

NGL FINE-CHEM LIMITED



**ANNUAL
REPORT
2009 - 2010**



BOARD OF DIRECTORS

Rahul J. Nachane	Managing Director
Rajesh N. Lawande	Executive Director
Ramchandra N. Bhalerao	Independent Director
Milind V. Shinde	Independent Director
Suman S Lad	Independent Director

SHARE TRANSFER AGENTS

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

SHARES LISTED AT

Bombay Stock Exchange Ltd., Mumbai
Ahmedabad Stock Exchange Ltd., Ahmedabad
Madras Stock Exchange Ltd., Chennai
(Listing fees paid for 2010-11)

REGISTERED OFFICE & FACTORY

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

ADMINISTRATIVE OFFICE

2, New Metalage Industrial Premises, Subhash Road,
Jogeshwari East, Mumbai 400 060
Tel : (+91 22) 28346659 • Email : ngl@vsnl.com

AUDITORS

Bharat Gandhi & Co
Chartered Accountants

29th ANNUAL GENERAL MEETING

Date : August 20, 2010
Day : Friday
Time : 11.00 a.m
Place : W-142 (C) TTC MIDC Industrial Area,
Pawane Village, Thane Belapur Road,
Navi Mumbai – 400 705

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NOTICE

NOTICE is hereby given that the Twenty Ninth Annual General Meeting of the Members of NGL Fine-Chem Limited will be held at W-142(C) TTC, MIDC Industrial Area, Pawane Village, Thane Belapur Road, Navi Mumbai - 400 705 on Friday, August 20, 2010, at 11.00 a.m. to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2010, Profit & Loss Account & Cash flow Statement for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Milind Shinde, Director who retires by rotation & being eligible offers himself for re-appointment as Director.
3. To appoint Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

Notes:

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

- 3) The Register of Members and Share Transfer Register in respect of equity shares of the Company will remain closed from Thursday, August 12, 2010 to Friday, August 20, 2010 (both days inclusive).
- 4) As a measure of economy, copies of the Annual Reports and Accounts will not be distributed at the Meeting. Members are therefore, requested to bring their copies to the Meeting.
- 5) Members/Proxies are requested to produce the attendance slip duly signed, sent along with the Annual Report and Accounts, for admission to the meeting hall.
- 6) 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.
- 7) Members whose shareholding is in the electronic mode are requested to direct change of address notifications and updation of Savings Bank Account details to their respective Depository Participants.

Registered Office

W142 C TTC MIDC Industrial Area,

Pawane Village,

Off Thane Belapur Road,

Navi Mumbai 400 705

Place: Mumbai

Date: May 12, 2010.

By Order of the Board

Rahul Nachane

Managing Director



DIRECTORS' REPORT TO THE MEMBERS

Your Directors have pleasure in presenting the Twenty Ninth Annual Report with the Audited Balance Sheet, Profit & Loss Account and the notes and schedules thereon for the year ended 31st March 2010.

A. OPERATING RESULTS

The operating results of the Company for the year ended 31st March 2010 are as follows:

	Year ended on 31.03.2010 Rupees	Year ended on 31.03.2009 Rupees
Profit before Depreciation	4,71,20,530	3,90,92,133
Less: Depreciation	(77,62,607)	(76,15,632)
Net Profit before Tax	3,93,57,923	3,14,76,501
Less: Provision for Income Tax	(1,38,50,000)	(1,11,50,000)
Provision for Deferred Tax	15,36,603	(5,64,229)
Fringe Benefit Tax	—	(1,67,150)
Net Profit after Tax	2,70,44,526	1,95,95,122
Add/(Less): Prior years adjustments	91,261	(27,65,340)
Add: Previous years profit brought forward	5,57,79,252	3,89,49,470
Balance Profit carried forward	8,29,15,039	5,57,79,252

B. REVIEW OF OPERATIONS

During the year under review your company achieved a sale of Rs. 2782.35 lakhs (previous year Rs. 2462.99 lakhs) resulting in an increase of 13% over the previous year. The profit before tax is at Rs. 393.58 lakhs (previous year Rs. 314.77 lakhs) resulting in an increase of 25%.

Your company was able to post higher sales due to volume growth in sales of its products. Your company now exports to countries across 5 continents.

In June 2009, there was a fire at one of the company's factories situated at Navi Mumbai. There was substantial loss suffered in terms of damage to assets and stocks. Partial operations have been restored at the manufacturing site and the plant is now being reconstructed.

C. DIVIDEND

Your directors do not recommend dividend for the year ended 31st March 2010 with a view to conserve resources.

D. FUTURE PROSPECTS

The company has undertaken major expansion and reconstruction at two of its sites at Navi Mumbai & Tarapur. One of these plants is expected to commence production in August 2010 and the other is expected to commence production in April 2011.

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

E. PARTICULARS OF EMPLOYEES

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

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

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

G. OTHER DISCLOSURES

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

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

H. DIRECTORS RESPONSIBILITY STATEMENT

The Board of Directors of the Company hereby confirm:

- 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 at March 31, 2010, 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, 1956, 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.

I. DIRECTORS

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

The Company has revised the remuneration of Mr. Rahul Nachane, Managing Director and Mr. Rajesh Lawande, Executive Director of the Company with effect from 1st January 2010, for the remaining term of tenure.



DIRECTORS' REPORT TO THE MEMBERS

J. AUDITORS

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

K. SUBSIDIARY COMPANIES

The company does not have any subsidiary companies.

L. CORPORATE GOVERNANCE REPORT

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

M. COMMITTEES OF THE BOARD

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

The Audit Committee was re-constituted with effect from 31st July 2009 and 31st January 2010.

N. COMPLIANCE CERTIFICATE

Compliance Certificate as required under section 383A of the Companies Act 1956 prepared and issued by HS Associates, Company Secretaries in Practice is annexed hereto.

O. ACKNOWLEDGEMENTS

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

For and on behalf of the Board of Directors

Rahul Nachane
Chairman & Managing Director

Mumbai, May 21, 2010.

ANNEXURE A TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2010.

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

Conservation of Energy

Following activities were taken to conserve Energy

- 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.

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

	2009-2010	2008-2009
A. Power & Fuel Consumption		
1. Electricity		
(a) Purchases		
Units	15,70,173	14,55,162
Amount (Rs.)	81,34,525	71,37,810
Rate per unit (Rs.)	5.18	4.91
(b) Own Generated		
Units	95,901	89,102
Amount (Rs.)	13,05,780	10,58,941
Rate per unit (Rs.)	13.62	11.88
2. Coal	Nil	Nil
3. Furnace Oil		
Quantity (litres)	3,85,365	3,23,610
Amount (Rs.)	86,26,611	70,11,931
Rate per unit (Rs.)	22.39	21.67
4. Others (Light Diesel Oil)		
Quantity (litres)	17,535	60,222
Amount (Rs.)	5,67,107	23,26,260
Rate per unit (Rs.)	32.34	38.63
B. Consumption per unit of production		
Pharmaceuticals	*	*

* Cannot be ascertained due to varied nature of output.

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

Research and Development (R&D):

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

Expenditure on R&D for the year ended 31st March 2010.

