

NGL Fine-Chem Limited

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February 25, 2025

To,
Listing Department
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: Disclosure under Regulation 30 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

Dear Sir/Madam,

Further to our letter dated 29th January, 2025, we hereby inform that the Company has received today i.e. on 25th February, 2025, a settlement order No. SO/NH/RJ/2024-25/7672-7675 dated 25th February, 2025 from Securities and Exchange Board of India (“SEBI”) in the matter of violation of Regulation 31 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Sr. No.	Details of events that need to be provided	Information of such event(s)
1.	Name of the Authority	Adjudicating Officer – SEBI
2.	Nature and details of the action taken or order passed	SEBI has passed the settlement order dated 25 th February, 2025 in the matter of violation of Regulation 31.
3.	Date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority	February 25, 2025
4.	Details of the violation(s)/ contravention(s) committed or alleged to be committed	Promoter Group shareholding was reported inadvertently in Public.
5.	Impact on financial, operation or other activities of the listed entity, quantifiable in monetary terms to the extent possible.	Nil, except to the extent of penalty of Rs.54,42,360/- (Rupees Fifty Four Lakh Forty Two Thousand Three Hundred Sixty Only) imposed by SEBI. SEBI in the same order has also passed the settlement order against the promoters Mr. Rahul Nachane & Mr. Rajesh Lawande and promoter group company PCI Ferrmone Chemicals (India) Pvt. Ltd. Rs.12,59,700/- each.

The settlement order is enclosed herewith for reference and will also be made available on the website of the Company www.nglfinechem.com

Kindly take the same on your record.

Thanking you,

Yours faithfully,
For NGL Fine-Chem Limited

Pallavi Satish Pednekar
Digitally signed by
Pallavi Satish Pednekar
Date: 2025.02.25
18:36:04 +05'30'

Pallavi Pednekar
Company Secretary & Compliance Officer
Membership No: A33498

Encl: As Above.

**BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
[SETTLEMENT ORDER No. SO/NH/RJ/2024-25/7672-7675]**

In respect of:

Sr. No.	Settlement Application No.	Name of the Applicant	PAN
1.	7672/2024	NGL Fine-Chem Limited	AAACN4805H
2.	7675/2024	PCI Ferrmone Chemicals (India) Pvt. Ltd.	AADCP2293C
3.	7673/2024	Rajesh Lawande	ABTPL7446B
4.	7674/2024	Rahul Nachane	AAZPN1526B

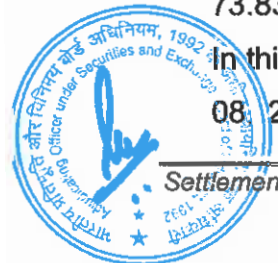
(The aforesaid entities are hereinafter referred to by their respective names and collectively as 'Applicants')

In the matter of examination of NGL Fine-Chem Limited

BACKGROUND

1. NGL Fine Chem Limited (hereinafter referred to as "**Applicant No.1**") is a public company listed on NSE and BSE.
2. Securities and Exchange Board of India (hereinafter referred to as "**SEBI**") had received an application dated July 22, 2022 seeking exemption from the obligation to make an open offer pursuant to acquisition of shares of Company by way of settlement of shares in favour of Trustees (hereinafter referred to as "**exemption application**") in regard to the Applicant No. 1. On perusal of the said exemption application, it was observed that the shareholding of the "promoter & promoter group" had increased to 73.83% in the quarter of September 2019 from 65.45% in the quarter of June 2019. In this regard, Applicant No. 1, vide emails dated November 30, 2022 and December 08, 2022 to SEBI, has, *inter alia*, mentioned that there was an error whereby PCI

Settlement Order in the matter of examination of NGL Fine-Chem Limited



Ferrmone Chemicals Pvt. Ltd. (hereinafter referred to as “**Applicant No. 2**”), a promoter group company holding 8.38% of the shares of the Company, was inadvertently disclosed under the “public shareholder” category.

3. The said exemption application was withdrawn subsequently. The aforesaid matter regarding the changes in shareholding of Applicant No. 2 and the errors in the disclosure made by Applicant No. 1 was examined by the concerned department of SEBI. The period of the said examination was from March, 2002 to June, 2019 (hereinafter referred to as “**examination period**”).

