	6.35%	6.55%
Salary growth rate	6.00%	6.00%
Withdrawal rates	10% at younger ages reducing to 2% at older ages	10% at younger ages reducing to 2% at older ages

(i) Expected cash flows based on past service liability

(Amount in ₹ Lakh)

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Rupees	%	Rupees	%
Year 1 Cash Flow	22.34	4.10%	26.42	4.30%
Year 2 Cash Flow	19.90	4.20%	18.93	3.70%
Year 3 Cash Flow	21.56	5.30%	23.61	5.50%
Year 4 Cash Flow	25.07	5.80%	18.15	5.40%
Year 5 Cash Flow	19.73	5.20%	20.24	6.00%
Year 6 to Year 10 Cash Flow	173.99	39.60%	141.45	36.10%

(j) Sensitivity analysis of key assumptions

(Amount in ₹ Lakh)

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	DBO	Change in DBO %	DBO	Change in DBO %
Discount rate varied by 0.5%				
+ 0.5%	325.16	(0.10)	274.03	(10.24%)
- 0.5%	356.41	0.11	299.66	11.16%
Salary growth rate varied by 0.5%				
+ 0.5%	353.37	0.10	297.30	10.40%
- 0.5%	326.70	(0.10)	275.72	(9.75%)
Withdrawal rate (WR) varied by 10%				
WR x 110%	341.93	0.00	288.06	(0.16%)
WR x 90%	338.41	(0.00)	284.25	(0.08%)

(iii) Employee benefits (leave encashment)

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

(Amount in ₹ Lakh)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Salaries - leave encashment	73.22	35.99

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

32. OTHER EXPENSES

(Amount in ₹ Lakh)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Power and Fuel	2,269.38	1,826.70
Consumable Stores	249.66	171.34
Packing Materials	265.61	234.17
Processing Charges	563.45	347.96
Factory Expenses	720.51	511.50
Water Charges	55.94	26.16
Repairs to		
Plant & Machinery	861.56	716.54
Factory Buildings	173.53	138.06
Other Assets	4.36	5.20
Insurance	210.62	208.13
Laboratory Expenses	302.09	288.73
Payment to Auditors (See note below)	25.25	20.02
Postage & Telephone Expenses	38.99	36.02
Legal and Professional Fees	346.02	283.48
Bank Charges and Commission	47.17	63.70
Rent, Rates and Taxes	203.30	158.12
Printing & Stationery	48.73	41.83
Vehicle Expenses	42.16	27.32
Advertisement & Business Promotion	105.36	68.61
Commission on Sales	288.01	180.15
Travelling Expenses	181.97	131.25
Freight, Coolie & Cartage	602.75	546.86
Insurance Claim w/off	-	-
Miscellaneous Expenses	555.26	624.80
Total	**8,161.64**	**6,656.64**

(a) Details about payment to auditors

(Amount in ₹ Lakh)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
(i) Payment to statutory auditors (net of GST)		
As auditors - statutory audit & tax audit	13.65	11.95
As auditors - other services	5.85	4.05
sub total (i)	19.50	16.00
(ii) Payment to internal auditors and cost auditors (net of GST)		
Internal Audit Fees	4.00	4.02
Cost Audit Fees	1.75	-
sub total (ii)	5.75	4.02
Total (i + ii)	25.25	20.02

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

33. FINANCE COSTS

(Amount in ₹ Lakh)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Interest expense on:		
-Long term borrowings	31.56	33.98
-Short term borrowings	102.25	85.74
Total	**133.81**	**119.72**

34. CONTINGENT LIABILITY

(Amount in ₹ Lakh)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Disputed demand from the Income Tax Department		
Macrotech Polychem Private Limited (AY 2010-11)	10.07	10.07
Disputed Goods and Service Tax Liability		
Macrotech Polychem Private Limited (FY 2017-20)	34.00	-
Provident Fund claim disputed		
NGL Fine-Chem Limited		
Demand raised on the Company by the provident fund department for amount payable by contractor	17.76	17.76

