

10TH ANNUAL REPORT

FCL

FINEOTEX CHEMICAL LIMITED

Where Dependability Counts...

2012-2013

BOARD OF DIRECTORS

Surendra Kumar Tibrewala
Chairman & Managing Director

Sanjay Tibrewala
Executive Director

Manmohan Mehta
Navin Mittal
Sanjay Mittal (resigned w.e.f. 11-Feb-13)
Alok Dhanuka (appointed w.e.f. 11-Feb-13)

BANKERS

Indian Bank
Oriental Bank of Commerce
Union Bank of India
HDFC Bank Ltd.

COMPANY SECRETARY

A V Nerurkar

AUDITORS

UKG & Associates
Chartered Accountants

REGISTERED OFFICE

42,43 Manorama Chambers, S V Road, Bandra (West),
Mumbai 400050.

PLANT LOCATION

A-699, MIDC, TTC, Maphe, New Mumbai

REGISTRARS & TRANSFER AGENTS

Bigshare Services Private Limited
E/ Ansa Industrial Estate, Saki Vihar Road, Mumbai 400072.
Phone : 022- 4043 0200 Telefax:022- 2847 5207
E-mail : investor @bigshareonline.com

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NOTICE

NOTICE is hereby given that the Tenth Annual General Meeting of the members of Fineotex Chemical Limited will be held at 9.30 a.m. on Friday, 27th September, 2013 at Gokul Hall, Rajpuria Bagh, Vile Parle (East), Mumbai - 400057 to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the financial year ended 31st March 2013, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To declare dividend for the year 2012-13.
3. To appoint a director in place of Mr. Navin Mittal who retires by rotation and being eligible offers himself for reappointment.
4. To appoint UKG & Associates as auditors 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.

SPECIAL BUSINESS

5. To consider the following resolution, with or without modification, as an Ordinary Resolution :-
'RESOLVED THAT Mr. Alok Dhanuka, who was appointed by the Board of Directors as an additional Director of the Company with effect from 11-Feb-2013 and who holds office upto the date of this Annual General Meeting in terms of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received notices in writing from members of the Company under the provisions of the above referred Act proposing his candidature for the office of a Director of the Company be and is hereby appointed as a Director of the Company liable to retire by rotation.'
6. To consider the following resolution, with or without modification, as an Special Resolution :-
RESOLVED THAT in accordance with the provisions of sections 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, the approval of the Remuneration Committee of the Company and by modification of the remuneration approved by the members at the 8th Annual General Meeting held on 12th August, 2011, Mr. Surendrakumar Tibrewala be and is hereby re-appointed as a Managing Director of the Company for a period of three years with effect from October 1, 2013 on a remuneration of 5% of the net profits of the Company by way of salary, perquisites and commission which the Company is entitled to pay as per the provisions of section I of the Part II of the Schedule XIII of the Companies Act, 1956 or any re-enactment thereof :
PROVIDED THAT the remuneration aforesaid pertaining to salary and perquisites shall not exceed a sum of Rs. 3,50,000/- p.m. or such higher sum which the Company is / would be entitled to pay as maximum remuneration as per Paragraph B of section II of Part II of Schedule XIII in the event of loss or inadequate profits during the tenure of his appointment as approved by the Remuneration Committee computed in accordance with the provisions of the said Schedule other applicable laws and subject to the approvals, if any.
PROVIDED FURTHER That any excess salary drawn by or paid to him in any year of loss or inadequacy of profits, over and above the amount mentioned in Paragraph B of Section II of Part II of Schedule XIII, shall be refunded by him and for this purpose, the company shall effect recovery month by month and every month commencing from the month in which

the annual accounts disclosing the loss or inadequacy of profits are approved by the Board of Directors in their meeting held as per provisions of section 217.

PROVIDED FURTHER THAT any excess remuneration drawn or paid to him as aforesaid shall be forthwith refunded to the company in the event the appointment come to an end prematurely or is not renewed for a further period beyond this period.

RESOLVED FURTHER THAT any other Director of the Company be and is hereby authorized to execute the agreement incorporating the above terms on behalf of the Company.

7. To consider the following resolution, with or without modification, as an Special Resolution :-

RESOLVED THAT in accordance with the provisions of sections 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, the approval of the Remuneration Committee of the Company and by modification of the remuneration approved by the members at the 8th Annual General Meeting held on 12th August, 2011, Mr. Sanjay Tibrewala be and is hereby re-appointed as an Executive Director of the Company for a period of three years with effect from October 1, 2013 on a remuneration of 5% of the net profits of the Company by way of salary, perquisites and commission which the Company is entitled to pay as per the provisions of section I of the Part II of the Schedule XIII of the Companies Act, 1956 or any re-enactment thereof :

PROVIDED THAT the remuneration aforesaid pertaining to salary and perquisites shall not exceed a sum of Rs. 3,50,000/- p.m. or such higher sum which the Company is / would be entitled to pay as maximum remuneration as per Paragraph B of section II of Part II of Schedule XIII in the event of loss or inadequate profits during the tenure of his appointment as approved by the Remuneration Committee computed in accordance with the provisions of the said Schedule other applicable laws and subject to the approvals, if any.

PROVIDED FURTHER THAT any excess salary drawn by or paid to him in any year of loss or inadequacy of profits, over and above the amount mentioned in Paragraph B of Section II of Part II of Schedule XIII, shall be refunded by him and for this purpose, the company shall effect recovery month by month and every month commencing from the month in which the annual accounts disclosing the loss or inadequacy of profits are approved by the Board of Directors in their meeting held as per provisions of section 217.

PROVIDE FURTHER THAT any excess remuneration drawn or paid to him as aforesaid shall be forthwith refunded to the company in the event the appointment come to an end prematurely or is not renewed for a further period beyond this period.

RESOLVED FURTHER THAT any other Director of the Company be and is hereby authorized to execute the agreement incorporating the above terms on behalf of the Company.

By Order of the Board

(Surendrakumar Tibrewala)

Chairman & Managing Director

Registered Office:

42/43, Manorama Chambers
SV Road, Bandra (West),
Mumbai 400050

Dated : 12th August, 2013

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

Resolution No. 5

Mr. Alok Dhanuka was appointed as an Additional Director by the Board of Directors at their meeting held on 11-Feb-2013 pursuant to Section 260 of the Companies Act, 1956 ('the Act') read with Article of the Articles of Association of the Company. Mr. Dhanuka would hold office upto the date of this Annual General Meeting.

The Company has received notices in writing under Section 257 of the Act from members of the Company along with a deposit of Rs. 500/- each signifying their intention to propose Mr. Dhanuka as a candidate for the office of the Director.

The Board of Directors recommend the resolution for approval of the Members as Ordinary Resolution. None of the Directors, except Mr. Alok Dhanuka, is concerned or interested in the resolution.

Resolution No. 6

Mr. Surendrakumar Tibrewala was re-appointed as Chairman and Managing Director in August 2011 for a 3 year period from 1st October, 2011. The Company is listed and has greater activities now with a much higher and diversified turnover. This has increased the responsibilities of the Directors due to increasing activities and expansion programme of the Company. It is proposed to increase the remuneration in line with the present market conditions to commensurate with the present job profile within the limits prescribed under the Schedule XIII of the Companies Act, 1956 by modification of the terms and type of the aforesaid resolution as Special Resolution.

Mr. Surendrakumar Tibrewala is a B.Com and LLB and has over 3 decades of experience in the business of Specialty and Auxiliary Chemicals as manufacturer and trader. The business of the Company has been nurtured since the last 32 years. He is also involved in other aspects of the business like marketing and administration.

The proposed remuneration is approved by the Remuneration Committee of the Board of Directors and consists of Basic salary of Rs. 2,75,000/- p.m. other allowance of Rs.45,000/- per month and other perquisites not exceeding a sum of Rs. 3,60,000/- p.a. in addition he will be entitled for a car and a telephone at residence for official work. He will also be entitled for retirement benefits as applicable to Senior Executives of the Company like Provident Fund, Superannuation Fund, Gratuity and Encashment of Leave. The retirement benefits would not be considered for the limit of Rs. 3,60,000/- p.a. as mentioned above, This may be treated as an abstract of the draft agreement between the Company and Mr. Surendrakumar Tibrewala for revision of the remuneration and term of appointment pursuant to Section 302 of the Companies Act, 1956.

The Boards recommends your consent for the resolution as a Special Resolution. Mr. Surendrakumar Tibrewala is interested in the resolution as it pertains to him. Mr. Sanjay Tibrewala is interested in the resolution as it pertains to his father.

Resolution No. 7

Mr. Sanjay Tibrewala was re-appointed as Executive Director August 2011 for a 3 year period from 1-October, 2011. The Company is now listed with a much higher and diversified activities and turnover. This has increased the responsibilities of the Directors due to increasing activities and expansion programme of the Company. It is proposed to increase the remuneration in line with the present market conditions to commensurate with the present job profile within the limits prescribed under the Schedule XIII of the Companies Act, 1956 by modification of the terms and type of the aforesaid resolution as Special Resolution.

Mr. Sanjay Tibrewala is a B.Com and is a post graduate in Textile Processing and Chemicals. He is assisting the present Managing Director for the last 12 years adding the technical edge to the business. He is instrumental in developing new products and markets for the Company.

The proposed remuneration is approved by the Remuneration Committee of the Board of Directors and consists of Basic salary of Rs. 2,75,000/- p.m. other allowance of Rs.45,000/- per month and other perquisites not exceeding a sum of Rs. 3,60,000/- p.a. in addition he will be entitle for a car and a telephone at residence for official work. He will also be entitled for retirement benefits as applicable to Senior Executives of the Company like Provident Fund, Superannuation Fund, Gratuity and Encashment of Leave. The retirement benefits would not be considered for the limit of Rs. 3,60,000/- p.a. as mentioned above, This may be treated as an abstract of the draft agreement between the Company and Mr. Surendra Tibrewala for revision of the remuneration and term of appointment pursuant to Section 302 of the Companies Act, 1956.

The Board recommends your consent for the resolution. Mr. Sanjay Tibrewala is interested in the resolution as it pertains to him. Mr. Surendrakumar Tibrewala is interested in the resolution as it pertains to his son.

NOTES

1. **A member entitled to attend and vote at the meeting may appoint a proxy to attend and, on a poll, to vote on his behalf, and the Proxy need not be a member of the Company. Proxies to be effective should be lodged before 12 noon on Wednesday 25th Sept., 2013 duly executed.**
2. The Register of Members and Share Transfer books of the Company will remain closed from 23-September-2013 to 27-September-2013. (both days inclusive).

3. The Dividend, if approved will be paid to members whose names appear in the Register of Members of the Company as on 27th September 2013. The Dividend will be paid on or after 1st October, 2013.
4. An Explanatory Statement pursuant to Section 173(2) relating to special business is annexed to this Notice.
5. As required by the provisions of clause 49 of the Listing Agreement with the Bombay Stock Exchange Limited in respect of Director to be re-appointed at the Annual General Meeting is attached hereto.
6. Shareholders desiring any information as regards the Accounts are requested to write to the Company, at its Registered Office, at least seven days in advance of the date of the Meeting to enable the Company to keep the information ready, as far as possible.
7. Due to the prohibitive cost of paper and printing, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are, therefore, requested to bring their copies of the Annual Report with them for the meeting.
8. Members are requested to intimate immediately of the change of address and Bank Particulars to their DPs.
9. Members / Proxies are requested to bring the attendance slip duly filled in. Corporate Members are requested to send a duly certified copy authorizing their representatives to attend and vote at the meeting.
10. In case of joint holders attending the meeting, only such joint holder who is higher in the names will be entitled to vote.
11. Members are requested to write to the Company as well as their Depository Participant stating their email ids and consent, in the form given on page , to send all communications by emails so as to support the 'Green initiative in Corporate Governance' launched by the Ministry of Corporate Affairs.

