



Dear Shareholders

It is my great pleasure to welcome you all to the 39th Annual General Meeting of NGL Fine Chem Limited.

The COVID-19 pandemic has spread with alarming speed, infecting millions and bringing economic activity to a near-standstill as countries imposed tight restrictions on movement to halt the spread of the virus. As the health and human toll grows, the economic damage is already evident and represents the largest economic shock the world has experienced in decades.

WTO economists believe the decline will likely exceed the trade slump brought on by the global financial crisis of 2008-09. Estimates of the expected recovery in 2021 are equally uncertain, with outcomes depending largely on the duration of the outbreak and the effectiveness of the policy responses.

A global recession now seems inevitable. But how deep and long the downturn will depend on the success of measures taken to prevent the spread of COVID-19, the effects of government policies to alleviate liquidity problems in SMEs and to support families under financial distress. It also depends upon how companies react and prepare for the re-start of economic activities. And, above all, it depends on how long the current lockdowns will last.

The Indian Pharmaceutical industry is one of the growth drivers for India. The Covid-19 pandemic is expected to have a limited impact on the industry with growth expected at about 4-6% during FY 2020-21. The COVID-19 impact on the pharma sector has been less pronounced than observed in the other sectors, as pharmaceuticals fall under the essential service category and sector companies are exempt from the restrictions under the nationwide lock-down.



Additionally, to avoid drug shortages, the government of India has removed the roadblocks in the movement of pharma products and ancillary supplies as well as employees engaged, thus aiding overall supplies. Manufacturing volumes after declining to 50%-60% in April 2020, given the strict lock-down, has improved significantly to 60%-80% of the original capacities during May-June 2020. The overall manufacturing activities had reduced, given the lack of manpower availability and lower availability of transportation for the staff in the initial days. The Government has also announced long term measures to aid in import substitution of antibiotics and other products.

At your company, production was muted from mid-March to April, however from May onwards production has picked up and is now at near optimum levels currently. All plants including the expansion project are now in operation and producing normally.

However, availability of personnel and disruptions due to material movement issues are expected to last until the restrictions on account of lockdown are lifted.

In its CSR initiatives, your company has contributed to

- D U Foundation for tribal welfare in the Jawhar taluka
- Human Development Trust also known as Little Angels School for education of differently challenged children.
- Utkarsh Global Foundation for animal welfare activities
- Dr M D Rana & Mrs K M Rana Charitable Trust which operates an eye hospital in Panel, offering affordable treatment to lesser privileged classes of the society,
- North Star Rotary Club for providing artificial limbs to disabled persons.
- Rashtra Seva Dal Aple Ghar for women's welfare and development



- Helping Hand Group for providing health care to children
- Tarapur Industrial Manufacturers Association for educational scholarships to meritorious students
- Provided educational scholarships to children of economically backward classes in and around the Boisar area.

I would like to take this opportunity to acknowledge the many contributions, dedication and commitment of all our team members, which makes your company so successful. My deep appreciation to all our business partners, vendors and other business associates, for all their contributions. Finally, a special thank you to you, our stakeholders for your interest, faith and encouragement through the years. We look forward to your continued support in the years ahead. My wishes to all of you to stay healthy and safe.

Milind Shinde

Chairman