35. COMMITMENTS

(Amount in ₹ Lakh)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
(i) Estimated amount of contracts remaining to be executed on capital account and not provided		
Tangible assets	1,770.34	1,292.50
(ii) Other commitments (specify nature)		
Guarantees issued by banks on behalf of the Group	22.30	12.40
Letters of credit established for which goods are yet to be received	131.14	99.18

36. RELATED PARTIES DISCLOSURES

Disclosures as required by IND AS 24 - "Related Party Disclosures" are given below

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

(i) Associates Companies/Firms in which Directors or their relatives are interested

Nupur Remedies Private Limited

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

Name	Designation	Relatives
Rahul Nachane	Managing Director	Ajita Nachane & Ahaan Nachane
Rajesh Lawande	Wholetime Director & CFO	Ajita Nachane
Ajita Nachane	Non Independent Director	Rahul Nachane, Ahaan Nachane & Rajesh Lawande
Milind Shinde (ceased to be director on 31st March, 2024)	Independent Director	--
Jayaram Sitaram	Independent Director	--
Sarala Menon	Women Independent Director	--
Dhananjay Mungale (appointed on 18th March, 2024)	Independent Director	--
Ahaan Nachane	Vice President	Ajita Nachane & Rahul Nachane
Pallavi Pednekar	Company Secretary	

(b) Nature of transaction

(Amount in ₹ Lakh)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
(i) Expenses		
Rent		
Nupur Remedies Private Limited	56.03	53.37
Rahul Nachane	36.66	34.92
Rajesh Lawande	36.66	34.92
Managerial Remuneration		
Rahul Nachane	85.66	85.66
Rajesh Lawande	84.22	84.22
Ahaan Nachane	13.44	36.38
Pallavi Pednekar	9.11	7.58
Commission on profits		
Rahul Nachane	104.00	74.22
Rajesh Lawande	104.00	74.22
Legal & Professional Fee		
Nupur Remedies Private Limited	69.30	66.00
Director's Sitting Fee		
Ajita Nachane	6.35	4.70
Milind Shinde	7.60	5.25
Jayaram Sitaram	7.30	4.40
Sarala Menon	4.40	3.50
Dhananjay Mungale	1.00	-
Training Expenses		
Ahaan Nachane	86.56	-
(ii) Deposits		
Nupur Remedies Private Limited	3.50	3.50
Rahul Nachane - Office Deposit	20.00	20.00
Rajesh Lawande - Office Deposit	20.00	20.00
(iii) Outstanding balances		
Nupur Remedies Private Limited (Trade Payable)	24.06	10.92

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

37. FAIR VALUES

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

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

Carrying amount of financial assets and liabilities:

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

(Amount in ₹ Lakh)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Financial assets		
Investments	5,359.41	3,946.15
Cash and cash equivalents	39.52	782.84
Bank balances other than above	132.48	521.26
Trade receivables	8,961.80	6,587.14
Other financial assets	615.80	499.98
At end of the year	**15,109.01**	**12,337.37**
Financial liabilities		
Borrowings	3,169.76	2,840.56
Trade payables	4,938.64	2,458.62
Other current financial liabilities	397.46	367.24
At end of the year	**8,505.86**	**5,666.42**

39. CREDIT RISK

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

Investments

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

Trade receivables

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

Ageing of trade receivable

(Amount in ₹ Lakh)

Particulars	Days			Provision for doubtful debts	Total
	0-180	180-365	Above 365		
As on 31st March, 2024	9,155.26	61.01	-	(14.06)	9,202.21
As on 31st March, 2023	6,640.14	15.28	-	(17.04)	6,638.38

40. MARKET RISK

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

41. FOREIGN CURRENCY RISK

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

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Currency	₹ Lakh	Currency	₹ Lakh
Payables				
Advances from customers	US$ 3,41,377	280.03	US$ 2,100	1.73
Trade Payables	US$ 8,34,470	706.46	US$ 4,09,994	342.18
Trade Payables	JPY 99,36,000	56.33	-	-
Trade Payables	EUR 9,180	8.43	EUR 9,180	8.37
Receivables				
Trade Receivables	US$ 76,36,665	6,287.53	US$ 64,76,857	5,291.32
Trade Receivables	EUR 524	0.46	-	-
Advances to Suppliers	US$ 466	0.39	US$ 26	0.02

Following table analyses the Group's Sensitivity to a 5% increase and a 5% decrease in the exchange rates of Foreign Currencies against ₹.