Details of Director seeking reappointment (as per clause 49 of the Listing agreement with Bombay Stock Exchange Limited)

Particulars	Revision of Remuneration of CMD	Revision of Remuneration of Executive Director	Re-appointment as Director	Appointment as Director
1. Name of the Director	Mr. Surendrakumar Tibrewala	Mr. Sanjay Tibrewala	Mr. Navin Bhimsen Mittal	Mr. Alok Sashikant Dhanuka
2. Date of Birth	10-Jun-1956	22-May-1981	13-Mar-1973	01-Jun-1986
3. Relationship with other Directors	Father of Mr. Sanjay Tibrewala	Son of Surendrakumar Tibrewala	None	None
4. Date of Appointment	30-Jan-2004	30-Jan-2004	2-Sep-11	11-Mar-13
5. Expertise in the specific	Over 3 decades of experience is the trading, manufacturing of the specialty and auxiliary chemical. Instrumental in building company's business for scratch.	Since last 10 years in the present chemical business has developed a technical edge to the business and introduced new products and markets	Iron & Steel	Exports
6. Number of equity shares held in the Company	6426032	206150	Nil	Nil
7. Directors in other Indian Public Limited Companies as on 31.03.2013	None	None	Nil	Nil
8. Chairmanship / Membership in other Indian Public Limited Company as on 31.3.2013	None	None	Nil	Nil
9. Director Identification No	00218394	00218525	03555295	06491610

DIRECTORS' REPORT

Your Directors hereby present their Tenth Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March 2013.

1. FINANCIAL RESULTS

The Highlights of the performance of the Company during the Financial Year ended 31st march 2013 are appended below:-

	Year ended 2012-2013	Year ended 2011-2012
		(Rs. in Lakhs)
Total Income (net of Excise duty)	4318.50	3,553.52
Less: Expenditure	3,524.48	2,760.87
Less: Depreciation	20.26	17.05
Less: Finance Costs	40.01	29.10
Net Profit before Tax	733.75	746.50
Provision for Tax (including short provision for Previous Year)	190.79	232.90
Profit after tax	542.96	513.60
Appropriations		
Dividend on Equity Shares	56.15	56.15
Tax on Dividend	9.11	9.11
Balance Brought forward from previous Year	1,597.44	1,149.10
Surplus carried to Reserves	2075.14	1,597.44

2. DIVIDEND

Your Directors have recommended a dividend of 5% i.e Re 0.50 per equity share (Last year Re. 0.50 per share) for the year ended 31st March, 2013. The dividend will be paid to the members whose names appear in the register of members as on 26-September-2013. In case of shares held in dematerialised form the same will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services Limited as beneficial owners as on that date. The dividend is free from Income Tax in the hands of the shareholders.

3. OPERATIONS

The Company could achieve a turnover of Rs. 4,068.64 lakhs as against Rs. 3,332.19 lakhs in last year, an increase of 22.10 % inspite of the depressed economic conditions. The Company was able to meet the challenge, maintain its position by adapting to the changing environment, ensuring timely delivery and new product development. The Company continues to develop new products and modify the products as per the requirements of its customers. It has its own testing and development facilities backed by qualified staff. This ensured higher sales which helped it to maintain its absolute profits. Your directors are hopeful that, subject to unforeseen circumstances, the Company would be in a position to maintain robust growth rate in the current year.

4. SUBSIDIARIES

Fineotex Malaysia Limited (FML), a Limited Company, was incorporated in Labaun Malaysia in 2011. FML in turn has controlling interest in 3 other companies in Malaysia that have established manufacturing and trading activities. The synergy of the businesses has helped all the companies.

During the year, FCL Landmarc Private Limited was incorporated as a wholly owned subsidiary to pursue Company's activities in the realty sector as approved by the shareholders at the Ninth Annual General Meeting without affecting the activities of the chemical business. It will carry on the realty business as joint ventures in the initial stages. Realty business has better potential & profitability.

5. DIRECTORS

During the year Mr. Alok Dhanuka was appointed as Additional Director. Notices have been received from the shareholders proposing his name as Director of the Company. Mr. Sanjay Mittal resigned from the Board of the Company with effect from 11th February, 2013 due to his preoccupation. The Board notes with appreciation the services and advices rendered by him.

Mr. Navin Mittal retires by rotation and, being eligible, offers himself for reappointment.

6. PARTICULARS OF EMPLOYEES

None of the employees of the Company drew a remuneration of Rs. 5 lakhs per month or Rs 60 lakhs per annum during the year under review. Hence there is no disclosure required as per provisions of Section 217(2A) of the Companies Act, 1956.

7. ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE

Information as required by the provisions of Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is annexed and forms part of this report. Refer Annexure A.

8. DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217 (2AA) of the Companies Act, 1956, your Directors confirm that:

(i) in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanations relating to material departure;

(ii) they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

(iii) they have taken proper and sufficient care 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; and

(iv) they have prepared the Accounts on a going concern basis

9. MANAGEMENT DISCUSSION AND ANALYSIS

In accordance with the requirements of the clause 49 of the Listing Agreement with the Bombay Stock Exchange Ltd. a report on Management Discussion and Analysis is attached hereto (Annexure 'B') and form part of this Report.

10. CORPORATE GOVERNANCE

Your Company would strive to set and achieve appropriate Corporate Governance practices. In accordance with the requirements of clause 49 of the Listing Agreement with the Stock Exchange, a report on the status of compliance of corporate governance norms is also attached (Annexure 'C'). The Auditors certificate on the same is also attached.

11. AUDITORS AND AUDIT REPORT

Messrs UKG & Associates, the auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. They have given their declaration that they are eligible and willing for re-appointment as Auditors for the ensuing year. The Board recommends their appointment.

12. COST ACCOUNTING RECORDS AND COST AUDIT

The Ministry of Corporate Affairs has issued a notification dated 3rd June, 2011 titled The Companies (Cost Accounting Records) Rules, 2011 making it mandatory for your Company to maintain Cost Accounting Records as prescribed therein. The Cost Audit Branch (CAB) of the Ministry of Corporate Affairs have issued CAB Order dated 24th January, 2012 making the products of the Company liable to Cost Audit under Section 233B of the Companies Act, 1956. This Order would apply to accounting periods commencing on or after 1st April, 2012. The company has appointed M/s V. J. Talati & Co., Cost Auditor, Mumbai to audit the cost accounts for the year 2012-13 from 1 April, 2012 to 31 March, 2013 for which necessary approval from the Central Government has been received.

The Company has obtained the Cost Compliance Certificate for the year 2011-12 from M/s V J Talati & Co the Practising Cost and Management Accountant and filed with the Ministry of Corporate Affairs within the stipulated period.

The Board proposes to re-appoint M/s V. J. Talati & Co., as cost auditor of the company for year 2013-14.

13. ACKNOWLEDGEMENT

Your Directors wish to thank the Company's stakeholders, Bankers and employees for their support extended to it throughout the year.

For and on behalf of the Board

(Surendrakumar Tibrewala)
Chairman

Date : 15-May-2013

Place : Mumbai

ANNEXURE TO THE DIRECTOR'S REPORT

ANNEXURE A

Particulars required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

1. CONSERVATION OF ENERGY

- (a) Energy conservation measure taken – Energy consumption is not very high
- (b) Additional investments/ proposals being implemented for reduction of consumption of energy – None in the year
- (c) Impact of measures at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods- as it is the first year comparison is not possible.
- (d) Total energy consumption and energy consumption per unit of production – The particulars are furnished in prescribed Form A annexed hereto.

2. TECHNOLOGY ABSORPTION

Efforts made in technology absorption – as per Form B given below.

3. FOREIGN EXCHANGE EARNING AND OUTGO

(a) Activities relating to export, initiatives to increase exports, developments of New export markets for and services and Export Plan

Efforts are being made and initiatives are being taken to increase exports. Exports has been started from the current year and is expected to increase in the coming years. The company sees a great export potential in many of its products.

(b) Total Foreign Exchange Used and Earned (Rs. in lacks)

	2012-2013	2011-2012
Total Foreign exchange earned	6.41	Nil
Total Foreign exchange used	285.48	687.91

FORM - A

Form for Disclosure o Particulars with respect to Conservation of Energy.

	2012-2013	2011-2012
(A) POWER & FUEL CONSUMPTION		
1. Electricity		
Purchased Units (Nos)	85,832	75,724
Total Cost (Rs)	7,49,293	5,73,729
Rate / Unit (Rs.)	8.73	7.58
2. Others - Light Diesel Oil		
Purchased Units (K. Ltrs))	38,785	36,728
Total Cost (Rs)	27,66,376	21,37,375
Rate / Unit (Rs.)	71.33	58.19
(B) PRODUCTION		
Own Manufacture	5918.005 MT	4,872.635 MT
Labour Jobs	277.958 MT	340.507 MT

Note: The consumption per unit is not comparative as the production of various products require different production standards. Hence the same is not computed.

FORM - B

A) RESEARCH AND DEVELOPMENT (R & D)

1. Specific areas in which the research and development (R & D) is being carried out by the Company – R & D initiative are carried out to improve the performance of products as well as develop new products mainly as required by the customers.
2. Benefits derived as a result of the above R & D – Developed few products as well as improved performance of certain products to meet the customer requirements
3. Future plan of action – Continue with vigour to gain more consumer satisfaction. Expenditure on R & D – Not significant during the year.

B) TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

1. Efforts, in brief, made towards technology absorption, adoption and innovation – the initiatives leading to development or improvement and continuously adopted into production process
2. Benefits derived as a result of the above efforts – there are improvement in process, cost reduction, reduction in the production process cycle time.
3. Information regarding Imported Technology – We have no imported technology

ANNEXURE - B MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENTS

The Indian Chemical Industry is one of the top five industries in Asia and continues to grow over the years. Chemical industry can be broadly divided into 3 categories – (1) Basic Chemicals like petrochemicals, fertilizers etc. (2) Specialty chemicals like intermediaries, auxiliaries or catalyst in nature and (3) high technology based chemicals like medicinal or biotech products.

The Company's products mainly fall under the Specialty Chemical business which is an emerging sector with increased dependence on knowledge, innovation and research. The products of the Company mainly are used by textile industry as performance chemicals in their processing.

The products are like recipes made as per customer needs with the interaction at the customers production process. The uses of these products find their way in almost all industries with the textile sector being the major market of the Company's products. The characteristics of this business are more flexibility in the processes as well as the final products causing high product differentiation and low capital investments. The Company is established in this business with many accepted products with growing range and market share.

OPPORTUNITIES, THREATS, RISKS, CONCERNS, PERFORMANCE AND OUTLOOK

The management is aware of the environment in which the company operated. There is a process of constantly identifying, monitoring and reviewing potential opportunities and threats to the business and take appropriate actions at suitable times.

With a growth in the manufacturing sector based on the growing economy and emphasis on quality and performance, the requirements for specialty chemicals are rising faster. Your Company is poised to take advantage of the same due to high value and new products and the current results reflect the same. The products have an advantage of scattered textile manufacturers spread across India, a high pool of technicians actively backing the marketing of the products and low manpower costs.

The current volatility, rising oil prices with its adverse effects on the economy in general and many chemical products which form our raw materials pose a threat to our business. The Company had positioned itself for increased sales which were very much restricted due to downturn in the global economy.