4. Pursuant to the examination, it was, *inter alia*, alleged that Applicant No. 1 had incorrectly disclosed Applicant No. 2 as “public / non-promoter” instead of “promoter & promoter group” for the quarters from December, 2002 to June, 2019. Further, it was alleged that Applicant No. 1 had made incorrect disclosure in 31 (Thirty-One) quarters regarding the shareholding of Applicant No. 2 in the Company. In this context, the Applicant No. 1 was alleged to have violated the following provisions:

4.1. For the quarter ended December, 2002 to the quarter ended September, 2015:

4.1.1. Clause 35 of the erstwhile Listing Agreement read with Regulation 103(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “**LODR Regulations**”). (Reference SEBI Circulars dated:

- February 01, 2001 bearing reference no. SMDRP/POLICY/ CIR-7/01,
- April 13, 2006 bearing reference no. SEBI/CFD/DIL/LA/2006/13/4,
- February 03, 2009 bearing reference no. SEBI/CFD/DIL/LA/2009/3/2,
- April 24, 2009 bearing reference no. SEBI/CFD/DIL/LA/1/2009/24/04,
- December, 16, 2010 bearing reference no. CIR/CFD/DIL/10/2010,
- September 23, 2011 bearing reference no. SEBI/CFD/DCR/SAST/1/2011/09/23 and
- January 13, 2012 bearing reference no. CIR/IMD/FII&C/3/2012.)



4.2. For the quarter ended December, 2015 to the quarter ended June, 2019:

4.2.1. Regulation 31(1) read with Regulation 4(1)(e) of the LODR Regulations.

5. It was, further, alleged that the promoters of the Company, Mr. Rajesh Lawande (hereinafter referred to as "**Applicant No. 3**") and Mr. Rahul Nachane (hereinafter referred to as "**Applicant No. 4**") have not disclosed the shareholding of Applicant No. 2 as part of person acting in concert in the disclosures made under Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (hereinafter referred to as "**SAST Regulations**") from FY 2011-12 till FY 2018-19. Therefore, Applicant Nos. 3 and 4 were alleged to have violated Regulation 30(1) of SAST Regulations.
6. Further, it was alleged that Applicant No. 2 has failed to make annual disclosure of shareholding under Regulation 30(1) of SAST Regulations from FY 2011-12 till FY 2018-19.

APPOINTMENT OF THE ADJUDICATING OFFICER

7. SEBI had appointed the undersigned as the Adjudicating Officer (hereinafter referred to as "**AO**") in the matter vide communique dated October 17, 2023, under Section 15-I of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as "**SEBI Act**"), read with Rule 3 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as "**Adjudication Rules**"), to inquire into and adjudge under the provisions of Section 15HB of the SEBI Act for the aforementioned violations of the provisions of law alleged to have been committed by the Applicants.

SHOW CAUSE NOTICE

8. A Show Cause Notice ref no. SEBI/HO/EAD2/NH/RJ//2023/52466 dated December 29, 2023 (hereinafter referred to as "**SCN/Notice**") was served upon the Applicants

Settlement Order in the matter of examination of NGL Fine-Chem Limited



in terms of Rule 4 of the Adjudication Rules read with Section 15-I of the SEBI Act to show cause as to why an inquiry should not be held against the Applicants and why penalty, if any, not be imposed on them in terms of the provisions of Section 15HB of the SEBI Act for the violations alleged to have been committed by the Applicants.

9. Consequent to the receipt of the SCN, the Applicants, vide email dated January 11, 2024, requested for the inspection of documents which was held on January 23, 2024.
10. Thereafter, Applicants, vide letter dated February 19, 2024, submitted that settlement applications had been filed by them on February 16, 2024, requesting for settlement of the adjudication proceedings under the SEBI (Settlement Proceedings) Regulations, 2018 (hereinafter referred to as “Settlement Regulations”).
11. Subsequently, the Applicants, vide letter dated February 29, 2024, submitted their reply to the SCN.
12. Thereafter, the Applicants were granted an opportunity of hearing on November 13, 2024, vide Hearing Notice dated October 28, 2024. The Applicants, vide email dated November 04, 2024, had sought for the adjournment of hearing scheduled on November 13, 2024. On the request of the Applicants, the hearing was adjourned to November 19, 2024. However, the Applicants, vide email dated November 13, 2024, again requested to adjourn the hearing which was acceded to, and the hearing was rescheduled to November 27, 2024. The hearing was conducted on November 27, 2024.