(a) Capital	Rs. 20.25 lakhs
(b) Recurring	Rs. 39.72 lakhs
(c) Total	Rs. 59.97 lakhs
(d) As percentage of turnover	2.16%

Technology Absorption, Adaptation and Innovation

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

Foreign Exchange Earnings and Outgo

Total Foreign Exchange Earned	Rs. 20,13,11,789
Total Foreign Exchange Used	Rs. 2,44,24,694



ANNEXURE B TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2010.

CORPORATE GOVERNANCE REPORT

1. Company's philosophy

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

2. Board of Directors

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

None of the Directors have any pecuniary or business relationship with the Company except to the extent as disclosed in Schedule 16 – 8 (b) of the notes to accounts. No Director of the Company is either member in more than ten committees and/or Chairman of more than five committees across all Companies in which he is Director.

During the year there were in total four board meetings held on 21st May 2009, 31st July 2009, 30th October 2009 and 29th January 2010. The time gap between the two meetings was not more than four months. All the information required to be furnished to the Board was made available to them along with detailed Agenda notes.

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

Name of Director	Category of Directorship	No. of Board Meetings attended	Attendance at the last AGM	No. of other Directorships	Committee Memberships in other Companies
R. J. Nachane	MD	4	Yes	1	—
R. N. Lawande	ED	4	Yes	1	—
R. N. Bhalerao	NED	3	Yes	—	—
M. V. Shinde	NED	4	Yes	—	—
S. S. Lad	NED	4	Yes	2	—

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

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

- Name of Director: Milind V. Shinde
- Age: 45 years
- Qualifications: B. E., M. M. S.
- Expertise in functional areas: Over 20 years experience in industry. He is an entrepreneur having built up his company in the engineering industry.
- Directorships in other Indian public limited companies & other firms as on 31.03.2010: Partner of M/s AVM Engineering.
- Shareholding: Nil

3. Committees of the Board:

a. Audit Committee

Pursuant to the provisions of section 292(A) of The Companies Act, 1956 & clause 49 of the Listing Agreement, an Audit Committee comprising of 2 Non Executive Independent Directors & 1 Managing Director & 1 Executive Director was constituted. The Committee was re-constituted on 31st July 2009 & 31st January 2010 respectively.

Following are the members of the Committee.

- Mr. Suman S. Lad – Chairman
- Mr. Milind V. Shinde – Member
- Mr. Rajesh N. Lawande – Member
- Mr. R. N. Bhalerao – Member (with effect from 31st January 2010)
- Mr. Bharat Gandhi – Statutory Auditor (present by invitation)

Mr. Rahul J. Nachane ceased to be a Member of the Audit Committee from 31st July 2009.

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

Name of Director	Category of Directorship	No. of Committee Meetings attended
S. S. Lad	NED	4
M. V. Shinde	NED	4
R. J. Nachane	MD	1
R. N. Bhalerao	NED	1
R. N. Lawande	ED	4

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

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

b. Remuneration Committee

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

The following are the members of the Committee

- Mr. Suman S. Lad – Chairman
- Mr. Milind Shinde – Member
- Mr. Ramchandra Bhalerao – Member

Mr. Rahul Nachane and Mr. Rajesh Lawande ceased to be members of this committee from 29th January 2010.



The committee held 2 meeting during the year. The attendance by members is as follows:

Name of Director	Category of Directorship	No. of Committee Meetings attended
S. S. Lad	NED	2
M. V. Shinde	NED	2
R. N. Bhalerao	NED	1

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

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

Remuneration Policy

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

Details of remuneration paid to Executive Directors:

Name of Director	Designation	Salary	Provident Fund & Gratuity Fund
Mr. Rahul Nachane	MD	Rs. 18,75,000	Rs. 3,00,000
Mr. Rajesh Lawande	ED	Rs. 18,75,000	Rs. 2,87,500

Mr. Rahul Nachane is appointed as Managing Director with effect from 1st June 2006, Mr. Rajesh Lawande has been re-appointed as Executive Director with effect from 1st June 2010 both for a term of five years.

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

Sitting Fees

Name	Rupees	No. of equity shares	Non convertible instruments
Mr. Ramchandra Bhalerao	6,000	1,000	Nil
Mr. Milind Shinde	8,000	Nil	Nil
Mr. Suman Lad	8,000	Nil	Nil

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

c. Shareholders/Investors Grievance Committee

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

Following are the members of the Committee.

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

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

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

The company received 2 complaints from the shareholders during the year, out of which none remained pending at the end of the year. Further, during the year ended on 31st March 2010 the company approved transfer of 2,900 and transmission of 700 Equity shares of Rs.5/-.

4. General Body Meetings:

Financial Year	Date	Time	Venue	Special Resolution(s)
2006-07 AGM	August 17, 2007	11.00 a.m.	Regd Office	N.A.
2007-08 AGM	August 22, 2008	11.00 a.m.	Regd Office	1. Appointment of Mr. A. G. Lawande as Executive Director
2008-09 AGM	August 28, 2009	11.00 a.m.	Regd Office	1. Re-appointment of Mr. Rajesh Lawande as Executive Director 2. Appointment of Mr. Arun Lawande as Consultant to the company

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

5. Disclosures

During the year under review, besides the transactions reported under para 8 of Schedule 16 to the Balance Sheet, there were no other related party transactions with the promoters, directors, the management or their relatives during the year with potential conflict of interest with the Company at large.

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

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

6. Means of Communication

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



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

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

7. General Shareholder Information

- The 29th Annual General Meeting is proposed to be held on Friday, August 20, 2010 at 11.00 a.m. at Registered Office of the Company.
- The financial year of the company is from April to March.

Financial calendar

* Audited annual results of previous year	End May
* Annual General Meeting	End August
* First Quarter results	Mid August
* Second Quarter & Half year results	Mid November
* Third Quarter results	Mid February

Dates of book closure

Thursday, August 12, 2010 to Friday, August 20, 2010 (both days inclusive)

Dividend

The Board of Directors have not proposed any dividend for the year ended 31st March 2010 with a view to conserve resources.

Listing of equity shares on Stock Exchanges

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

Names of depositories for dematerialization of equity shares

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

Stock market price data for the year 2009-2010 (BSE)

Month	BSE		
	High	Low	Volume of shares traded (Nos)
April 2009	10.00	7.01	7,813
May 2009	9.99	7.00	13,858
June 2009	13.85	10.21	27,712
July 2009	13.34	9.02	27,244
August 2009	14.40	11.80	32,825
September 2009	15.43	13.00	32,651
October 2009	16.30	13.00	30,056
November 2009	18.00	14.00	33,030
December 2009	23.80	16.00	3,12,017
January 2010	23.75	17.65	1,69,727
February 2010	29.00	18.20	7,84,905
March 2010	21.85	18.05	74,971

Registrar and Share Transfer Agent

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

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

Share Transfer System

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

De-materialization of shares

As on 31.03.2010, 71.44% of the Company's total shares representing 44,13,308 shares were held in de-materialized form & the balance 28.56% representing 17,64,716 shares in paper form. The details are given below

Type	No. of Shares Held	% Shareholding
<u>De-materialized shares</u>		
With N.S.D.L	30,07,253	48.68
With C.D.S.L	14,06,055	22.76
Total demat shares	44,13,308	71.44
Physical shares	17,64,716	28.56
	61,78,024	100.00