The rising inflation puts the Company's plans at a risk of performance. This also puts the margins at risk as the lag between rise in inputs and compensation received by us in the form of higher revenues. The Company has in place a mechanism to identify such risks and take measures to minimize its occurrence. The Company is aware of the need to improve on the mechanism and is taking steps in this direction on a continuous basis. The risk from the small scale and unorganized sector is real and the company is taking steps to diversify in other products as well as other fields. These steps have helped the Company to maintain the profits at absolute level. The current has started with a bolt from the blue causing a severe threat of adverse and tough year with the introduction of the Local Bodies Tax. Widespread resentment and protests are observed from the business community. It is hoped that wiser sense will prevail to ensure fair playing field for the business.

The choppy oil markets are the main cause of rising inflation which is restricting the growth rate during the last year. It is hoped that the same would stabilize in the coming months and the Company would be able to meet its set targets.

Caution : Some of the statements made in this Annexure can be describe as 'forward looking statements'. The expectations are based on reasonable assumptions. However the actual results could differ materially from the ones expressed above on the basis of factors beyond the control of the Company and its management. The Company assumes no responsibility to publicly amend or modify these any of these statements on the basis of subsequent developments.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONS

The Company's performance during the year shows a jump of 22.10 % over the last year. However due to the rising raw material costs the profit before tax has remained almost at the same level in the year under review. The Company is a zero debt Company with no borrowings for its local operations. Short term borrowings are restricted to need based working capital requirements. The salient indicators are as under :-

	(Rs. In lakhs)	
	2012-13	2011-12
Revenue	4,318.50	3,553.52
PBDIT	792.67	789.46
PAT	542.96	513.59
EPS (Basic & Diluted) Rs.	4.84	4.57

During the year under review the plant had smooth operations. The company has received certification from ISO 9001:2008 from JAS ANZ in 2010. Out of the proceeds of the public issue of Rs. 29.48 Crores, the company has so far utilised funds of Rs. 6.57 Crores towards investment in capex, Rs. 2.52 towards working capital requirements, Rs. 8.39 Crores towards Investment in Malaysia and Rs. 2.05 Crores towards Issue related expense. The balance fund of Rs. 9.96 Crores is kept in Mutual Funds and Fixed Deposits with Scheduled bank. Due to uncontrolled competition from unorganized sector, the Company has decided to follow a wait and watch policy before committing the balance funds. It has purchased land but is going slow on the nature of expansion to pursue. It expects that in the forthcoming year the outlook would be clear.

As per the Accounting Standard 17 issued by the Institute of Chartered Accountants of India and Companies (Accounting Standards) Rules, 2006, the Company has one segment i.e. manufacturing and trading in specialty / auxiliary chemicals. During the year it has formed wholly owned Indian subsidiary to be engaged in the realty business, however at present there is no revenue in the said subsidiary & hence segment wise reporting is not given. The Company's products play an important role in the textile manufacturing processes. With the cautious growth expected in the textile industry in the coming year with increasing demand for chemicals needed for this industry based on the increasing expectation of quality and fashionable textile products, the Company expects a growth in turnover for the current year. However the margins continue to be under stress. The total quantitative sales in 2012-13 were 5918 MT against 4,873 MT in 2011-12. It is pertinent to note that quantity is not a very indicative criteria to evaluate performance as the quantity may vary depending upon the concentration level of products sold.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has an effective system of receipt, storage, and utilization of materials. This is backed by quality control at each stage of production, finished product storage and dispatch. It has also in place adequate accounting, administrative and adequate system of internal check and controls to ensure safety and proper recording of all assets of the Company and their proper and authorised utilisation. The Company is aware that Internal Control measures require constant review and modifications to meet the changing requirement of the Indian as well as Global environment. The Company constant reviews its adherence to the environmental norms. The Company has its own Internal Control system and the Audit Committee reviews its adequacy from time to time. Measures are taken to strengthen the same.

HUMAN RESOURCES

The Company has 39 employees at the year end including whole time Directors. The Company is aware that the success of its business depends upon its technical expert's co-ordinating with research and development staff on the one hand and marketing on the other. Necessary training and orientation in this regard is done on a regular basis.

During the year a few innovative ideas were received from the staff, many of which were implemented for improvement in cost control and for achieving greater efficiency.

ANNEXURE-C

CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company continues to practise transparency in its dealings with emphasis on integrity and regulatory compliance. It attaches importance to practice of good corporate governance for meeting the interests and aspirations of the stakeholders. Your Company has implemented the requirements regarding Corporate Governance as mentioned in Clause 49 of the Listing Agreements.

BOARD OF DIRECTORS

The composition of the Board of Directors and other details as on 31st March, 2013 are given below:

Name of the Director	Executive/ Independent/ Non-executive	No. of Board Meetings attended	Whether attended last AGM	No. of other directorships in Public Ltd Companies	No of other Committee Chairmanship/Member
Mr. Surendra Kumar Tibrewala (DIN 00218394)	Chairman & Managing Director	7	Yes	NIL	NIL
Mr.Sanjay Tibrewala (DIN 00218525)	Executive Director	7	Yes	NIL	NIL
Mr.Manmohan Mehta (DIN 00391964)	Independent Non-executive	7	Yes	NIL	NIL
Mr.Sanjay Mittal (DIN 01705140) upto 11 th Feb., 2013	Independent Non-executive	7	No	NIL	NIL
Mr.Navin Mittal (DIN 03555295)	Independent Non-executive	7	No	NIL	NIL
Mr.Alok Dhanuka (DIN 06491610) from 11 th Feb.,2013	Independent Non-executive	1	NA	NIL	NIL

BOARD MEETINGS

During the year under review, 7 meetings of the Board of Directors were held. The meetings of the Board of Directors are generally held at least once in a quarter and are scheduled well in advance unless it is necessary to convene the same for urgent purposes. A detailed agenda is prepared in consultation with the Chairman & Managing Director which is circulated to the members of the Board in advance.

PROFILE OF THE DIRECTOR BEING RE-APPOINTED

Mr. Alok Dhanuka is a graduate and also Masters in Business Administration. He has experience in Exports. His particulars are given elsewhere in this report.

Mr. Navin Mittal retires by rotation and offers himself for re-appointment. He has a vast experience in iron and steel business. He has been a director from 02-Sep-2011.

AUDIT COMMITTEE

The Company has a qualified Audit Committee. The terms of reference of the Committee are in accordance with the provisions of the Companies Act, 1956 and the Listing Agreement with the Bombay Stock Exchange Ltd. The present members of the Audit Committee are Mr. Alok Dhanuka (Chairman), Manmohan Mehta and Mr. Sanjay Tibrewala. The Committee met 7 times during the year and was attended by all the members. Mr Sanjay Mittal was the Chairman of the Committee till his resignation from the Board. Mr. Alok Dhanuka, a qualified MBA was appointed in his place.

Mr. Sanjay Tibrewala is the Executive Director and the others are Independent and Non-Executive Directors.

REMUNERATION COMMITTEE

The Company has a Remuneration Committee to recommend/review the remuneration package of the Managing Director and the Executive Directors as well as to the other members of the Board. Mr. Manmohan Mehta is the Chairman of the Committee with Mr. Navin Mittal and Mr. Alok Dhanuka as members. The Committee met once during the year. All members are Independent and Non-Executive Directors.

Remuneration Policy

Payment of remuneration to the Managing Director and Executive Director is governed by the terms and conditions contained in the Agreement entered into with them which incorporates remuneration within the limit stipulated by the provisions of the Companies Act, 1956. The remuneration structure comprises of salary, consolidated allowance and other perquisites such as house rent allowance, medical benefits, leave travel concession, club subscription, contribution to provident, superannuation and gratuity funds and provision of car and telephone. The other provisions are as per the agreement. The Committee also recommended the payment of sitting fees to the Independent Directors.

The details of remuneration paid/provided to Mr. Surendra Tibrewala Managing Director during the year ended 31st March, 2013 are Basic Salary Rs. 27,00,000/-, House Rent Assistance, other allowances and perquisites of Rs. 8,63,400/- and Retirement benefits Rs. 3,24,000/-. The details of remuneration paid to Mr. Sanjay Tibrewala Executive Director during the year ended 31st March, 2013 are Basic Salary Rs. 27,00,000/-, House Rent Assistance, other allowances and perquisites of Rs. 8,63,400/- retirement Benefits Rs.3,24,000/-.

INVESTORS/SHAREHOLDERS' GRIEVANCE COMMITTEE

The Company has a Shareholders'/Investors' Grievance Committee of the Board of Directors under the Chairmanship of Mr. Alok Dhanuka, Non-Executive Director, to look into the redressal of investors' grievances with Mr. Sanjay Tibrewala and Mr Manmohan Mehta. The Board of Directors has delegated power of approving transfer/transmission of shares to senior executives of the Company. The Committee met four times during the year.

Company Secretary is the Compliance Officer of the Company.

During the year under review, two grievances regarding receipt of dividend were received during the year and were settled promptly. Requests for information were received and were replied and no grievance was outstanding as on 31st March, 2013. No share transfers/transmissions/issue of duplicate share certificates was pending as on 31st March, 2013.

GENERAL BODY MEETINGS

Details of location and time of last three Annual General Meetings are as follows:

Year	Venue	Date	Time
2009-10	Registered Office	06-Jul-2010	4.00 P.M.
2010-11	Gokul Hall, Rajpuria Bagh, Vile Parle (E), Mumbai 400057.	12-Aug-2011	2.30 P.M.
2011-12	Gokul Hall, Rajpuria Bagh, Vile Parle (E), Mumbai - 400057.	31-Dec-2012	9.30A.M.

Special Resolutions were proposed at the 9th Annual General Meeting held on 31st December, 2012 and were modified and approved unanimously.

No special resolution was put through postal ballot last year. Postal Ballot rules will be complied with when required.

No Extra-Ordinary General Meeting was convened during the year 2012-13.

CODE OF CONDUCT

The Board of Directors has laid down a code of conduct for the Company which is applicable to all its Board Members and Senior Management Personnel. For the year under review, all directors and senior management personnel have confirmed their adherence to the provisions of the said code.

DISCLOSURES

(a) The Company did not enter into any materially significant related party transactions with its promoters, directors or the management, their subsidiaries, relatives etc, during the year that may have a potential conflict with the interest of the Company at large except that are disclosed in the accounts. The Company get some processing done from an entity where the Executive Director is a significant shareholder and taken premises and production facilities on rent from a relative of the Directors. Some sales have been made to the proprietary concern of the Executive Director. These have been disclosed in the accounts and other public documents. Wherever required, the approval of the Central Government is also obtained.

(b) There was no pecuniary relationship or transactions with Non-Executive Directors.

MEANS OF COMMUNICATION

The Company has a website www.fineotex.com. The Company's Email Id is fineotex@fineotex.com. Individual communication of the half yearly results is not made to the shareholders. The Company has not made any presentation to institutional investors or analysts.

The Company has 1848 Shareholders as on 31st March, 2013 and the total holding in dematerialised form except 263 shares held by 9 shareholders.

The Annual Report consisting of Directors' Report, Auditors' report and detailed accounts of standalone as well as consolidated form an integral part of communication sent annually to the shareholders in physical or via email where the depository provide email addresses whereas the Annual General Meeting is a means for face to face communication.

The quarterly unaudited financial results would be published in Free Press Journal (English) and Navashakti (Marathi) as per the requirements of the listing agreement.