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Currency	₹ Lakh	Currency	₹ Lakh
Net foreign currency assets US$	US$ 64,60,818	5,301.04	US$ 60,64,763	4,947.41
Impact on profit or loss: Income/(Expense)				
US$ - Increase by 5%	US$ 3,23,041	265.05	US$ 3,03,238	247.37
US$ - Decrease by 5%	US$ (3,23,041)	(265.05)	US$ (3,03,238)	(247.37)
Net foreign currency liabilities JPY	JPY 99,36,000	56.33	-	-
Impact on profit or loss: Income/(Expense)				
JPY - Increase by 5%		(2.82)		-

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Currency	₹ Lakh	Currency	₹ Lakh
JPY - Decrease by 5%		2.82		-
Net foreign currency liabilities EUR	EUR 8,656	7.97	EUR 9,180	8.37
Impact on profit or loss: Income/(Expense)				
EUR - Increase by 5%		(0.40)		(0.42)
EUR - Decrease by 5%		0.40		0.42
Net Impact - increase by 5%		264.65		246.95
Net Impact - decrease by 5%		(264.65)		(246.95)

42. INTEREST RATE RISK

Group's interest rate risk arises from borrowings. The long term borrowings are at fixed interest rate while the short term borrowing are at floating interest rate. The interest rate profile of the Group's interest-bearing financial instruments is as follows:

(Amount in ₹ Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Fixed rate instruments		
Financial Assets	132.48	521.26
Financial liabilities	230.62	409.37
Variable rate instruments		
Financial Assets	5,359.41	3,946.15
Financial liabilities	3,169.76	2,840.56

Interest rate sensitivity

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

(Amount in ₹ Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Long term variable interest rate borrowings	-	-
Short term variable interest rate borrowings	3,169.76	2,840.56
	3,169.76	**2,840.56**

Cash flow sensitivity analysis for variable-rate instruments:

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

(Amount in ₹ Lakh)

Year ended	Increase/ (decrease) in basis points	Effect on profit before tax increase/ (decrease)
31st March, 2024	100	(31.70)
	(100)	31.70
31st March, 2023	100	(28.41)
	(100)	28.41

43. LIQUIDITY RISK

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

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

(Amount in ₹ Lakh)

Particulars	On demand	Upto 1 year	1 to 5 years	More than 5 years	Total
	₹	₹	₹	₹	₹
Year ended 31st March, 2024					
Trade payables	-	4,938.64	-	-	4,938.64
Other financial liabilities	-	397.46	-	-	397.46
	-	**5,336.10**	**-**	**-**	**5,336.10**
Year ended 31st March, 2023					
Trade payables	-	2,458.62	-	-	2,458.62
Other financial liabilities	-	367.24	-	-	367.24
	-	**2,825.86**	**-**	**-**	**2,825.86**

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

44. CAPITAL MANAGEMENT

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

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

(Amount in ₹ Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Loans and borrowings	3,244.24	3,047.87
Trade payables	4,938.64	2,458.62
Other payables	550.32	529.99
Less: Cash and cash equivalents	(172.00)	(1,304.10)
Net debt (A)	**8,561.20**	**4,732.38**
Equity	26,263.19	22,254.91
Capital (B)	**26,263.19**	**22,254.91**
Capital gearing ratio (A/B)	**0.33**	**0.21**

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

45. INCOME TAX

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

Income statement

(Amount in ₹ Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Current income tax:		
Current income tax charge	(1,182.50)	(727.00)
Adjustments in respect of current income tax of previous year	(40.00)	(10.53)
Deferred tax:		
Relating to origination and reversal of temporary differences	(92.67)	48.14
Relating to origination and reversal of temporary differences through OCI	5.14	2.82
Income tax expense reported in the income statement	**(1,310.03)**	**(686.57)**