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

Categories of Shareholders as on March 31, 2010

Category	No. of Shares Held	% Shareholding
Bodies Corporate	7,31,791	11.84
Directors & their relatives	41,19,335	66.68
General Public	13,25,567	21.46
NRI/OCB	1,331	0.02
	61,78,024	100.00

Distribution of shareholding as on March 31, 2010

No. of shares	No. of Share-holders	% of Share-holders	Share-holding (Rs.)	% of Share-holding
Up to 5000	3,088	91.96	32,78,170	10.61
5001 – 10000	118	3.51	9,25,060	3.00
10001 – 20000	64	1.91	8,82,845	2.86
20001 – 30000	25	0.74	6,25,065	2.02
30001 – 40000	10	0.30	3,61,820	1.17
40001 – 50000	11	0.33	5,11,495	1.66
50001 – 100000	18	0.54	13,23,380	4.28
100001 & above	24	0.71	2,29,82,285	74.40
	3,358	100.00	3,08,90,120	100.00

Plant Locations

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

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

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

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

Address for correspondence

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



CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

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

We hereby certify that for the financial year, ending 31st March, 2010 on the basis of the review of the financial statements and the cash flow statement and to the best of our knowledge and belief that:-

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

Rahul Nachane
Managing Director

Rajesh Lawande
Executive Director

Date: May 12, 2010.
Place: Mumbai.

DECLARATION

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

Rahul Nachane
Managing Director

Date: May 12, 2010.
Place: Mumbai.

COMPANY SECRETARY IN PRACTICE'S REPORT ON CORPORATE GOVERNANCE

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

We have reviewed the implementation of Corporate Governance procedures by the Company during the year ended March 31, 2010, with the relevant records and documents maintained by the Company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.

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

On the basis of the above and according to the information and explanations given to us, in our opinion, the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges.

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

For HS Associates
Company Secretaries
Sd/-

Hemant Shetye
Partner
FCS - 2827
COP - 1483

Mumbai, May 12, 2010.



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure & Developments

The pharmaceutical industry in India is among the most highly organized sectors. This industry plays an important role in promoting and sustaining development in the field of global medicine. Due to the presence of low cost manufacturing facilities, educated and skilled manpower and cheap labor force among others, the industry is set to scale new heights in the fields of production, development, manufacturing and research. In 2009, the domestic pharma market in India was estimated to be US\$ 8.20 billion and this is likely to increase at a compound annual growth rate of 10 per cent till the year 2015.

Market Trends & Outlook

If present industry overview is taken into consideration then the global pharmaceutical market in 2010 is projected to grow 4 - 6% exceeding \$825 billion. The global pharmaceutical market sales are expected to grow at a 4 - 7% compound annual growth rate (CAGR) through 2013. Global pharmaceutical market value is expected to expand to \$975+ billion by 2013. Different regions of the world will influence the pharmaceutical industry trends in different ways.

Asia Pacific Pharmaceutical Market

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

Pharmaceutical sales are growing at a fast rate in India, China, Malaysia, South Korea and Indonesia due to the rising disposable income, several health insurance schemes (that ensures the sales of branded drugs), and intense competition among top pharmaceutical companies in the region (that has boosted the availability of low cost drugs). India - 3rd Largest Producer of Pharmaceuticals across the World - is already a US\$ 8.2 Billion pharmaceutical market. The Indian pharmaceutical industry is further expected to grow by 10% in the year 2010.

Drugs having estimated sales of over US\$ 28 bn are expected to go off patent in the US over the next 2-3 years and this will give a boost to the Indian pharmaceutical industry exports.

Under the new patent regime Indian pharmaceutical industry is exposed to international competitiveness in terms of innovative research. Also companies are no longer allowed to reverse engineer molecules that are under patent protection globally.

The life style segments such as cardiovascular, anti-diabetes and anti-depressants will continue to be lucrative and fast growing owing to increased urbanisation and change in lifestyles. Growth in domestic sales in the future will depend on the ability of companies to align their product portfolio towards the chronic segment.

Risks & Concerns

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

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

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

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

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

Product-wise performance

The company has increased sales for the current year. This decrease is mainly due to higher export sales. Improved technologies and greater productivity has increased our competitiveness. Also the product portfolio has grown leading to growing sales from newer products.

Internal Control Systems & Adequacy

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

Financial Performance

The sales have increased by 13% over the previous year to Rs 2782.35 lakhs. Profit has also increased to Rs 270.45 lakhs which is an increase of 38% over the previous year. Performance drivers are improved productivity and a growing product portfolio to offer our global customers.

Human Resources

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



COMPLIANCE CERTIFICATE

Regn./CIN No. of the Company : L24110MH1981PLCO25884.

Nominal Capital: Rs. 5,00,00,000/-
Issued Capital: Rs. 3,08,91,120/-

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

We have examined the registers, records, books and papers of NGL FINE CHEM LIMITED, ("the Company") as required to be maintained under the Companies Act, 1956, (the "Act") and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on **31ST MARCH, 2010** ("financial year"). In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in **Annexure 'A'** to this Certificate, as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in **Annexure 'B'** to this Certificate, with the Registrar of Companies within the time prescribed under the Act and the rules made there under.
3. The Company being a Public Limited Company has the minimum prescribed paid up Capital.
4. The Board of Directors duly met **(4) Four** times on **21st May 2009, 31st July 2009, 30th October 2009 and 29th January 2010** in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The Company has closed its Register of Members from **Thursday, August 20, 2009 to Friday, August, 28, 2009** (both days inclusive) and necessary compliance of Section 154 of the Act has been made.
6. The annual general meeting for the financial year ended on **31ST MARCH, 2009** was held on **28th AUGUST, 2009** after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No extra ordinary general meeting was held during the financial year.
8. The Company has not advanced any loans to its Directors and/or persons or firms or companies referred to under Section 295 of the Act.
9. The Company has made the application to Regional Director as required under the provisions of section 297 of the Companies Act, 1956, for the contracts specified in the said section, however the company has subsequently withdrawn the said application.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
11. The Company has obtained necessary approval from the Board of Directors and members pursuant to section 314 of the Act wherever applicable.
12. The Company has not issued any duplicate certificates during the Financial Year.
13. The Company has:
 - (i) The Company approved transfer of 2,900 and transmission of 700 Equity shares of Rs.5/- during the year 2009-2010. There was no allotment of securities during the financial year.
 - (ii) Not deposited any amount in a separate bank account as no dividend was declared during the financial year.
 - (iii) Not paid dividends to any members within a period of 30 (thirty) days from the date of declaration as no dividend was declared.
 - (iv) Not transferred the amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon, which have remained unclaimed or unpaid for a period of seven years, to Investor Education and Protection Fund as no amount in respect of the above were lying in the books of accounts of the Company is to be transferred.
 - (v) Duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There were no appointment of additional Directors, alternate Directors and Directors to fill casual vacancy during the financial year.
15. The company has not appointed any Managing Director/ Full time Director/Manager during the financial year.
16. The Company has not appointed any sole-selling agents during the financial year.
17. The Company has made application to Regional Director as required under the Companies Act 1956, the said application is subsequently withdrawn by the Company. No other approval other than as mentioned above were required to be obtained of the Central Government, Company Law Board, Regional Director, Registrar of Companies and/ or such authorities prescribed under the various provisions of the Act.
18. The Directors have disclosed their interest in other firms/ companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.