GENERAL SHAREHOLDER INFORMATION

a. Annual General Meeting:

Date and Time	Friday 27-September-2013 at 9.30 A.M
Venue	Gokul Hall, N B Thakkar Road, Vile Parle (E) Mumbai 400057.

b. Financial Calendar

The Company's Financial Year is a 12 months period from April to following March.

Period	Dates for Unaudited/ Audited Results.
April- June 2013	1st Fortnight of August 2013
July-Sept. 2013	1st Fortnight of November 2013
Oct-Dec 2013	1st Fortnight of February 2014
Jan-Mar -2014	Before 30 th May 2014

c. Book Closure

23-Sept-2013 to 27-Sept-2013 (both days inclusive)

d. List of Stock Exchange

Stock Exchange where applications for listing of shares have been made :

Bombay Stock Exchange Ltd., Mumbai	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 023
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e. Stock Code & Scrip Id

Bombay Stock Exchange Ltd, Mumbai	Code	533333
	Id	FCL

f. Market Price Data

The shares of the Company were listed for trading with effect from 11th March, 2011. The monthly high and low share prices of the Company in comparison with the BSE Sensex during the year are as under:

Month	High (Rs.)	Low (Rs)	Volume (Rs.)
April 2012	58.65	41.55	1,84,70,396
May 2012	49.00	35.10	1,23,16,398
June 2012	45.00	31.20	2,42,12,208
July 2012	41.00	20.05	3,03,23,656
August 2012	27.10	17.40	2,54,37,231
September 2012	34.20	17.55	2,90,99,724
October 2012	37.50	24.75	3,17,68,354
November 2012	49.50	33.05	4,76,33,865
December 2012	53.25	32.20	3,86,89,329
January 2013	34.30	27.35	91,17,048
February 2013	33.60	22.75	49,67,205
March 2013	23.90	16.70	1,30,39,725

g. Market Price variation in relation to BSE Sensex during 2012-13

The monthly high and low share prices of the Company in comparison with the BSE Sensex during the year are as under:

Month	High (Rs.)	Low (Rs)	BSE Sensex High)	BSE Sensex (Low)
April 2012	58.65	41.55	17,664.10	17,010.16
May 2012	49.00	35.10	17,432.33	15,809.71
June 2012	45.00	31.20	17,448.48	15,748.98
July 2012	41.00	20.05	17,631.19	16,598.48
August 2012	27.10	17.40	17,972.54	17,026.97
September 2012	34.20	17.55	18,869.94	17,250.80
October 2012	37.50	24.75	19,137.29	18,393.42
November 2012	49.50	33.05	19,372.70	18,255.69
December 2012	53.25	41.55	19,612.18	19,149.03
January 2013	34.30	32.20	20,203.66	19,508.93
February 2013	33.60	27.35	19,966.69	18,793.97
March 2013	23.90	22.75	19,754.56	18,568.43

h. Share Transfer System

99.99% shares are held in dematerialised form and hence the transfer is done through the depository participants. Shareholders are advised that in case transfer, transmission, rematerialisation, dividends, change of address, alterations in bank mandates, email ids, nominations and other forms of inquires should be addressed only to the depository participant with whom the shareholder has an account as the Company cannot alter the details and have to act on the data available with National Securities Depository Limited and Central Depository Services Limited.

i. Dematerialisation Of Shares

99.99 % of total Equity Share Capital is held in dematerialised form with NSDL and CDSL as at 31st March 2013.

Members can hold shares in electronic form and trade the same in Depository system. However, they may hold the same in physical form also.

International Securities Identification Number INE 045J01018.

j. Shareholding Pattern As At 31 March, 2013

Category	No of shareholders	No of Equity Shares held	Percentage of Shareholding
Promoters (Non Corporate)	7	70,46,002	62.75
Promoters (Corporate)	2	4,02,800	3.59
Promoters' Relatives	2	1,330	0.01
Bodies Corporate	129	18,65,793	16.61
Clearing Members	12	64,347	0.57
Non Resident Indians	47	58,868	0.52
Public	1,649	17,90,671	15.95
Total	1,848	1,12,29,811	100.00

k. Distribution Of Shareholding As On 31 March, 2013.

Category (no. Of shares)	No of shareholders	Shares hold	% of shareholding
1-500	1,425	1,97,565	1.76
501-1000	187	1,55,735	1.39
1001-2000	95	1,39,855	1.24
2001-3000	32	80,398	0.71
3001-4000	14	51,212	0.46
4001-5000	20	95,168	0.85
5001-10000	29	2,28,609	2.04
> 10001	46	1,02,81,269	91.55
Total	1,848	1,12,29,811	100.00

l. Company Registration Number

with ROC/ Ministry of Corporate Affairs L24100MH2004PLC144295

m. Plant Location

A-699/700, TTC Industrial Area Mahape, New Mumbai.

n. Address For Correspondence

i) Registrars and Share Transfer Agents: (For shares and dividend related queries) Bigshare Services Private Ltd., E-2, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (East), Mumbai 400072 Phone : (022) 40430200 Telefax: (02) 28475207

ii) Registered Office

(For any other matter, unresolved complaints) Company Secretary

Fineotex Chemical Limited 42/43, Manorama Chambers ,S V Road, Bandra West Mumbai 400050

iii) E-mail fineotex@fineotex.com

iv) Investors Grievances grievances@fineotex.com

v) Phone No: 022-26559174-75

vi) Fax No. 022-26559178

vii) Website : www.fineotex.com

For and on behalf of the Board

(Surendrakumar Tibrewala)
Chairman & Managing Director

Date : 15-May-2013

Place : Mumbai

DECLARATION AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT

All Directors and Senior Management of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended 31st March, 2013.

For and on behalf of the Board

(Surendrakumar Tibrewala)
Chairman & Managing Director

Date : 15-May-2013

Place : Mumbai

AUDITORS CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE AS STIPULATED IN CLAUSE 49 OF THE LISTING AGREEMENT

To,
The Members

Fineotex Chemical Limited

We have examined the compliance of the conditions of Corporate Governance by Fineotex Chemical Limited (“the Company”) for the year ended on 31st March 2013 as stipulated in Clause 49 of the Listing Agreements of the said Company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion of the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

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

For **UKG & Associates**
Chartered Accountants
Firm Regn No 123393W

Champak K. Dedhia
Partner
(Membership No.101769)

Date : 15th May, 2013

Place: Mumbai

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF FINEOTEX CHEMICAL LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying Financial Statements of Fineotex Chemical Limited which comprises the Balance Sheet as at 31st March 2013, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and a summary of Significant Accounting Policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flow of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing the procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or errors. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- In the case of Statement of Profit and Loss, of the profit for the year ended on that date; and
- In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, based upon such checks of the books and records as we considered appropriate and according to the information and explanations given to us, we annex herewith a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable to the Company.

As required by section 227(3) of the Act, we report that:

- We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- In our opinion, proper books of accounts as required by the law have been kept by the Company so far as appears from our examination of those books;
- The Balance Sheet and Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- In our opinion, the Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement attached with by this report comply with the Accounting Standards referred to in sub-section 3(C) of Section 211 of the Companies Act, 1956 to the extent they are applicable to the Company.
- Based on the written representations made by the directors of the Company we report that none of the Directors are disqualified as on 31st March, 2013 from being appointed as Directors in terms of clause (g) of Sub-section(1) of Section 274 of the Companies Act, 1956.

For **UKG & Associates**
Chartered Accountants
Firm Regn No 123393W

Champak K. Dedhia
Partner
(Membership No.101769)

Date : 15th May, 2013
Place: Mumbai

ANNEXURE TO THE AUDITOR REPORT

(Referred to in Paragraph-1 under the heading of 'Report on Other Regulatory Requirements' of even date of Fineotex Chemical Limited on the financial statements for the year ended 31st March, 2013).

1. Fixed Assets:

- a. The Company has maintained proper records showing full particulars including quantitative details and situations of fixed assets.
- b. The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- c. No Fixed assets have been disposed off during the year and therefore do not affect the going concern status of the Company.

2. Inventories:

- a. The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable.
- b. In our opinion, the procedures for the 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. On the basis of our examination of records of inventory, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noted on physical verification between the physical stocks and the book records were not material.

3. Related Party Transactions:**a. Loans granted:**

According to information and explanations given to us, no loans have been granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 and hence the requirement of clauses (iii)(a) to (iii)(d) of paragraph 4 of the Order are not applicable.

b. Loans taken:

According to information and explanations given to us, no loans have been taken from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 and hence the requirement of clauses (iii)(e) to (iii)(g) of paragraph 4 of the order are not applicable.

- c. In our opinion, and according to the information and explanations given to us, the particulars of contracts or arrangements referred to section 301 of the Companies Act, 1956 have been so entered in the register required to be maintained under that section.
- d. In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rs. 5,00,000/- in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices.

4. Internal Controls:

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 nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of audit we have not observed any continuing failure to correct major weakness in the internal control.

5. Internal Audit:

The Company has an internal audit system, which in our opinion is commensurate with the size of the Company and nature of its business.

6. Taxation:

- a. According to the books and records as produced and examined by us and in accordance with generally accepted auditing practices in India, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, ESIC dues, Sales Tax, Wealth Tax, Excise Duty, Service Tax, Education Cess and other material statutory dues applicable to it. There are no arrears of outstanding statutory dues as at the last day of the financial year for a period of more than six months from the date they become payable.
- b. According to the information and explanation given to us, and also based on management's representation, there were no dues

of Income Tax, Customs Duty, Wealth Tax, Excise Duty, Service tax, Education Cess and Sales Tax that have not been deposited except for the following dues of Cess Tax which have not been deposited by the Company on account of disputes:

Statute	Nature of dues	Amount	Period	Remarks
Cess Tax	Excess Tax Levied by NMMC	38,98,285	Various Years	Navi Mumbai Municipal Corporation

Miscellaneous:

7. We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
8. The Company does not have any accumulated losses at the end of the financial year. The Company has not incurred any cash losses in the current financial year covered by our audit or in the immediately preceding financial year.
9. According to the information and explanations given to us on the basis of our examination of the books of accounts, there are no defaults in repayment of dues to financial institutions and banks during the year.
10. The Company has not accepted any deposits from the public within the meaning of the provisions of section 58A or section 58AA or any other relevant provisions of the Act & the rules framed there under.
11. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debenture and other securities.
12. The Company is not a chit fund or a nidhi / mutual benefit fund / society. Hence the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
13. The Company has maintained proper records of the transactions and contracts in respect of dealings or transactions in shares, securities, debentures and other investments and timely entries have been made therein. All the shares, securities, debentures and other investments have been held by the Company in its own name.
14. According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks and financial institutions.
15. In our opinion and on the basis of information and explanations provided to us, term loans have been applied for the purposes for which they have been raised.
16. According to the information and explanation given to us and on overall examination of the balance sheet of the Company, we report that no funds raised on short term basis have been used for long term investment.
17. According to the information and explanation given to us, the Company has not made any preferential allotment of shares to parties or Companies covered by the register maintained under section 301 of the Companies Act, 1956.
18. According to the information and explanation given to us, the Company has not issued any debentures during the year. Accordingly, the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
19. We have verified the end use of money raised by public issues from the prospectus filed with SEBI, the offer document and as disclosed in Note no. 35 forming part of the financial statements.
20. According to the information and explanations given to us, no fraud on or by Company have been noticed or reported during the year.

For **UKG & Associates**
Chartered Accountants
(Firm Regn no. 123393W)

Champak K. Dedhia
Partner
Membership Number : 101769

Date : 15th-May-2013
Place : Mumbai

BALANCE SHEET AS AT 31ST MARCH, 2013
(In Rs.)