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

(Amount in ₹ Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Profit before tax	5,441.70	2,736.20
Income tax expense	(1,389.37)	(707.99)
Effect of income that is exempt from taxation	-	-
Deduction for carry forward losses	-	-
Effect of expenses that are deductible in determining taxable profits	79.34	21.41
Effect of expenses that are not deductible in determining taxable profits		
Total tax expense	**(1,310.03)**	**(686.57)**

NGL Fine Chem Limited:

The tax rate used for the reconciliations above is the corporate tax rate of 25.17% payable by corporate entities in India on taxable profits under tax law in the Indian jurisdiction.

Macrotech Polychem Private Limited:

The tax rate used for the reconciliations above is 27.82% (previous year 16.692% as minimum alternate tax) payable by corporate entities in India on taxable profits under tax law in the Indian jurisdiction.

46. ADDITIONAL INFORMATION

(a) Earnings per share (EPS)

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

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

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

(Amount in ₹ Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Profit for the year from continuing operations	4,131.67	2,049.63
Weighted average number of equity shares for basic EPS*	61,78,024	61,78,024
Weighted average number of equity shares adjusted for the effect of dilution*	61,78,024	61,78,024
Face value per share (₹)	5.00	5.00
Basic earning per share (₹)	66.88	33.18
Diluted earning per share (₹)	66.88	33.18

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

(Amount in ₹ Lakh)

	Particulars		As at 31st March, 2024		As at 31st March, 2023
(b)	**Value of imports calculated on CIF basis:**				
	Raw materials		4,594.19		2,761.65
	Capital goods		51.26		55.21
	Total		4,645.45		2,816.86
(c)	**Expenditure in foreign currency:**				
	Professional and consultation fees				-
	Other matters		461.93		251.49
	Total		461.93		251.49
(d)	**Details of consumption of imported and indigenous items**				
	(i) Raw materials Consumed				
	Indigenous	73.2%	12,696.67	73.9%	8,861.51
	Imported	26.8%	4,648.19	26.1%	3,122.18
	Total	**100.0%**	**17,344.86**	**100.0%**	**11,983.69**
	(ii) Stores and spares Consumed				
	Indigenous	100.0%	250.20	100.0%	171.77
	Imported	0.0%	-	0.0%	-
	Total	**100.0%**	**250.20**	**100.0%**	**171.77**
(e)	**Earnings in foreign exchange :**				
	Export of goods calculated on FOB basis		24,957.08		21,211.20
	Other (Insurance & Freight)		293.22		296.58
(f)	**Operating Lease**				
	The Group's significant leasing arrangements are in respect of office and laboratory in Mumbai and warehouses at Tarapur and Navi Mumbai. The leasing arrangements are usually renewed by consent on an agreeable basis. The aggregate lease rentals payable is charged as "Rent" under Other Expenses.				
	Future minimum rentals (excluding taxes) payable under operating leases are as follows:				
	Within one year		180.57		147.71
	Later than one year but not later than five years		318.30		217.10
	Later than five years		-		-
	Rental expense relating to operating lease:				
	Minimum lease payments		180.57		147.71
	Total rental expense relating to operating lease		**180.57**		**147.71**

47. SEGMENTAL INFORMATION

a. Basis for segmentation

The operations of the Group are limited to one segment viz. Pharmaceutical and related products. The products being sold under this segment are of similar nature and comprises of pharmaceutical products only.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

b. Geographic information

The geographic information analyses the Group's revenues by the customer's country of domicile. In presenting geographic information, segment revenue has been based on the selling location in relation to sales to customers and segment assets are based on geographical location of assets.

(Amount in ₹ Lakh)

Geographical Distribution of Revenue	FY 2023-24	FY 2022-23
India	7,927.41	6,030.34
Europe	7,045.91	8,083.84
Asia Pacific	9,800.13	9,273.96
USA	620.32	550.80
Rest of the world	7,977.42	3,418.56
Total	**33,371.19**	**27,357.50**

48. REMEASUREMENT OF SECURITY DEPOSIT

Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the Group has recorded these security deposits at fair value under Ind AS. Differences between the fair value and the transaction value of the security deposits have been recognised as prepaid rent.