SETTLEMENT PROCEEDINGS

13. Based on material available on record, it is noted that, pursuant to receipt of the Settlement Application, the authorized representatives (hereinafter referred to as “ARs”) of the Applicants had meetings with the Internal Committee of SEBI (hereinafter referred to as “IC”) on October 15, 2024. The IC recommended the



following as the indicative amount computed in terms of Schedule II read with Regulation 10 of Settlement Regulations:

Table 1

Sr. No.	Applicant Name	Indicative Settlement Amount (in Rs.)
1.	NGL Fine-Chem Limited	Rs. 54,42,360/- (Rupees Fifty Four Lakhs Forty Two Thousand Three Hundred Sixty only)
2.	PCI Ferrmone Chemicals (India) Pvt. Ltd.	Rs. 12,59,700/- (Rupees Twelve Lakhs Fifty Nine Thousand Seven Hundred only)
3.	Rajesh Lawande	Rs. 12,59,700/- (Rupees Twelve Lakhs Fifty Nine Thousand Seven Hundred only)
4.	Rahul Nachane	Rs. 12,59,700/- (Rupees Twelve Lakhs Fifty Nine Thousand Seven Hundred only)

14. Thereafter, the Applicants, vide letters dated October 23, 2024, submitted the revised settlement terms.

15. The High Powered Advisory Committee (hereinafter referred to as "HPAC"), in its meeting held on November 18, 2024, considered the revised settlement terms proposed by the Applicants. In this regard, the HPAC recommended that the case may be settled upon the payment of the following settlement amount:



Table 2

Sr. No.	Applicant Name	Settlement Amount recommended by HPAC (in Rs.)
1.	NGL Fine-Chem Limited	Rs. 54,42,360/- (Rupees Fifty Four Lakhs Forty Two Thousand Three Hundred Sixty only)
2.	PCI Ferrmone Chemicals (India) Pvt. Ltd.	Rs. 12,59,700/- (Rupees Twelve Lakhs Fifty Nine Thousand Seven Hundred only)
3.	Rajesh Lawande	Rs. 12,59,700/- (Rupees Twelve Lakhs Fifty Nine Thousand Seven Hundred only)
4.	Rahul Nachane	Rs. 12,59,700/- (Rupees Twelve Lakhs Fifty Nine Thousand Seven Hundred only)

16. In terms of Regulation 14(3) of the Settlement Regulations, the recommendations of the HPAC were placed before the Panel of Whole Time Members (hereinafter referred to as "WTMs"). The recommendation of the HPAC were accepted by the Panel of WTMs on January 17, 2025.

17. The terms of the settlement as accepted by the Panel of WTMs were informed to the Applicants vide email dated January 28, 2025. It is noted from the material on record that the Applicants remitted the aforesaid settlement amount on the following dates as tabulated below:

Table 3

Sr. No.	Applicant Name	Date of payment
1.	NGL Fine-Chem Limited	February 14, 2025
2.	PCI Ferrmone Chemicals (India) Pvt. Ltd.	February 21, 2025
3.	Rajesh Lawande	February 14, 2025
4.	Rahul Nachane	February 18, 2025

18. The material on record confirms the receipt of the said settlement amount.

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ORDER

19. Therefore, in view of the acceptance of the settlement terms, receipt of the amounts by SEBI as mentioned above, the instant adjudication proceedings initiated against the Applicants vide Show Cause Notice ref no. SEBI/HO/EAD2/NH/RJ//2023/52466 dated December 29, 2023 is disposed of in terms of Section 15JB of the SEBI Act read with Regulation 23(1) of the Settlement Regulations on the basis of the settlement terms.
20. This Settlement Order is, however, without prejudice to the right of SEBI to take actions under Regulation 28 of the Settlement Regulations, including restoring or initiating the proceedings in respect to which the settlement order was passed against the Applicants, if –
- 20.1. Any representation made by the Applicant in the present settlement proceedings is subsequently found to be untrue;
- 20.2. The Applicant has breached any of the clauses/conditions of undertakings/waivers filed during the present settlement proceedings and
- 20.3. There was a discrepancy while arriving at the settlement terms.
21. This Settlement Order is passed on this day of February 25, 2025, and shall come into force with immediate effect.
22. In terms of Regulation 25 of the Settlement Regulations, a copy of this Order shall be sent to the Applicants and shall also be published on the website of SEBI.

Date: February 25, 2025

Place: Mumbai

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A IYER

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HARIHARAN
NEELAKANTA IYER
Date: 2025.02.25
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**CHIEF GENERAL MANAGER
AND ADJUDICATING OFFICER**