Particulars	Note No.	As At March 31, 2013	As At March 31, 2012
I. EQUITY AND LIABILITIES			
1. SHAREHOLDERS' FUNDS			
- Share Capital	3	112,298,110	112,298,110
- Reserves and Surplus	4	433,661,250	388,011,844
Sub-Total		<u>545,959,360</u>	<u>500,309,954</u>
2. NON-CURRENT LIABILITIES			
- Long-term Borrowings	5	33,131,514	56,092,846
Sub-Total		<u>33,131,514</u>	<u>56,092,846</u>
3. CURRENT LIABILITIES			
- Short Term Borrowings	6	1,777,703	2,161,214
- Trade Payables	7	72,349,204	49,099,097
- Other Current Liabilities	8	29,154,867	21,290,597
- Short-term Provisions	9	6,621,697	8,067,178
Sub-Total		<u>109,903,471</u>	<u>80,618,086</u>
Total		<u>688,994,345</u>	<u>637,020,886</u>
II. ASSETS			
1. NON-CURRENT ASSETS			
- Fixed Assets			
Tangible Assets	10	63,496,303	45,348,945
- Non-Current Investments	11	83,968,940	83,868,940
- Deferred Tax Assets (Net)	12	4,945,299	5,273,753
- Long Term Loans And Advances	13	72,542,320	62,249,909
Sub-Total		<u>224,952,862</u>	<u>196,741,547</u>
2. CURRENT ASSETS			
- Current Investments	14	207,040,086	195,715,949
- Inventories	15	41,886,201	25,345,485
- Trade Receivables	16	113,744,696	86,369,222
- Cash and Cash Equivalents	17	90,965,819	110,373,723
- Short Term Loans and Advances	18	10,404,681	22,474,961
Sub-Total		<u>464,041,483</u>	<u>440,279,340</u>
Total		<u>688,994,345</u>	<u>637,020,886</u>
Significant Accounting Policies			
Notes on Financial Statements	1 to 41		

As per our Report of even date

For & on behalf of Board of Directors

 For **UKG & Associates**

Chartered Accountants

(Firm Registration No : 123393W)

Champak K. Dedhia

Partner

Membership Number : 101769

A V Nerurkar

Company Secretary

Surendrakumar Tibrewala

Chairman & Managing Director

Sanjay Tibrewala

Executive Director

Date : 15th May, 2013

Place : Mumbai

Date : 15th May, 2013

Place : Mumbai

FINEOTEX CHEMICAL LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

(In Rs.)

Particulars	Note No.	As At March 31, 2013	As At March 31, 2012
INCOME			
- Revenue from Operations	19	406,863,673	333,219,403
- Other Income	20	24,986,378	22,133,089
Total		<u>431,850,051</u>	<u>355,352,492</u>
EXPENSES			
- Cost of Materials Consumed	21	299,504,141	233,238,808
- Purchase of Stock-in-Trade	22	39,000	—
- Changes in Inventories of Work-in-Progress	23	(3,099,562)	(215,505)
- Employee Benefit Expenses	24	18,044,712	13,629,624
- Finance Costs	25	4,001,271	2,909,739
- Other Expenses	26	37,959,741	29,434,707
- Depreciation	10	2,026,017	1,705,597
Total		<u>358,475,320</u>	<u>280,702,971</u>
Profit before Tax		73,374,731	74,649,522
Tax Expenses			
- Current tax		19,600,000	23,178,000
- Deferred tax		328,454	1,323,641
- Short / (Excess) Tax Provision for Earlier Years		(849,861)	(1,211,503)
Profit after tax		<u>54,296,138</u>	<u>51,359,383</u>
Earning per Equity Share (Face value Rs. 10 each)			
Basic and Diluted		4.84	4.57
Significant Accounting Policies			
Notes on Financial Statements	1 to 41		

As per our Report of even date

For & on behalf of Board of Directors

For **UKG & Associates**

Chartered Accountants

(Firm Registration No : 123393W)

Champak K. Dedhia

Partner

Membership Number : 101769

A V Nerurkar

Company Secretary

Surendrakumar Tibrewala

Chairman & Managing Director

Sanjay Tibrewala

Executive Director

Date : 15th May, 2013

Place : Mumbai

Date : 15th May, 2013

Place : Mumbai

CASHFLOW STATEMENT - STANDALONE
(In Rs.)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Cash Flow From operating activities		
Net Profit before tax as per Statement of Profit and Loss	73,374,731	74,649,521
Non-cash adjustment to reconcile profit before tax to net cash flows :		
Depreciation/amortization on continuing operations	2,026,017	1,705,597
Net gain on sale of current investments	(13,556,222)	(1,311,977)
Interest expense	3,866,154	2,590,629
Interest income	(11,262,829)	(19,312,877)
Dividend income	(140,390)	(1,479,630)
Balances written back	(3,380)	—
Exchange Difference amortised	1,424,222	2,785,106
Provision for diminution in value of investments	(26,936)	267,156
Operating profit before working capital changes	55,701,366	59,893,526
Movements in working capital :-		
Increase/(Decrease) in trade payables	23,250,106	11,922,833
Increase/(Decrease) in short term provisions	(1,445,482)	(43,410)
Increase/(Decrease) in other current liabilities	56,145	(1,261,366)
(Increase)/Decrease in trade receivables	(27,375,475)	(11,592,706)
(Increase)/Decrease in trade inventories	(16,540,716)	(1,699,985)
(Increase)/Decrease in long term loans and advances	(1,595,053)	(9,692,701)
(Increase)/Decrease in short term loans and advances	2,570,281	850,012
Cash generated from operations	34,621,172	48,376,205
Direct taxes paid(net of refunds)	21,887,498	23,027,382
Cash flow generated from operating activities (A)	12,733,676	25,348,823
Cash flows from Investing activities		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(25,729,995)	(36,464,458)
Purchase of non-current investments	(100,000)	(83,868,940)
Purchase of current investments	(155,610,417)	(290,515,290)
Proceeds from sale/maturity of current investments	157,869,438	154,912,106
Interest received	11262829	20685846
Dividend received	140390	1479630
Loans & Advances (given) / Recd Back	9500000	600000
Fixed Deposits with Bank Withdrawn / (Placed)	19927077	148000000
Net cash flow from/(used in) investing activities (B)	17259322	(85171106)
Cash flows from Financing activities		
Proceeds / (Repayment) from Long term borrowings	(18,697,956)	64868940
Proceeds / (Repayment) from Short term borrowings	(383,510)	1157875
Interest paid	(3,866,154)	(1,904,321)
Dividends paid	(5,614,906)	(5,614,906)
Dividend distribution tax	(911,299)	(932,566)
Net cash flow from/(used in) financing activities (C)	(29,473,825)	57,575,023
Net increase/(decrease) in cash and cash equivalents (A+B+C)	519,174	(2,247,261)
Cash and cash equivalents at the beginning of the year	1,702,437	3,949,698
Cash and cash equivalents at the end of the year	2,221,611	1,702,437
Components of cash and cash equivalents :-		
Cash on hand	365,935	204,156
Cash With banks-		
-in current Accounts	660,120	1,073,710
-in Earmarked Accounts	1,195,556	424,572
Total Cash and cash equivalents	2,221,611	1,702,437

Notes: Figures in brackets represent outflows of cash and cash equivalents

As per our Report of even date

For & on behalf of Board of Directors

For **UKG & Associates**

Chartered Accountants

(Firm Registration No : 123393W)

Champak K. Dedhia

Partner

Membership Number : 101769

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Chairman & Managing Director

Sanjay Tibrewala

Executive Director

Date : 15th May, 2013

Place : Mumbai

Date : 15th May, 2013

Place : Mumbai

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013**1 CORPORATE INFORMATION**

Fineotex Chemical Ltd. (The Company) is a public limited Company domiciled in India and incorporated under the Companies Act, 1956. The Company was incorporated in 2004 and is listed on Bombay Stock Exchange. The Company is engaged in the business of manufacturing and trading of Chemicals. The Company is one of the leading manufacturers of chemicals for textiles, construction, water-treatment, fertiliser, leather and paint industry.

2 SIGNIFICANT ACCOUNTING POLICIES**A. Basis of Preparation of Financial Statements:**

The financial statements are prepared under historical cost convention in accordance with generally accepted accounting principles in India and comply in all material aspects with the applicable Accounting Standards notified under section 211 (3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956.

B. Use of Estimates:

Estimates and assumptions used in the preparation of the financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the Financial Statements, which may differ from the actual results at a subsequent date. Differences between the actual results and estimates are recognized in the year in which the results are known / materialized.

C. Basis of Accounting:

The financial statements are prepared:

- i) On the historical cost convention.
- ii) On a going concern basis.
- iii) In accordance with the Accounting Standards as notified by Companies (Accounting Standard) Rules, 2006.
- iv) On mercantile system of accounting and recognizes income and expenditure on an accrual basis except those with significant uncertainties.
- v) In accordance with the relevant presentation requirements of *Revised Schedule VI* of the Companies Act, 1956 to the extent applicable.

D. Fixed Assets:**i. Tangible Assets**

Fixed Assets are stated at their original cost of acquisition including incidental expenses related to acquisition and installation of the concerned assets. Fixed Assets are shown net of accumulated depreciation and amortisation. Historical cost comprises of the acquisition price or construction price and all direct and indirect costs attributable to bring the asset to the working condition for intended use, but excluding any Cenvat/Service Tax / Value Added Tax credit available. Borrowing cost directly attributable to acquisition / construction of fixed asset which necessarily takes a substantial period of time to get ready for their intended use are capitalised.

ii. Intangible Assets

Intangible Assets are stated at cost of acquisition less accumulated amortization. Amortization is done on Straight Line Method.

E. Depreciation:

- i. Depreciation has been calculated as per the Straight Line Method at the rates prescribed under Schedule - XIV of the Companies Act, 1956.
- ii. Depreciation on additions to assets during the year is being provided on pro-rata basis from the date of acquisition/ installation.
- iii. Depreciation on assets sold, discarded or demolished during the year, is being provided at their respective rates on pro-rata basis upto the date on which such assets are sold, discarded or demolished.
- iv. For assets costing Rs.5000/- or less, depreciation is fully provided.
- v. Depreciation on additions on account of increase in rupee value due to revaluation of foreign currency loans is being provided at rates of depreciation over the future life of said asset.

F. Inventories:

- i. Cost of Inventories have been computed to include all cost of Purchases, Cost of Conversion and other costs incurred in bringing the inventories to their present location and condition.
- ii. Raw materials are valued at cost. The costs are ascertained using the FIFO method, except in case of slow moving and obsolete materials, at lower of cost or estimated realizable value. Materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.
- iii. Work-in-progress and finished goods are valued at the lower of cost or estimated realizable value. Cost represents prime cost, and includes appropriate portion of overheads.
- iv. Scrap is valued at estimated realizable value.

G. Foreign Currency Transactions:

- i. Transactions in foreign currencies are normally recorded at the exchange rate prevailing on the date of the transaction.
- ii. Monetary items denominated in foreign currencies at the year end are restated at the year end rates.
- iii. Exchange difference arising on reporting of long term foreign currency monetary items (other than related to acquisition of depreciable Fixed Assets) at rates different from those at which they were initially recorded during the period or reported in previous financial statement which were until now being recognized in the statement of Profit and Loss are now being accumulated in "Foreign Currency Monetary Item Translation Reserve Account" and amortized in the statement of Profit and Loss over the remaining life of the long term foreign currency monetary items.
- iv. Non Monetary items denominated in foreign currencies are carried at cost.