49. CLASSIFICATION AND PRESENTATION OF ASSETS AND LIABILITIES

Under Ind AS, the Group is required to present its assets and liabilities bifurcated between financial assets/financial liabilities and non-financial assets/non-financial liabilities. Accordingly, the Group has classified and presented the assets and liabilities.

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

50. DISCLOSURE WITH RESPECT TO LOANS OR ADVANCES GRANTED TO PROMOTERS,DIRECTORS,KMP AND THE RELATED PARTIES

(1) Current reporting period

(Amount in ₹ Lakh)

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoters	-	-
Directors	-	-
KMPs	-	-
Related Parties		
Macrotech Polychem Private Limited	-	-

(2) Previous reporting period

(Amount in ₹ Lakh)

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoters	-	-
Directors	-	-
KMPs	-	-

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

51. DISCLOSURE WITH RESPECT TO BORROWINGS FROM BANKS OR FINANCIAL INSTITUTIONS ON THE BASIS OF SECURITY OF CURRENT ASSETS

Details of monthly stock statements & trade receivables filed by the Company with banks or financial institutions are given below

(Amount in ₹ Lakh)

MONTH	Stocks and Receivables submitted to Bank	Stocks and Receivables as per books	Difference	Difference %
Apr-23	8,829.14	8,829.14	-	0%
May-23	9,828.09	9,828.09	-	0%
Jun-23	10,114.34	10,114.34	-	0%
Jul-23	10,567.56	10,567.56	-	0%
Aug-23	10,642.17	10,642.17	-	0%
Sep-23	10,713.55	10,713.55	-	0%
Oct-23	10,957.82	10,957.82	-	0%
Nov-23	10,838.54	10,838.54	-	0%
Dec-23	11,977.27	11,977.27	-	0%
Jan-24	11,645.27	11,645.27	-	0%
Feb-24	13,002.17	13,002.17	-	0%
Mar-24	12,587.90	12,587.90	-	0%

Stock statements and trade receivable details as at the end of the month are submitted to the bank within seven days of close of the succeeding month. Monthly account finalisation takes place subsequently along with valuation of stocks. If there is any variation in the valuation, a revised statement of stocks and receivables is submitted to the bank.

52. RELATIONSHIP WITH STRUCK OFF COMPANIES

(Amount in ₹ Lakh)

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding	Relationship with the Struck off company, if any, to be disclosed
NIL	NIL	NIL	NIL

53. RATIO ANALYSIS

Ratio	FY 2023-24	FY 2022-23	% of Variance	Numerator	Denominator	Remarks
Current Ratio	2.46	2.79	(12.0%)	Current Assets	Current Liabilities	Ratio has decreased demonstrating lower liquidity
Debt-Equity Ratio	0.13	0.15	(11.3%)	Current Borrowings + Non Current Borrowings	Total Equity	No significant change in the ratio
Debt Service Coverage Ratio	23.24	12.38	87.7%	Profit after Tax + Finance Costs + Depreciation + Loss on sale of FA	Finance Cost + Current Maturities of Long Term Debt	Ratio has increased due to higher profitability
Return on Equity Ratio	15.7%	9.2%	70.8%	Profit After Tax	Total Equity	Ratio has increased due to higher profitability
Inventory turnover ratio	8.12	5.87	38.3%	Cost of Goods Sold	Average Inventories	Ratio has improved demonstrating improved inventory management