21. The Company has no preference share capital or debentures and as such there was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited or accepted any deposits including any unsecured loans falling within the purview of Section 58A of the Act during the financial year.
24. The Company has borrowed amount from Financial Institution, Banks but not from Directors, Members and others during the financial year ending on 31st March 2010. The said borrowing is within the limit as specified under section 293(1)(d) of the Companies Act 1956.
25. The Company has made investments, however not given any loan or guarantees or not provided securities to other bodies corporate in compliance with the provisions of section 372A of the Act and has made necessary entries in the register kept for the purpose. The said investments are within the limit as specified under section 372A of the Companies Act 1956.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another during the financial year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the financial year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the financial year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to the share capital of the Company during the financial year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. There was no prosecution initiated against or show cause notices received by the Company, during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has deposited both employee's and employer's contribution to Provident Fund with prescribed authorities pursuant to section 418 of the Act.

sd/-

Name of Company Secretary: Hemant Shetye
Place: MUMBAI. Partner: HS AssociateS
Date: May 12, 2010 C.P. No.: 1483.

ANNEXURE "A"
**REGISTERS AND RECORDS MAINTAINED
BY THE COMPANY**

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

ANNEXURE "B"

FORMS AND RETURNS AS FILED BY THE COMPANY WITH THE REGISTRAR OF COMPANIES, REGIONAL DIRECTOR, COMPANY LAW BOARD DURING THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2010.

Sr No	Forms	Sections	Date of filing	Particulars
1.	eForm 66	Sec.383A	28.09.2009	Compliance Certificate for the year ended on 31st March, 2009.
2.	eForms 23AC, 23ACA	Sec.220	28.09.2009	Annual Report for the financial year ended on 31 st March 2009.
3.	eForm 20B	Sec.166	22.10.2009	Annual Return for year ended 30th September, 2009.

sd/-

Place: MUMBAI.
Date: May 12, 2010

Name of Company Secretary: Hemant Shetye
Partner: HS AssociateS
C.P. No.: 1483.



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

To the members of NGL Fine Chem Limited

We have audited the attached Balance Sheet of **NGL Fine-Chem Limited** as at 31st March, 2010 and also the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

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

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books;

- c) the Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
- d) In our opinion the Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in Section 211 (3C) of the Companies Act 1956.
- e) On the basis of written representations received from the directors as on 31st March, 2010, and taken on record by the Board of Directors, we report that, none of the directors is disqualified as on 31st March 2010 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act 1956.
- f) in our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2010 and
 - (ii) in the case of the Profit and Loss Account, of the profit for the year ended 31st March 2010 and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on 31st March 2010.

For BHARAT GANDHI & CO,
Chartered Accountants

sd/-
Bharat Gandhi
Mumbai, May 12, 2010

sd/-
Bharat Gandhi
Proprietor
Membership No: 34959
FRN : 101214W

Annexure referred to in paragraph (1) of the Auditors' Report to the Members of **NGL Fine-Chem Limited** on the accounts for the year ended 31st March 2010

- (1) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All fixed assets have been physically verified by the management during the year and there is a regular program of verification which in our opinion is reasonable having regard to the size of the Company and the nature of the assets. No serious discrepancies have been noticed on such verification.
- (c) During the year there were no substantial disposal of fixed assets.
- (2) (a) The inventories have been physically verified by the management at reasonable intervals during the year.

- (b) The procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The company is maintaining proper records of inventory and there were no material discrepancies noticed on physical verification.
- (3) The company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under section 301 of the Act. Consequently, clauses (iii)(b), (iii)(c), (iii)(d), (iii)(f) and (iii)(g) of paragraph 4 of the order are not applicable.
- (4) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventories and fixed assets and with regard to the sale of goods. As per the information and explanations



provided to us, there is no major weakness noticed in internal control procedures.

- (5) The company has entered all transactions that need to be entered into a register in pursuance of section 301 of the Companies Act.
- (6) The company has not accepted any deposits from the public.
- (7) In our opinion, the Company has an internal audit system commensurate with the size of the Company's business.
- (8) We have broadly reviewed the books of account maintained by the Company pursuant to the Order made by the Central Government for the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been maintained. However we are not required to and have not carried out any detailed examination of such accounts and records.
- (9) (a) According to the records of the Company the company is regular in depositing undisputed statutory dues including provident fund, employees state insurance, investor education & protection fund, income tax, sales tax, wealth tax, customs duty, excise duty, cess and other statutory dues with the appropriate authorities.

(b) There are no undisputed arrears of outstanding statutory dues as at March 31, 2010, for a period of more than six months from the date they became payable.
- (10) The company has no accumulated losses as at March 31, 2010 and has not incurred cash losses during the financial years ended March 31, 2010 & March 31, 2009.
- (11) The company has not defaulted in repayment of dues to financial institutions and banks.
- (12) The company has not granted any loans and advances on the basis of securities by way of pledge of shares, debentures and other securities.
- (13) The company is not a chit fund, nidhi / mutual benefit fund / society and thus no special statutes are applicable.

(14) The company has made investments in shares and securities and proper records have been maintained of the transactions and contracts and timely entries have been made in the records. The said shares and securities have been held by the company in its own name.

(15) According to the information and explanations given to us, the company has not given any guaranty for loans taken by others from banks or financial institutions.

(16) In our opinion and according to the explanations given to us, the term loans taken during the year have been applied for the purpose for which it was obtained.

(17) According to the Cash Flow Statement for the year ended March 31, 2010, neither have funds raised on short term basis have been utilized for long term investments and nor have funds raised on long term basis been utilized for short term investments.

(18) The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act 1956.

(19) The company has not issued any debentures during the year and no such debentures are outstanding as on March 31, 2010.

(20) The company has not made any public issue during the year ended March 31, 2010.

(21) According to information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

For BHARAT GANDHI & CO,
Chartered Accountants

sd/-
Bharat Gandhi.