H. Research and Development:

- i. Capital Expenditure, if any is shown separately in Fixed Assets.
- ii. Research and development cost (other than cost of fixed assets acquired) are charged as an expense in the year in which they are incurred.

I. Investments:

- i. Investments are stated at their cost of acquisition. Long term investments are carried at cost. In case there is any diminution of permanent nature in value of Investments, the same is provided for.
- ii. Current Investments are valued at cost of acquisition, less provision for diminution, as necessary, if any.
- iii. Unquoted current investments are stated at the lower of cost and fair value where available.

J. Revenue Recognition:

- i. The Company recognizes revenues on the sale of products when the products are delivered to the customer or when delivered to the carrier for exports sales, which is when risks and rewards of ownership pass to the customer. Sales are net of taxes on sales and sales returns.
- ii. Other income is accounted for on accrual basis when it is reasonably certain that the ultimate collection will be made.
- iii. Interest is accrued over the period of loan/ investment.
- iv. Dividend on shares and mutual funds is accounted as and when the right to receive is established.

K. Leases:

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease payments are recognized as an expense in Statement of Profit and Loss.

L. Impairment of Assets:

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

M. Borrowing Costs:

- i. Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalised as part of cost of such assets till such time as the assets are ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale.
- ii. All other borrowing costs are recognised as an expense in the period in which they are incurred.

N. Taxation:

Provision for taxation is made on the basis of the taxable profits computed for the current accounting period in accordance with the applicable tax rates and tax laws. Deferred Tax resulting from timing difference between Book Profits and Tax Profits is accounted for at the applicable rate of tax to the extent the timing differences are expected to crystallize, in case of Deferred Tax Liabilities with reasonable certainty and in case of Deferred Tax Assets with virtual certainty that there would be adequate future taxable income against which Deferred Tax Assets can be realized.

O. Employment Retirement Benefits:

- i. Benefits in the form of Provident Fund whether in pursuance of law or otherwise which are defined contributions is accounted on accrual basis and charged to Statement of Profit and Loss of the year.
- ii. Long term employee benefits under defined benefit scheme such as contribution to gratuity, leave, etc. are determined at the close of the year at present value of the amount payable using actuarial valuation techniques. Actuarial gains and losses are recognized in the year when they arise.
- iii. Termination benefits such as compensation under voluntary retirement scheme are recognized as a liability in the year of termination.

P. Cash Flow Statements:

The Cash Flow Statement has been compiled from and is based on the Balance Sheet as at 31st March 2013 and the related Statement of Profit and Loss for the year ended on that date. The cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard - 3 on Cash Flow Statement issued by the ICAI.

Q. Provisions, Contingent Liabilities and Contingent Assets:

Necessary provisions are made for present obligations that arise out of past events prior to the Balance Sheet date entailing future outflow of economic resources. Such provisions reflect best estimates based on available information. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

R. Earnings per share:

- i. Basic earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.
- ii. For the purpose of calculating the diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

S. Operating Cycle for current and non-current classification:

Operating cycle for the business activities of the Company covers the duration of product line/ service including the defect liability period, wherever applicable and extends up to the realization of receivables within the agreed credit period normally applicable to the respective lines of business.

3 Share Capital

(In Rs.)

Particulars	March 31, 2013	March 31, 2012
Authorised		
13,000,000 (13,000,000) Equity shares of Rs. 10/- each	130,000,000	130,000,000
	130,000,000	130,000,000
Issued, Subscribed and Paid-up		
EQUITY SHARE CAPITAL		
11,229,811 (11,229,811) Equity shares of Rs. 10/- each fully paid up	112,298,110	112,298,110
Total	112,298,110	112,298,110

Notes : i.Shareholders holding more than 5 % of Equity Shares :

Name of the Shareholder	March 31, 2013		March 31, 2012	
	No. of Shares	% held	No. of Shares	%held
Mr. Surendra Tibrewala	6,426,032	57.22%	5,994,500	53.38%

ii. **Aggregate number of shares allotted as fully paid up bonus shares during the the period of five years immediately preceding the reporting date**

3,324,600 Equity shares of Rs.10/- each fully paid issued as bonus shares in the Financial Year 2007-2008 by capitalisation of Securities Premium Account.

iii. **Aggregate number of shares issued as fully paid up for consideration other than cash during the the period of five years immediately preceding the reporting date.**

3,000,000 Equity shares of Rs.10/- each fully paid issued for consideration other than cash to vendor in pursuant to the acquisition of business in Financial Year 2007-2008.

iv. **Reconciliation of the number of Equity Shares outstanding**

Particulars	March 31, 2013 No. of Shares	March 31, 2012 No. of Shares
Number of shares at the beginning of the year	11,229,811	11,229,811
Add: Shares issued	—	—
Number of shares at the end of year	11,229,811	11,229,811

v. The Company has only one type of equity share. Each equity share is entitled to one voting right only.

vi. In the event of liquidation of the Company, the holders of Equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all the preferential amounts. The distribution would be in proportion of the number of Equity shares held by the Equity Shareholders.

4. Reserves and Surplus

(In Rs.)

Particulars	March 31, 2013	March 31, 2012
Capital Reserve		
Balance at the beginning of the year	1,085,354	1,085,354
Securities Premium Account		
Balance at the beginning of the year	234,318,990	234,318,990
Foreign Currency Monetary Item Translation Reserve		
Balance at the beginning of the year	(7,136,757)	—
Add : Additions during the year	(3,544,749)	(9,921,863)
Less : Amortised during the year	1,424,222	2,785,106
	(9,257,284)	(7,136,757)
Profit and Loss Account		
Balance at the beginning of the year	159,744,257	114,911,079
Add : Profit for the year	54,296,137	51,359,383
Less : Appropriations		
Proposed Dividend on Equity Shares	5,614,906	5,614,906
Tax on Dividend	911,299	911,299
	207,514,190	159,744,257
Total	433,661,250	388,011,844

Note : The Company has exercised the option under paragraph 46A(1) of Accounting Standard - 11 'The effect of changes in Foreign Exchange rates' as notified by Ministry of Company Affairs vide notification dated 29th December, 2011. Consequently the foreign exchange loss arising on reporting/settlement of long term foreign currency monetary items (other than relating to acquisition of depreciable fixed assets) amounting to Rs. 106.82 lakhs (Rs. 99.22 lakhs) for the year ended 31st March 2013 has been accumulated in "Foreign Currency Monetary Translation Difference Account", out of which Rs. 14.24 lakhs (Rs 27.85 lakhs) has been amortized for the year ended 31st March, 2013.

5 Long Term Borrowings

Particulars	March 31, 2013	March 31, 2012
Secured Borrowings:		
Term Loan from bank	33,131,514	56,092,846
Total	33,131,514	56,092,846

Note:

i. Term loan from bank is secured by way of exclusive first charge created by hypothecation of the total current assets including receivables (both present and future) of the Company. Fixed Deposits of the Company of Rs. 8 Crores have been marked as lien in favour of the Bank as a collateral security. Interest is charged at six months LIBOR plus 4.50 % p.a. and is payable quarterly on the outstanding loan amount.

ii. Details of Terms of repayment:

Details of Installments	Period of Loan	Outstanding Balance	
		March 31, 2013	March 31, 2012
12 Quarterly installments of US \$ 121,835/- each	July 01, 2013 to Apr 27, 2015	59,637,596	74,790,803

6 Short term Borrowings
(In Rs.)

Particulars	March 31, 2013	March 31, 2012
Secured Borrowings		
- Bank Overdraft	1,777,703	2,161,214
Total	1,777,703	2,161,214

Note: Bank Overdraft is secured against Bank Fixed deposits.

7 Trade Payables

Particulars	March 31, 2013	March 31, 2012
Trade Payables:		
Other than Micro and Small Enterprises	72,349,204	49,099,098
Total	72,349,204	49,099,098

8 Other Current Liabilities

Particulars	March 31, 2013	March 31, 2012
Current maturities of Long Term Debt (Secured) Refer note 5(i) and (ii)	26,506,081	18,697,957
Interest accrued but not due on Borrowings	512,262	686,308
Advance from customers	245,263	97,315
Trade deposits	616,027	666,027
Interest payable on Trade deposits	244,613	177,706
Other		
Unclaimed IPO proceeds	—	4,740
Unclaimed dividend	6,473	50,832
Statutory dues	1,024,148	615,239
Payables for Capital goods	—	294,474
Total	29,154,867	21,290,597

9 Short Term Provisions

Particulars	March 31, 2013	March 31, 2012
Provision for Employee Benefits		
Provision for leave encashment	95,492	76,556
Provision for gratuity	—	9,150
Others		
Provision for Income tax (net of Advance Tax)	—	1,455,268
Proposed dividend	5,614,906	5,614,906
Povision for dividend tax	911,299	911,299
Total	6,621,697	8,067,178

10 - Fixed Assets

(In Rs.)

Particulars	Gross Block			Depreciation/Amortisation			Net Block		
	Ason 01.04.2012	Addition during the year	Disposals Adjustments	Ason 31.03.2013	Ason 01.04.2012	For the year	Disposals Adjustment	Ason 31.03.2013	Asat 31.03.2012
Tangible Assets									
Freehold Land	-	19,812,341	-	19,812,341	-	-	-	19,812,341	-
Leasehold Land	10,200,000	-	-	10,200,000	-	-	-	10,200,000	10,200,000
Factory Building	5,478,279	-	-	5,478,279	490,717	182,974	-	4,804,587	4,987,562
Plant and Machinery	24,066,319	268,428	-	24,334,747	2,571,042	1,150,682	-	20,613,023	21,495,277
Office Premises	483,000	-	-	483,000	39,365	7,873	-	435,762	443,635
Furniture and Fixtures	1,507,023	9,476	-	1,516,499	301,884	95,493	-	1,119,122	1,205,139
Computers	1,158,472	79,750	1,691	1,236,531	410,356	196,378	5,071	634,868	748,115
Vehicles	3,247,945	-	-	3,247,945	1,140,429	321,277	-	1,786,239	2,107,516
Renovation on Lease Premises	4,376,699	-	-	4,376,699	214,998	71,340	-	4,090,361	4,161,701
Total	50,517,736	20,169,995	1,691	70,686,040	5,168,791	2,026,017	5,071	63,496,303	45,348,945
Previous Year	38,097,279	12,420,457	-	50,517,736	3,463,194	1,705,597	-	45,348,945	34,634,085

11 Non Current Investments
(In Rs.)

Particulars	March 31, 2013	March 31, 2012
Long Term Investment - at cost		
Trade Investments (Unquoted)		
In Equity Shares of Subsidiary Companies		
1890218 (1890218) Shares		
Fineotex Malaysia Limited of US \$ 1 each fully paid	83,868,940	83,868,940
10000 (Nil) Shares FCL Landmarc Private Limited of Rs. 10/- each fully paid	100,000	—
Total	83,968,940	83,868,940

12 Deferred Tax Asset (Net)

Particulars	March 31, 2013	March 31, 2012
Deferred Tax Asset		
Expenditure allowable u/s. 35D	9,258,805	9,258,805
Provision for diminution in value of investments	151,984	160,723
Expenditure/Provisions allowable on payment basis - 43B Items	90,883	24,839
Sub-Total (A)	9,501,672	9,444,367
Deferred Tax Liability		
Depreciation	4,556,373	4,170,614
Sub-Total (B)	4,556,373	4,170,614
Total (A - B)	4,945,299	5,273,753

13 Long Term Loans and Advances

Particulars	March 31, 2013	March 31, 2012
Unsecured, Considered good		
Capital Advances	36,960,000	31,400,000
Security Deposits		
- Related parties Refer Note (i and ii) below	24,500,000	24,500,000
- Others	159,624	159,624
Other Loans and Advances		
- Balance with VAT & Excise Authorities	8,524,874	4,634,304
- Balance with Tax Authorities (Net of provision)	1,682,091	—
- Interest accrued but not due	715,7311	555,981
Total	72,542,320	62,249,909

Note:

- Interest Free deposit towards rented premises paid to relative of director Rs.19,500,000/- (Rs.19,500,000/-)
- Trade deposit paid to an Group Company Rs.5,000,000/- (Rs.5,000,000/-).