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

Ratio	FY 2023-24	FY 2022-23	% of Variance	Numerator	Denominator	Remarks
Trade Receivables turnover ratio	4.36	4.28	1.7%	Sale of Products	Average Trade Receivables	No significant change in the ratio
Trade payables turnover ratio	7.72	7.90	(2.3%)	Cost of Goods Sold	Average Trade Payables	No significant change in the ratio
Net capital turnover ratio	2.94	2.62	12.2%	Sale of Products	Average Working Capital Gap	Capital turnover has increased demonstrating higher turn of assets
Net profit ratio	12.20%	7.37%	65.5%	Profit After Tax	Sale of Products	Ratio has increased due to higher profitability
Return on Capital employed	18.66%	11.14%	67.5%	Earnings before interest and tax	Total Equity + Total Debt + Deferred Tax Liabilities	Ratio has increased due to higher profitability
Return on investment	0.75	(0.39)	(292.8%)	Change in market value of equity share + Dividend	Market value of equity share as on Balance Sheet date	Market price of the equity shares has increased leading to a higher return

54 . CORPORATE SOCIAL RESPONSIBILITY

(Amount in ₹ Lakh)

Particulars	FY 2023-24
(a) amount required to be spent by the Company during the year	111.95
(b) amount of expenditure incurred	84.82
(c) shortfall at the end of the year	(27.13)
(d) total of previous years shortfall	(78.68)
(e) reason for shortfall	Unspent amount was due to carry over of projects where CSR is undertaken. The expenditure will be taken up in the current year. The unspent amount of CSR is transferred to a separate current account. Unspent amount of earlier years was on account of inability to identify suitable projects.
(f) nature of CSR activities.	Modernising and upgrading science laboratories & solar electrification in school, upgrading classrooms to digital classrooms in college, water body restoration in Kumbhavali village, scholarships for students, empowerment for widows, etc.
(g) details of related party transactions	NIL
(h) provision made with respect to a liability incurred by entering into a contractual obligation.	NIL

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

55. REPORTING UNDER RULE 11 (e) (i) AND RULE 11 (f) OF THE COMPANIES (AUDIT AND AUDITORS) RULES, 2014

i) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

ii) No funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

56. SUBSEQUENT EVENTS

i) The final dividend on shares is recorded as a liability on the date of approval by the shareholders. Income tax consequences of dividends on financial instruments classified as equity will be recognised according to where the entity originally recognised those past transactions or events that generated distributable profits. The Company declares and pays dividends in Indian rupees. Companies are required to pay/distribute dividend after deducting applicable taxes. The remittance of dividends outside India is governed by Indian law on foreign exchange and is also subject to withholding tax at applicable rates. Dividends declared by the Company are based on profits available for distribution. On 21st May, 2024, the Board of Directors of the Company have proposed a dividend of ₹ 1.75 per share in respect of the year ended 31st March, 2024 subject to the approval of shareholders at the Annual General Meeting, and if approved, would result in a cash outflow of ₹ 108.12 Lakhs.

ii) The Group evaluated all events and transactions that occurred after 31st March, 2024 through 21st May, 2024; the date on which the financial statements are issued. Based on the evaluation, the Group is not aware of any events or transactions that would require recognition or disclosure in the financial statements other than that mentioned above.

57. During the previous year, Macrotech Polychem Private Limited, changed its method of depreciation from Written Down Value Method to Straight Line Method to bring its depreciation policy in conformance with its holding company's policy. Consequent to the change in method, for the consolidated results, the depreciation for the year is lower by ₹ 158.41 Lakhs (previous year - ₹ 275.88 Lakhs) and the profit for the year is higher by ₹ 158.41 Lakhs (previous year - ₹ 275.88 Lakhs)

58. THE PREVIOUS YEARS FIGURES HAVE BEEN REGROUPED AND REARRANGED WHEREVER NECESSARY.

(The accompanying notes 1 to 58 are an integral part of the financial statements)

As per our report of even date attached
For **Manek & Associates**
Chartered Accountants
Firm Registration Number: 126679W

Sd/-
Shailesh Manek
Partner
Membership Number: 034925

Place: Mumbai
Date: 21st May, 2024

For and on behalf of the Board of Directors

Sd/-
Rahul Nachane
Managing Director
DIN: 00223346

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

Sd/-
Pallavi Pednekar
Company Secretary
ACS : A33498

Place: Mumbai
Date: 21st May, 2024

NGL FINE-CHEM LIMITED

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