Proprietor
Membership No: 34959
FRN : 101214W

Mumbai, May 12, 2010



Balance Sheet as at March 31, 2010

	Schedule	As at 31.03.2010		As at 31.03.2009	
		Rupees	Rupees	Rupees	Rupees
SOURCES OF FUNDS					
1. Shareholders' Funds					
a) Capital	1	30,890,120		30,890,120	
b) Reserves & Surplus	2	<u>105,593,988</u>		<u>78,458,201</u>	
			136,484,108		109,348,321
2. Loan Funds					
a) Secured Loans	3	50,203,763		41,111,838	
b) Unsecured Loans	4	<u>287,175</u>		<u>287,175</u>	
			50,490,938		41,399,013
3. Deferred Tax Liability					
			3,525,217		5,061,820
Total					
			190,500,263		155,809,154
APPLICATION OF FUNDS					
4. Fixed Assets					
a) Gross Block	5	97,256,533		99,710,129	
b) Less : Depreciation		<u>(34,984,660)</u>		<u>(35,117,653)</u>	
c) Net Block		62,271,873		64,592,476	
d) Capital Work in Progress		<u>12,253,335</u>	74,525,208	<u>-</u>	64,592,476
5. Investments					
	6		9,750,344		4,701,267
6. Current Assets, Loans and Advances					
a) Inventories	7	41,372,578		37,912,735	
b) Sundry Debtors	8	81,802,495		61,769,146	
c) Cash & Bank Balances	9	10,412,090		10,887,730	
d) Loans & Advances	10	<u>35,774,522</u>		<u>23,708,200</u>	
		<u>169,361,685</u>		<u>134,277,811</u>	
7. Less: Current Liabilities & Provisions					
a) Current Liabilities	11	(44,458,237)		(32,814,119)	
b) Provisions		<u>(18,678,737)</u>		<u>(14,948,281)</u>	
		<u>(63,136,974)</u>		<u>(47,762,400)</u>	
Net Current Assets (6 - 7)					
			106,224,711		86,515,411
Total					
			190,500,263		155,809,154

For Significant Accounting Policies & Notes refer to Schedule 16 annexed

As per our Report of even date attached

For BHARAT GANDHI & CO
Chartered Accountants

BHARAT GANDHI
Proprietor

Mumbai, May 12, 2010

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

Mumbai, May 12, 2010

Profit & Loss Account for the year ended March 31, 2010

	Schedule	Year ended	
		31.03.2010	31.03.2009
		Rupees	Rupees
INCOME			
Gross Sales		287,088,106	254,370,228
Less: Taxes		(8,853,335)	(8,071,458)
		278,234,771	246,298,770
Other Income	12	3,533,956	2,280,678
		281,768,727	248,579,448
EXPENDITURE			
(Increase) in Stock of WIP/FG	13	164,709	(7,183,340)
Raw Materials consumed/traded		119,068,741	124,018,757
Manufacturing and other Expenses	14	112,624,214	88,380,047
Interest	15	2,790,533	4,271,851
Depreciation & Amortisation		7,762,607	7,615,632
		242,410,804	217,102,947
Profit Before Tax		39,357,923	31,476,501
Less: Provision for Taxation			
Current		(13,850,000)	(11,150,000)
Deferred		1,536,603	(564,229)
Fringe Benefit Tax		-	(167,150)
Net Profit After Tax		27,044,526	19,595,122
Add/(Less): Prior years expenses		91,261	(2,765,340)
Add: Balance brought forward		55,779,252	38,949,470
Net Profit carried to Balance Sheet		82,915,039	55,779,252

For Significant Accounting Policies & Notes refer to Schedule 16 annexed

As per our Report of even date attached

For BHARAT GANDHI & CO
Chartered Accountants

BHARAT GANDHI
Proprietor

Mumbai, May 12, 2010

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

Mumbai, May 12, 2010



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

	As at 31.03.2010 Rupees	As at 31.03.2009 Rupees
SCHEDULE 1 - SHARE CAPITAL		
Authorised Capital		
1,00,00,000 Equity Shares of Rs.5/- each	50,000,000	50,000,000
Issued, Subscribed & Paid Up Capital		
61,78,024 Equity Shares of Rs. 5/- each fully paid up	30,890,120	30,890,120
(Previous year: 61,78,024 equity shares of Rs. 5/- each)		
(Of the above 31,78,024 equity shares of Rs. 5/- each are allotted for consideration received other than in cash pursuant to the amalgamation carried out in 2004-05)		
	30,890,120	30,890,120

SCHEDULE 3 - SECURED LOANS

Term Loans from Bank	1,918,988	2,371,085
Working Capital Loans from Bank	48,284,775	38,740,753

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

50,203,763 41,111,838

SCHEDULE 5 - FIXED ASSETS

ASSETS	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As at	Additions	(Deductions)	As at	As at	For the	Additions/	As at	As at	As at
	31.03.2009			31.03.2010	31.03.2009	year	(Deductions)	31.03.2010	31.03.2010	31.03.2009
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Leasehold Land	1,124,348	-	-	1,124,348	141,085	14,996	-	156,081	968,267	983,263
Factory Building	17,643,816	-	(1,567,769)	16,076,047	3,003,043	547,411	(795,869)	2,754,585	13,321,462	14,640,773
Plant and Machinery	72,938,784	8,607,664	(10,075,814)	71,470,634	28,442,680	6,654,463	(6,576,481)	28,520,662	42,949,972	44,496,104
Furniture & Fixtures	3,131,204	281,108	(307,610)	3,104,702	1,090,742	184,402	(305,784)	969,360	2,135,342	2,040,462
Vehicles	3,966,727	1,064,556	(455,731)	4,575,552	1,534,853	361,335	(217,466)	1,678,722	2,896,830	2,431,874
Technical Knowhow Fees	905,250	-	-	905,250	905,250	-	-	905,250	-	-
TOTAL	99,710,129	9,953,328	(12,406,924)	97,256,533	35,117,653	7,762,607	(7,895,600)	34,984,660	62,271,873	64,592,476
Previous Year	92,964,684	6,951,933	(206,488)	99,710,129	27,708,509	7,615,632	(206,488)	35,117,653	64,592,476	65,256,175
Capital Work in Progress	-	12,253,335	-	12,253,335	-	-	-	-	12,253,335	-
		No. of securities		As at	As at					
		As at	As at	31.03.2010	31.03.2009					
		31.03.2010	31.03.2009	Rupees	Rupees					

SCHEDULE 6 - INVESTMENTS

(a) Trade, Quoted

Equity Shares

Tata Consultancy Serv. Ltd. Equity Shares of Re. 1	584	292	124,100	124,100
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Mutual Fund Units

HDFC Cash Management Fund Weekly Dividend Reinvest	-	102,921	-	1,030,909
HDFC High Interest Fund Quarterly Dividend Reinvest	-	127,794	-	1,517,613
HDFC Growth Fund - Growth	15,014	4,592	840,000	180,000
HDFC Top 200 Fund - Dividend Reinvest	32,766	25,573	1,128,143	816,869
ICICI Prudential Dynamic Plan - Cumulative	14,470	3,612	1,040,000	180,000
J P Morgan India Equity Plan - Growth	93,381	27,523	840,000	180,000
Kotak K 30 - Growth	11,331	3,244	840,000	180,000
Reliance Vision Fund - Retail Plan - Growth	4,362	1,339	840,000	180,000
SBI MF MSFU Contra Fund - Dividend	54,430	37,276	1,136,382	750,000
Birla Sunlife Frontline Equity Fund - Dividend	9,500	-	200,000	-
HDFC Equity Fund - Growth	11,449	-	2,532,419	-
Reliance Growth Fund - Dividend	3,893	-	209,300	-

Less: Provision for Diminution in value of investments - (458,224)

9,730,344 4,681,267

(b) Trade, Unquoted

The Saraswat Coop Bank Ltd. Equity Shares of Rs 10	2,000	2,000	20,000	20,000
			9,750,344	4,701,267

Notes: (market values as on 31.03.2010)

1. Quoted: Market value of quoted investments is Rs.1,21,64,908 (previous year Rs. 47,15,007)
2. Non-Quoted: All the shares are fully paid up.