14 Current Investments

Particulars	Face Value	Number	March 31, 2013	March 31, 2012
a. Investment in Mutual Funds:				
Equity Based Mutual Funds				
Birla Sunlife Dividend Yield Plus Growth Fund	10	107,321 (75,931.20)	8,998,752	6,300,000
HDFC Equity Growth Fund	10	38013.26 (22,388.97)	10,150,000	5,950,000
CICI Prudential Focused Blue Chip Equity Retail Growth Fund	10	Nil (167,785.24)		2,500,000
Kotak Midcap Growth Fund	10	19,010.68 (19,010.68)	500,000	500,000
Pramerica Dynamic Growth Fund	10	300,000 (300,000)	3,000,000	3,000,000
Reliance Growth Retail Plan Fund	10	730.35 (730.35)	350,123	350,123
Religare PSU Equity Fund - Growth	10	301507.54 (Nil)	3,000,000	

FINEOTEX CHEMICAL LIMITED

(In Rs.)

Sundaram Select Midcap Appreciation Fund	10	57667.85 (30414.28)	8,623,329	5,950,000
Debt Based Mutual Funds :-				
Birla Sunlife Income Plus - Retail Growth	10	174,996.18 (Nil)	9,000,000	—
Birla Sunlife Cash Manager Growth Fund	100	18,950.02 (134,560.70)	4,687,744	33,286,845
BSL Capital Protection Oriented Growth Fund	10	Nil (300,000)	—	3,000,000
BNP Paribas Bond Fund	10	895,373.21 (733,387.94)	12,000,000	9,500,000
BNP Paribas Flexi Debt Fund	10	301,363.68 (Nil)	5,500,000	—
BNP Paribas Bond Fund - Regular Growth	10	145,095.39 (Nil)	2,844,116	—
DSP BR Bond Fund - Retail Plan (G)	10	274,811.97 (Nil)	10,000,000	—
DSP BR Income Opportunities Fund	10	1,051,150.66 (Nil)	18,500,000	—
DWS Premier Bond Regular Growth Plan Fund	10	116,862.70 (116,862.70)	2,000,000	2,000,000
DWS Short Maturity Growth Plan Fund	10	134930.77 (134,930.77)	2,284,544	2,284,544
HDFC Cash Management Treasury Advantage Plan Retail Growth Fund	10	Nil (2,342,016.39)	—	51,680,076
HDFC Income Fund - Growth	10	69818.96 (Nil)	1,834,388	—
HSBC Flexi Debt Fund - Growth	10	123223.27 (Nil)	2,000,000	—
HSBC Flexi Debt Fund - Regular Growth	10	373243.21 (Nil)	5,500,000	—
ICICI Prudential Flexible Income Plan	10	236559.10 (Nil)	8,500,000	—
ICICI Prudential Regular Savings Growth Fund	10	1770045.42 (878,591.35)	19,953,343	9,500,000
Kotak Bond Regular Growth Fund	10	18,176.16 (18,176.16)	5,500,000	5,500,000
Kotak Credit Opportunity Growth Fund	10	1672460.40 (491,825.17)	19,409,733	5,409,733
Reliance Regular Saving Fund - Debt PL Growth	10	730939.03 (Nil)	11,000,000	—
SBI Dynamic Bond Growth Fund	10	989289.099 (114,202.18)	13,500,000	1,500,000
UTI Bond Growth Plan Fund	10	256335.59 (256,335.59)	8,000,000	8,000,000
UTI Treasure Advantage Growth Fund	10	Nil (15,501.28)	—	40,000,000
UTI Bond Growth Regular Fund	10	269642.82 (Nil)	8,849,542	—
b. Investment in Equity Instruments :				
Sun Pharmaceuticals Industries Limited	10	2000 (Nil)	1,413,020	—
Vinati Organics Limited	10	4000 (Nil)	609,887	—
	Total		207,508,521	196,211,320
Less : Provision for diminution in value			468,435	495,372
	Total		207,040,086	195,715,949

(In Rs.)

Note:	March 31, 2013	March 31, 2012
i. Aggregate provision for diminution in value of Current Investments	Rs. 468,435/-	Rs. 495,372/-
ii. Aggregate cost of quoted investments	Rs. 2,022,907/-	—
iii. Aggregate market value of quoted investments	Rs. 1,826,420/-	—
iv. Aggregate amount of unquoted investments	Rs.205,485,614/-	Rs.196,211,320/-
v. All the investments have been valued at cost or market value whichever is lower. (Refer Note 2 I of Significant Accounting Policies).		
vi. The numbers shown in brackets represents quantities of last year.		

15 Inventories

Particulars	March 31, 2013	March 31, 2012
Raw Materials	31,308,534	17,643,057
Work in Progress	8,971,961	5,872,399
Packaging Materials	1,605,707	1,830,029
Total	41,886,201	25,345,485

Note: Inventories are valued at lower of cost or net realizable value . (Refer Note 2 F of Significant Accounting Policies).

16 Trade Receivables

Particulars	March 31, 2013	March 31, 2012
Unsecured, Considered good:		
- Outstanding for a period exceeding six months	26,319	172,059
- Others	113,718,377	86,197,163
Total	113,744,696	86,369,222

Note : Out of above Rs. 7,64,200/- (Rs.2,121,600/-) is due from a concern in which director is interested.

17 Cash and Cash Equivalents

Particulars	March 31, 2013	March 31, 2012
Cash and Cash Equivalents:		
Balance with bank	660,120	1,073,710
Cash on hand (As certified by the management)	365,935	204,156
Other Bank Balances		
Balance Earmarked With banks		
- Unclaimed dividends	6,473	50,832
- Unclaimed IPO proceeds	4,740	—
- Tender deposits	1,189,083	369,000
Fixed Deposits with maturity of more than 3 months but less than 12 months	88,744,209	108,671,286
Total	90,965,819	110,373,723

Note: Fixed Deposits amounting to Rs. 89,933,292/- (Rs. 87,040,286/-) are under lien with Banks for guarantees given against borrowings and tender deposits.

18 Short Term Loans and Advances

Particulars	March 31, 2013	March 31, 2012
Unsecured, Considered good		
Security deposits - Others	22,000	85,000
Other Loans and Advances		
- Balance with VAT and Excise Authorities	2,921,937	3,092,630
- Advance to Related Party	7,100	—
- Other loans		9,500,000
- Interest accrued but not due	6,909,203	8,997,262
- Interest accrued and due	—	24,793
- Others	544,441	775,277
Total	10,404,681	22,474,961

Note : Others include advance to Creditors, Prepaid expenses and Loan to employees.

19 Revenue from Operations

(In Rs.)

Particulars	March 31, 2013	March 31, 2012
Sale of Products	448,578,467	358,721,178
Less: Excise Duty	42,932,748	26,719,524
	405,645,719	332,001,654
Sale of Services	1,191,081	1,217,750
Other Operating Revenue		
Export Incentive - Duty Drawback	26,873	—
Total	406,863,673	333,219,403

20 Other Income

Dividend - Others	140,390	1,479,630
Net Gain on redemption of Mutual Fund		
- Long Term	13,554,942	889,292
- Current	1,280	422,685
Interest on deposits with banks and others		
- Long Term	1,357,600	600,000
- Current	9,905,229	18,712,877
Foreign exchange gain (net)	—	28,604
Reversal of provision for dimunition of investments	26,936	—
Total	24,986,378	22,133,089

21 Cost of Materials including packaging materials consumed

Raw materials	268,765,269	211,424,560
Packaging materials	30,738,871	21,814,249
Total	299,504,141	233,238,808

22 Purchase of Stock-in-Trade

Stock-in-Trade	39,000	—
Total	39,000	—

23 Changes in Inventories of Work-in-Progress

Closing stock	8,971,961	5,872,399
Less: Opening stock	5,872,399	5,656,893
Total	3,099,562	215,505

24 Employee Benefit Expenses

Salaries, Wages, Bonus and Leave Encashment	16,666,903	12,393,373
Contribution to Provident and Other Funds	874,257	738,220
Provision of Gratuity (Refer Annexure-1)	55,363	152,225
Staff Welfare Expenses	448,189	345,806
Total	18,044,712	13,629,624

25 Finance Cost
(In Rs.)

Particulars	March 31, 2013	March 31, 2012
Interest on Trade deposits	73,923	64,603
Bank charges including interest	135,117	46,669
Other Borrowing Cost		
- Interest on loan	3,792,231	2,526,026
- Loan processing fees	—	272,441
Total	4,001,271	2,909,739

26 Other Expenses

Particulars	March 31, 2013	March 31, 2012
Labour charges	9,365,052	6,551,291
Power and Fuel	1,233,082	909,241
Rent	1,620,000	780,000
Repairs and Maintenance of		
- Buildings	596,327	1,224,682
- Plant and machinery	616,488	1,186,344
- Others	260,696	200,844
Insurance	196,647	170,270
Rates and taxes	3,378,551	2,236,801
Payment to auditors		
- As Auditor	300,000	200,000
- For Taxation matters	200,500	82,500
- For Other services	83,535	67,500
Commission	6,594,281	3,605,184
Advertisement	437,480	30,007
Provision for diminution in value of current investments	—	267,156
Legal and professional fees	2,050,462	948,723
Transport charges	1,163,178	1,608,837
Travelling expenses	2,125,246	2,628,223
Donation	107,751	37,100
Foreign exchange loss (Net)	2,591,264	2,785,106
Bad debts written off	58,592	—
Miscellaneous expenses	4,980,608	3,914,899
Total	37,959,741	29,434,707

27 Contingent Liabilities and Commitments

i. Contingent liabilities not provided for in respect of:

Particulars	2012-2013	2011-2012
(a) Guarantees given by bank	1,189,083	369,000
(b) Claims against the Company not acknowledged as debts	3,898,285	3,898,285

ii. Premium amount to be paid to MIDC on account of transfer of leasehold land in the name of the Company, for which amount is not ascertainable.

iii. Commitments

FINEOTEX CHEMICAL LIMITED

(In Rs.)

Particulars	2012-2013	2011-2012
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances).	15,840,000	26,400,000

28 Value of Imports on CIF Basis

Particulars	2012-2013	2011-2012
Raw Material	4,370,037	726,457
Total	4,370,037	726,457

29 Expenditure in Foreign Currency

Particulars	2012-2013	2011-2012
Interest	3,986,185	2,526,026
Loan Principal Amount Repayment	19,923,678	—
Travelling	453,243	591,386
Total	24,363,106	3,117,412

30 Earnings in Foreign Currency

Particulars	2012-2013	2011-2012
Sales	641,000	—
Total	641,000	—

31 Earnings per share

Particulars	2012-2013	2011-2012
Profit available to shareholders (In Rs.)	54,296,138	51,229,512
Weighted average number of shares outstanding during the year	11,229,811	11,229,811
Basic and Diluted Earnings per Share (In Rs.)	4.84	4.56
Face Value per Equity Share (In Rs.)	10	10

32 Proposed Dividend

The Board of Directors of the Company in the meeting held on 15th May, 2013 has proposed a dividend of 5% on the Equity shares of Rs. 10/- each. The payment of the above proposed dividends are subject to the approval from the shareholders of the Company in the Annual General Meeting.