	As at 31.03.2010 Rupees	As at 31.03.2009 Rupees
SCHEDULE 7 - INVENTORIES		
(As taken, valued and certified by a Director, at cost or market value, whichever is lower)		
Raw Materials	14,860,632	11,406,946
Work In Process	17,185,283	18,043,404
Finished Goods	8,669,298	7,975,886
Consumables	301,904	132,011
Fuel & Oil	209,954	274,674
Packing Materials	145,507	79,814
	41,372,578	37,912,735

SCHEDULE 8 - SUNDRY DEBTORS

(Unsecured, Considered Good)

Due for less than six months	77,762,624	59,950,912
Due for more than six months	4,039,871	1,818,234
	81,802,495	61,769,146

SCHEDULE 9 - CASH AND BANK BALANCES

Cash on hand	477,135	229,461
Balance with Banks (with scheduled banks)		
- In Current Accounts	442,999	3,147,762
- In Fixed Deposit Accounts	9,491,956	7,510,507
	10,412,090	10,887,730

SCHEDULE 10 - LOANS AND ADVANCES

Advances recoverable in cash or in
kind or for value to be received

Unsecured, considered good	35,774,522	23,708,200
	35,774,522	23,708,200

Note:

Above loans & advances include advances to firms in which
Directors or their relatives are interested which are listed below

	As on		Maximum amount due during the year	
	31.03.2010	31.03.2009	31.03.2010	31.03.2009
Shreyas Hospital	-	-	-	105,000

SCHEDULE 11 - CURRENT LIABILITIES & PROVISIONS

Current Liabilities

Acceptances	3,536,368	2,606,526
Sundry Creditors	40,335,693	28,877,886
Advances received from customers	586,176	1,329,707
	44,458,237	32,814,119

Provisions

Provision for Income Tax	13,852,766	11,317,150
Provision for Foreign Exchange Derivate Losses	-	103,866
Unclaimed Dividend	82,362	5,298
Other Provisions	4,743,609	3,521,967
	18,678,737	14,948,281

	As at 31.03.2010 Rupees	As at 31.03.2009 Rupees
SCHEDULE 12 - OTHER INCOME		
Dividend Received	386,670	156,049
Interest Received	623,072	346,579
Duty Drawback Received	1,797,494	1,436,695
Profit on Sale of Fixed Assets	-	5,000
Other Miscellaneous Income	726,720	336,355
	3,533,956	2,280,678

Note: Interest income is stated at gross value. The value of income tax
deducted at source is Rs. 65,382 (Previous year: Rs. 38,167)

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

Closing Stock		
(a) Work in Process	17,185,283	18,043,404
(b) Finished Goods	8,669,298	7,975,886
Less: Opening Stock		
(a) Work in Process	(18,043,404)	(17,292,320)
(b) Finished Goods	(7,975,886)	(1,543,630)
	164,709	(7,183,340)

SCHEDULE 14 - MANUFACTURING & OTHER EXPENSES

Salaries, Wages and Bonus	27,328,046	23,660,085
Contribution to Provident & Other Funds	1,642,746	1,515,824
Employees Welfare Expenses	1,070,140	483,878
Power and Fuel	19,444,639	18,209,365
Consumable Stores	2,657,789	2,561,615
Packing Materials	2,023,717	2,248,701
Processing Charges	10,928,749	2,180,093
Factory Expenses	2,743,435	3,596,514
Water Charges	242,895	816,911
Repairs to		
Plant & Machinery	13,310,359	6,552,580
Factory Buildings	1,393,188	1,374,123
Other Assets	1,097,865	162,301
Cess Paid	253,556	208,516
Insurance	1,486,700	1,308,084
Laboratory Expenses	4,193,383	3,971,838
Loss by fire	3,884,784	-
Payment to Auditors	500,000	500,000
Postage, Telephone & Telegrams	852,467	876,436
Legal and Professional Fees	1,845,164	905,386
Bank Charges and Commission	2,176,958	1,139,934
Rent, Rates and Taxes	245,750	307,283
Printing & Stationery	705,621	617,566
Vehicle Expenses	770,343	1,009,284
Advertisement & Business Promotion	511,459	521,303
Travelling Expenses	215,466	371,934
Freight, Coolie & Cartage	7,621,961	8,772,952
Loss due to Diminution in value of Investments		458,225
Miscellaneous Expenses	3,477,034	4,049,316
	112,624,214	88,380,047

SCHEDULE 15 - INTEREST

Interest on Term Loans	327,398	782,756
Interest on Working Capital Borrowings	2,463,135	3,489,095
	2,790,533	4,271,851



SCHEDULE 16

Significant Accounting Policies and Notes forming part of Balance Sheet as at 31st March 2010 and Profit and Loss Account for the year ended on that date.

A. SIGNIFICANT ACCOUNTING POLICIES:

Basis of preparation of financial statements.

The financial statements are prepared under the historical cost convention on accrual basis and in accordance with the standard on accounting issued by the Institute of Chartered Accountants of India and referred to in Section 211 (3C) of the Companies Act, 1956. Accounting Policies not specifically referred to otherwise are consistent with generally accepted accounting principles.

i) Fixed Assets and Depreciation.

Fixed assets are stated at cost. Attributable expenditure of bringing the respective assets to working condition for their intended use is capitalized. Depreciation in the accounts is charged on the Straight Line Method at the rates and in the manner prescribed by Schedule XIV of the Companies Act, 1956 on the cost, as reduced by the amount of Excise Cenvat & VAT claimed.

Intangible assets are amortized over a period of 3 years.

ii) Investments.

Investments are stated at cost or market value whichever is lower. Where investments have diminished in value the provision is made to the extent of diminution. Quoted, non traded shares are fully written off and not reflected in the investment schedule.

iii) Inventories.

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

iv) Sales & Other Income.

Export Sales are recognized as per the date of the shipping bill. Local Sales are recognized on dispatch of goods to the customers. Sales are shown net of returns and include VAT and excise duty.

Dividend income is accounted for when the right to receive dividend is established.

Export Duty Drawback is accounted on cash receipt basis.

v) Foreign Exchange Transactions.

- (i) Transactions denominated in foreign currencies are normally recorded at the exchange rates prevailing at the time of the transactions or the applicable forward contracts.
- (ii) Foreign currency liabilities & assets are re-stated at the rate prevailing on the last day of the accounting year or the applicable forward contracts. Gains and losses arising out of such fluctuations are duly dealt with in the profit and loss account.

vi) Retirement Benefits.

- (a) Short term employee benefit obligations are estimated and provided for.
- (b) Post employment benefits and other long term employee benefits
 - Defined contribution plans:
Company's contribution to provident fund and state employee insurance are determined under the relevant schemes and/or statute and charged to revenue.

- Defined benefit plans:

Gratuity:

Company's liability towards gratuity is actuarially determined at each renewal date using the projected unit credit method. Actuarial gains and losses are recognized in revenue.

Short term benefits (accumulated leave benefit):

The expected cost of accumulating compensated absences (leave encashment) that the company expects to pay as a result of unused entitlement that has accumulated as at the Balance Sheet date is provided for on the basis of current salary payable to employees.

Long term benefits:

The company does not offer any long term benefits such as pension, long service leave, sabbatical leave, long term disability benefits, profit sharing, bonuses and deferred compensation, etc. These are hence not quantified nor provided for.

vii) Taxation

Income taxes are accounted for in accordance with Accounting Standard 22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India. Tax expense comprises both current & deferred tax. Current tax is measured at the amount expected to be paid to/recovered from the tax authorities using the applicable tax rates. Deferred tax assets and liabilities are recognized for future tax consequences attributable to timing differences between taxable income and accounting income that are capable of reversing in one or more subsequent periods and are measured using the relevant enacted tax rates. At each Balance Sheet date the company reassesses the unrecognized deferred tax assets to the extent they have become reasonably certain or virtually certain of realization, as the case may be.

viii) Research & Development

All revenue expenses pertaining to research and development are charged to the profit and loss account in the year in which they are incurred and expenditure of capital nature is capitalized as fixed assets, and depreciated as per the company's policy.

ix) Contingencies/Provisions

Provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions except in respect of employee benefits are not discounted to its present value and are determined based on best estimate of the expenditure required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate. A contingent liability is disclosed, unless the possibility of an outflow of resources embodying the economic benefit is removed.

x) Impairment of Assets

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



B. NOTES ON ACCOUNTS:

1. Contingent Liabilities

- (i) Estimated amount of contracts remaining to be executed on capital account and not paid for – Rs. 46.87 lakhs (Previous year Rs. 1.06 lakhs)
- (ii) Letters of credit established for which goods are yet to be received and provided for – Rs. 29.09 lakhs (Previous year – Rs. 30.85 lakhs).
- (iii) Bank Guarantees outstanding – NIL (Previous year – Rs. NIL lakhs).

2. There is no employee drawing remuneration in excess of the limits laid down under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975. (Previous year - Nil).

3. The total amount of remuneration paid to Directors charged in these accounts is set out below: -

	(Amount in Rupees)	
	2009-2010	2008-2009
Payments to Executive Directors		
Salary	37,50,000	53,52,107
Contribution to Provident Fund & Gratuity Fund	5,87,500	2,42,085
Total	43,37,500	55,94,192

Payments to Non -Executive Directors		
Sitting Fees	22,000	20,000

4. Payment to Auditors

	(Amount in Rupees)	
	2009-2010	2008-2009
Audit Fees	4,00,000	4,00,000
Tax Audit Fees Certification & Other Work	50,000	50,000
	50,000	50,000
Total	5,00,000	5,00,000

5. Segment Reporting

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

6. Deferred Tax Liability for the year ended 31st March 2010 comprises of tax effect of timing differences on account of:

	2009-2010	2008-2009
Fixed Assets – Excess of Net Block over Written Down Value as per the provisions of the Income Tax Act 1961	(35,25,217)	(50,61,820)
Net Deferred Tax Liability	35,25,217	50,61,820

7. Earnings per share

	2009-10	2008-09
Net profit for the period attributable to the equity shareholders (Rs.)	2,70,44,526	1,95,95,122
Weighted average number of equity shares outstanding (No)	61,78,024	61,78,024
Basic and diluted earnings per share of face value Rs. 5/- each (Rs.)	4.38	3.17

8. Related parties disclosures

Disclosures as required by Accounting Standards 18 “Related Party Disclosures” are given below:

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

Associate Companies/Firms in which Directors or their relatives are interested - Shreyas Hospital

Key management personnel and their relatives with whom company has transacted

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

(b) Nature of transaction.

	(Rupees in lakhs)	
	Associate companies/ Firms in which Directors are interested	Key managerial personnel & their relatives

1. Sales & service	—	—
	(—)	(—)
2. Interest and other income received / receivable	—	—
	(—)	(—)
3. Purchases of goods/ payments for other services	—	—
	(—)	(—)
4. Finance provided	(—)	(—)
	(1.05)	(—)
5. Interest paid	(—)	(—)
	—	—
6. Sale of Fixed Assets	(—)	(—)
	—	—
7. Outstanding balances as on March 31:	—	—
Debtors	(—)	(—)
	—	—
Loans & Advances	(—)	(—)
	—	—
Creditors	(—)	(—)
	—	48.10
8. Managerial remuneration	(—)	(60.14)

Note: Previous years figures are given in parenthesis.



9. Retirement benefits: Contributions towards gratuity are made to the Employees Group Gratuity Scheme operated by the Life Insurance Corporation of India. The basis of actuarial valuation is given below:

Actuarial assumptions

Mortality rate	As per 1994-96 LIC Mortality tables
Withdrawal rate	1% to 3% depending on age
Salary escalation rate	4% for each year
Discounting rate	LIC discounting rate (present 8%)
Gratuity benefits	As per the Payment of Gratuity Act 1972 as amended from time to time.

Actuarial results (funded)

Date of valuation	31-Mar-2010	31-Mar-2009
Total number of employees	109	97
Accrued Gratuity liability	Rs. 21,93,718	Rs. 18,00,013
Present value of past gratuity	Rs. 13,71,075	Rs. 11,24,720
Fund Value	Rs. 16,56,373	Rs. 12,60,770

Short term benefits (Leave encashment)

The company has provided for accumulated compensated absences (leave encashment) as per AS 15 (Revised 2005) Accounting for Retirement Benefits. The provision is made on the basis of the total accumulated leave of employees as on Balance Sheet date valued at the current salary or wage rate. The current year's provision is charged under Salaries & Wages amounting to Rs. 11,77,130 (Previous year Rs. 3,68,099).

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

	(Rupees)	
	2009-2010	2008-2009
Salaries, wages, bonus includes compensated absences.	2,73,28,046	2,36,60,085
Contribution for provident fund & gratuity fund		
• Provident Fund	11,85,807	10,51,050
• Gratuity Fund	3,66,950	3,75,203
• ESIC	86,534	86,799
• Other Funds	3,455	2,772

10. The company has provided for losses arising from forward contract/derivatives in foreign exchange to the extent of Rs. NIL (Previous year - Rs. 1,03,866).
11. The company has not received any information from suppliers or service providers, whether they are covered under the "Micro, Small and Medium Enterprises (Development) Act 2006". Therefore it is not possible to give the information required under the Act.
12. Value added tax (VAT) recoverable has been recorded on the basis of claims submitted or in the process of being submitted, as per rules of the relevant act and which in the opinion of the company are recoverable.
13. Additional information pursuant to provisions of Paragraph 3, 4C and 4D of Part II of Schedule VI to the Companies Act, 1956.

	2009-2010	2008-2009
a) Capacity		
Licensed Capacity		Licence not Required
Installed Capacity (p.a)	105,000 kg	105,000 kg

b) Actual Production		
Pharmaceutical bulk drugs & intermediates	1,17,537 kgs	1,08,919 kgs
Finished Dosages	22,01,400 nos	16,32,770 nos

c) Turnover (quantity includes captive consumption)		
Pharmaceutical bulk drugs & intermediates (Rs.2573.00 lakh)	1,18,198 kgs	1,03,319 kgs
Finished Dosages (Rs.209.35 lakh)	21,62,300 nos	15,15,670 nos
	(Rs.209.35 lakh)	(Rs.135.52 lakh)

d) Stock of Finished Goods		
Pharmaceutical bulk drugs & intermediates		
Opening Stock		
Pharmaceutical bulk drugs	6,280 kgs	580 kgs
	(Rs. 75,33,925)	(Rs. 9,97,569)
Finished Dosages	160,900 No	33,000 No
	Rs. 4,41,961	Rs. 5,46,061

	2009-2010	2008-2009
Closing Stock		
Pharmaceutical bulk drugs	5,618 kgs	6,280 kgs
	(Rs. 79,62,896)	(Rs. 75,33,925)
Finished Dosages	200,000 No	160,900 No
	Rs. 7,06,402	Rs. 4,41,961

e) Value of raw materials consumed				
	<u>2009-2010</u>		<u>2008-2009</u>	
	<u>Rupees</u>	<u>%</u>	<u>Rupees</u>	<u>%</u>
Indigenous	9,77,98,512	82.1	10,15,43,148	82.8
Imported	2,12,70,229	17.9	2,10,38,914	17.2
	11,90,68,741	100.0	12,25,82,062	100.0

f) Value of stores & spares consumed				
	<u>Rupees</u>	<u>%</u>	<u>Rupees</u>	<u>%</u>
Indigenous	26,57,789	100.0	25,61,615	100.0
Imported	—	—	—	—
	26,57,789	100.0	25,61,615	100.0

g) Value of imports calculated on CIF basis		
Raw Materials	Rs.2,27,06,754	Rs.2,20,80,822
Consumable Stores	—	—
Capital Goods	Rs.11,72,372	—

h) Expenditure in foreign currency		
Commission	Rs. 2,96,533	Rs. 3,18,333
Travelling Expenses	Rs. 34,798	Rs. 44,618
Laboratory Expenses	Rs. 2,14,237	Rs. 6,503
Others	—	Rs. 3,81,462

i) Earnings in foreign currency		
i. Export FOB value	Rs.19,67,22,322	Rs.18,32,04,537
ii. Others (Insurance & freight)	Rs. 45,89,466	Rs.58,65,218



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

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

I. Registration Details

Registration No.	25884	State Code	11
Balance Sheet Date	31	03	2010
	Date	Month	Year

II. Capital raised during the year (Amount in Rs. thousand)

Public Issue	Nil	Right Issue	Nil
Bonus Issue	Nil	Private Placement	Nil

III. Position of Mobilization and Deployment of Funds (Amount in Rupees Thousands)

Total Liability	19,05,00
Total Assets	19,05,00

Sources of Funds

Paid-up Capital	3,08,90
Reserves & Surplus	10,55,94
Secured Loans	5,02,04
Unsecured Loans	2,87
Deferred Tax Liability	35,25

Application of Funds

Net Fixed Assets	7,45,25
Investments	97,50
Net Current Assets	10,62,25

IV Performance of Company (Amount in Rs. thousands)

Turnover & Other Receipts	28,17,69
Total Expenditure	24,24,11
Profit before Tax	3,93,58
Profit after Tax	2,70,45
Earning per Share in Rs.	4.38
Dividend Rate %	Nil

V Generic Names of Three Principal Products/Services of Company

Item Code No. (ITC Code)	Product description
292700	Diminazene Acetate
300939	Diminazene Granules
300939	Pharmaceutical Formulations

Signatories to Schedules 1 to 16

For BHARAT GANDHI & CO,
Chartered Accountants

R. J. NACHANE

R. N. LAWANDE

S. S. LAD

R. N. BHALERAO

M. V. SHINDE

Directors

BHARAT GANDHI

Proprietor

Mumbai, May 12, 2010

Mumbai, May 12, 2010



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2010
(Pursuant to Clause 32 of the Listing Agreement)

	(Rupees in Lakhs)	
	<u>2009-10</u>	<u>2008-09</u>
Cash Flow from Operating Activities		
Net Profit Before Tax	393.58	314.76
Adjusted for		
Depreciation	77.63	76.16
Interest	27.91	42.72
Prior years provision written back	0.91	(27.65)
Interest Received	(6.23)	(3.47)
Dividends Received	(3.87)	(1.56)
Profit on sale of Fixed Assets	-	(0.05)
Operating Profit Before Working Capital Changes	489.93	400.91
Adjusted for		
Trade & Other Receivables	(321.00)	(418.83)
Inventories	(34.60)	(113.46)
Trade Payables	153.75	257.94
Cash Generated from Operations Activities	288.08	126.56
Interest Paid	(27.91)	(42.72)
Taxes Paid	(123.13)	(118.81)
Proposed Dividend (incl. Dividend Tax)	-	-
<i>Net Cash from Operating Activities (A)</i>	137.04	(34.97)
Cash Flow From Investing Activities		
Purchase of Fixed Assets	(222.07)	(69.52)
Proceeds from Sale of Fixed Assets	-	0.05
Loss of assets by fire	45.11	-
Investment made (net)	(50.49)	(45.57)
Interest Received	6.23	3.47
Dividends	3.87	1.56
Capital Gains	-	-
<i>Net Cash Used In Investing Activities (B)</i>	(217.35)	(110.01)
Cash Flow From Financing Activities		
Issue of capital		
Bank Borrowings	90.92	161.75
Other borrowings	-	0.02
Deferred Tax Liability	(15.37)	5.64
<i>Net Cash Used in Financing Activities (C)</i>	75.55	167.41
Net Increase in Cash and Cash Equivalents (A + B + C)	(4.76)	22.43
Cash and Cash Equivalents at the beginning of the year	108.88	86.45
Cash and Cash Equivalents at the end of the year	104.12	108.88

For Significant Accounting Policies & Notes refer to Schedule 16 annexed

Signatories to Schedules 1 to 16

This is the Cash Flow Statement referred to in our report of even date

For BHARAT GANDHI & CO,

Chartered Accountants

BHARAT GANDHI
Proprietor

Mumbai, May 12, 2010

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

Mumbai, May 12, 2010

NGL FINE-CHEM LIMITED

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

PROXY FORM

Twenty Ninth Annual General Meeting – August 20, 2010.

Reg Folio No: _____

I/We _____ of _____ residing at _____

_____ being a member (s) of the above named Company

hereby appoint _____ of _____ residing at _____

_____ or failing him _____

of _____ residing at _____ as

my/our proxy to vote for me/us on my/our behalf at the Twenty Ninth Annual General Meeting of the Company to be held at W142(C)

TTC MIDC Industrial Area, Pawane Village, Thane Belapur Road, Navi Mumbai 400 705 on Friday, August 20, 2010 at 11.00 a.m. and

any adjournment thereof.

Signed this _____ day of _____ 2010

Re.1
Revenue
Stamp

Signature _____

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

NGL FINE-CHEM LIMITED

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

ATTENDANCE SLIP

Twenty Ninth Annual General Meeting – August 20, 2010.

To be handed over at the entrance of the meeting hall

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

No. of Shares held.....

I hereby record my presence at the Twenty Ninth Annual General Meeting of the Company at W142(C) TTC MIDC Industrial Area,
Pawane Village, Thane Belapur Road, Navi Mumbai 400 705 on Friday, August 20, 2010 at 11.00 a.m.

Member's/Proxy's signature

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

BOOK - POST

If undelivered please return to :

NGL FINE-CHEM LIMITED

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