33 Segment Reporting

The Company is primarily engaged in the business of manufacturing of textile chemicals, auxiliaries and specialty chemicals. These in the context of Accounting Standard 17 on Segment Reporting, are considered to constitute one single primary segment. There is no other secondary reportable segment.

34 Related Party Transactions

As per Accounting Standard 18, the disclosures of transactions with the related parties are given by way of an annexure 2.

List of related parties where control exists and related parties with whom transactions have taken place and relationships

SN	Name of the Related Party	Relationship
1	Surendrakumar Tibrewala	Key Management Personnel
2	Sanjay Tibrewala	Key Management Personnel
3	Mrs. Kanaklata Surendra Tibrewala	Relatives of Key Management Personnel
4	Sanjay Exports	Enterprise under significant influence of Key Management Personnel or their relatives
5	Proton Biochem Private Limited	Enterprise under significant influence of Key Management Personnel or their relatives
6	FCL Landmarc Private Limited	Subsidiary

35 Initial Public Offering (IPO)

During the year 2010-11, pursuant to the approval of the shareholders of the Company in an extra ordinary general meeting held on 26th August 2010, the Company has issued and allotted through initial public offering (IPO) 4,211,211 equity shares of Rs.10/- each at a premium of Rs.60/- per share aggregating to total of Rs. 29.48 crores to all categories of investors. The issue was made in accordance with the terms of the Company's prospectus dated 26th February 2011 and the shares got listed on 11th March 2011 on Bombay Stock Exchange Ltd.

In accordance with the "objects of issue" as stated in the prospectus of the Company, the status of utilisation upto 31st March 2013 of the amount raised through the said initial public offer is as follows:

Statement of utilisation of IPO funds

Particulars of Fund Utilisation		Amt (in Rs.)
Amount received from IPO		294,784,770
Deployment of funds received from IPO	As per prospectus	Actual Incurred
Investment in Capital Expenditure	92,500,000	65,659,011
Working Capital Requirements	80,000,000	25,170,009
Corporate Purposes	97,600,000	83,868,940
Issue related expenses	24,684,770	20,478,246
Total	294,784,770	195,176,206
Balance amount to be utilised		99,608,564
Interim Utilisation of balance IPO proceeds		Amt (in Rs.)
Investments in Mutual Funds		19,608,564
Investments in Fixed Deposits with scheduled banks		80,000,000
Total		99,608,564

- 36 The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid / payable as required under the said Act could not be furnished.
- 37 The Ministry of Corporate Affairs, Government of India, vide General Circular No. 2 and 3 dated 8th February 2011 and 21st February 2011 respectively has granted a general exemption from compliance with section 212 of the Companies Act, 1956, subject to fulfillment of conditions stipulated in the circular. The Company has satisfied the conditions stipulated in the circular and hence is entitled to the exemption. Necessary information relating to the subsidiaries has been included in the Consolidated Financial Statements.
- 38 Balance of sundry debtors, creditors and loans and advances are subject to confirmation, reconciliation, if any.
- 39 In the opinion of board and to the best of their knowledge and belief, the value on realisation of loans, advances and current assets in the ordinary course of business will not be less than the amount at which they are stated in the Balance sheet.
- 40 In the opinion of the board, provision for all known liabilities is adequate and not in excess of the amount reasonably necessary.
- 41 Previous year's figures have been regrouped, rearranged and reclassified wherever necessary.

As per our Report of even date
For **UKG & Associates**
Chartered Accountants
(Firm Registration No : 123393W)

Champak K. Dedhia
Partner
Membership Number : 101769

A V Nerurkar
Company Secretary

For & on behalf of Board of Directors

Surendrakumar Tibrewala
Chairman & Managing Director

Sanjay Tibrewala
Executive Director

Date : 15th May, 2013
Place : Mumbai

Date : 15th May, 2013
Place : Mumbai

Disclosures as defined in Accounting Standard 15 "Employee Benefits" are given below (refer note 24) :

Annexure 1

Defined Contribution Plan

Employer's contribution to PF, ESIC and other funds

Defined Benefit Plan

The Company has taken a policy under Group Gratuity Scheme with the Life Insurance Corporation of India (LIC). The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

(In Rs.)

Particulars	Current Year	Previous Year
A) Table showing changes in the Present value of Obligation:		
Defined Benefit Obligation at the beginning of the year	486,392	402,461
Current Service Cost	102,920	111,744
Interest Cost	38,911	32,197
Actuarial (Gain)/ Loss	(29,894)	50,529
Benefit paid	—	(110,539)
Defined Benefit Obligation at year-end	598,329	486,392
B) Table showing changes in fair value of plan assets		
Fair value of plan assets at beginning of the year	477,242	382,829
Expected return of plan asset	56,574	42,245
Actuarial (Gain)/ Loss	—	—
Employer Contribution	154,315	162,707
Benefit paid	—	(110,539)
Fair Value of plan assets at year end	688,131	477,242
Actual return on plan assets	—	—
C) Table showing fair value of plan assets		
Fair Value of Plan asset at beginning of the year	477,242	382,829
Actual return on plan asset	56,574	42,245
Employer Contribution	154,315	162,707
Benefit Paid	—	(110,539)
Fair Value of Plan asset at the end of the year	688,131	477,242
Funded Asset/ (Liability)	89,802	(9,150)
D) Actuarial Gain/Loss recognized		
Actuarial (Gain)/Loss for the year obligation	29,894	(50,529)
Actuarial (Gain)/Loss for the year plan assets	—	—
Total (Gain)/Loss for the year	(29,894)	50,529
Actuarial (Gain)/Loss recognized for the year	(29,894)	50,529
E) The amounts to be recognized in the balance sheet and statements of profit and loss		
Present value of obligations as at the end of year	598,329	486,392
Fair Value of plan assets as at the end of the year	688,131	477,242
Funded Status	89,802	(9,150)
Net Asset/(Liability) recognized in balance sheet	89,802	(9,150)
F) Expenses recognized in statement of profit and loss		
Current Service Cost	102,920	111,744
Interest Cost	38,911	32,197
Expected return of plan asset	(56,574)	(42,245)
Net Actuarial (Gain)/loss recognised in the year	(29,894)	50,529
Expenses recognised in statement of profit and loss	55,363	152,225
G) Assumption		
Discount Rates	8%	8%
Salary Escalation	5%	5%

AS 18 - Related Parties Disclosure (refer note 34)
Annexure 2
(In Rs.)

SN	PARTICULARS	KEY MANAGEMENT PERSONNEL		RELATIVES OF KEY MANAGEMENT PERSONNEL		ENTERPRISE UNDER SIGNIFICANT INFLUENCE OF KEY MANAGEMENT PERSONNEL OR THEIR RELATIVES		SUBSIDIARIES		TOTAL	
		2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
1	Sale of Goods										
	Sanjay Exports	-	-	-	-	59,174,039	58,325,328	-	-	59,174,039	58,325,328
2	Purchase of Goods										
	BT Biotex SDN BHD	-	-	-	-	-	-	-	726,457	-	726,457
3	Directors Remuneration										
	Surendra Tibrewala	3,563,400	2,820,000	-	-	-	-	-	-	3,563,400	2,820,000
	Sanjay Tibrewala	3,563,400	2,340,000	-	-	-	-	-	-	3,563,400	2,340,000
4	Salary Paid										
	Ritu Tibrewala	-	-	-	50,000	-	-	-	-	-	50,000
5	Rent Paid										
	Kanaklata Tibrewala	-	-	780,000	780,000	-	-	-	-	780,000	780,000
	Surendra Tibrewala	840,000	-	-	-	-	-	-	-	840,000	-
6	Interest Income on Deposit										
	Proton Biochem Pvt. Ltd.	-	-	-	-	600,000	600,000	-	-	600,000	600,000
7	Labour Charges										
	Proton Biochem Pvt. Ltd.	-	-	-	-	8,736,427	6,265,841	-	-	8,736,427	6,265,841
8	Investments										
	Fineotex Malaysia Limited	-	-	-	-	-	-	-	83,868,940	-	83,868,940
	FCL Landmarc Pvt. Ltd.	-	-	-	-	-	-	100,000	-	100,000	-
9	Reimbursements Receivable										
	FCL Landmarc Pvt. Ltd.	-	-	-	-	-	-	7,100	-	7,100	-
10	Reimbursements of expenses										
	Kanaklata Tibrewala	-	-	85,564	-	-	-	-	-	85,564	-
	Outstanding Balances										
11	Rent Payable										
		-	-	-	58,500	-	-	-	-	-	58,500
12	Trade Receivables										
		-	-	-	-	764,200	2,121,600	-	-	764,200	2,121,600
13	Trade Payables										
		-	-	-	-	1,029,496	280,156	-	-	1,029,496	280,156
14	Security Deposits										
		-	-	19,500,000	19,500,000	5,000,000	5,000,000	-	-	24,500,000	24,500,000
15	Interest on Deposits Receivable										
		-	-	-	-	715,731	1,175,731	-	-	715,731	1,175,731
16	Investments										
		-	-	-	-	-	-	83,968,940	83,868,940	83,868,940	83,868,940

Note : Related parties are identified by the Company and relied upon by Auditors.

INDEPENDENT AUDITOR'S REPORT

To,
The Members
FINEOTEX CHEMICAL LIMITED
Mumbai.

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying Consolidated Financial Statements of FINEOTEX CHEMICAL LIMITED ("the Company") and its subsidiaries (collectively referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31st March 2013, Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year ended on that date and a summary of Significant Accounting Policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing the procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or errors. In making those risk assessments, the auditor considers internal control relevant to the Groups preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- In the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2013;
- In the case of Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
- In the case of Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

OTHER MATTERS

- a. We have not audited the financial statements of subsidiaries whose financial statements have been considered for the purpose of Consolidated Financial Statements which constitute total assets of Rs. 2799.16 Lakhs as at 31st March, 2013 as well as the total revenue of Rs. 5467.02 Lakhs for the year ended 31st March, 2013.
- b. The consolidated financial results are based on unaudited financial statements of the subsidiaries / associate as approved by the respective Board of Directors of these companies and have been furnished to us by the management. Our report in so far as it relates to the amounts included in respect of the subsidiaries / associate is based solely on such approved unaudited financial statements.

For **UKG & Associates**
Chartered Accountants
(Firm Regn No. 123393W)

Champak K. Dedhia
Partner
(Membership No.101769)

Date : 15th-May-2013
Place : Mumbai

BALANCE SHEET AS AT 31ST MARCH, 2013 - CONSOLIDATED
(In Rs.)

Particulars	Note No.	As At March 31, 2013	As At March 31, 2012
I. EQUITY AND LIABILITIES			
1. SHAREHOLDERS' FUNDS			
- Share Capital	3	112,298,110	112,298,110
- Reserves and Surplus	4	468,606,956	407,521,353
		<u>580,905,066</u>	<u>519,819,463</u>
2. MINORITY INTEREST			
		35,438,958	24,632,727
3. NON-CURRENT LIABILITIES			
- Long Term Borrowings	5	33,131,514	56,092,846
		<u>33,131,514</u>	<u>56,092,846</u>
4. CURRENT LIABILITIES			
- Short Term Borrowings	6	1,777,703	2,161,214
- Trade Payables	7	128,378,062	153,068,460
- Other Current Liabilities	8	29,175,138	21,290,597
- Short Term Provisions	9	6,621,697	6,611,911
		<u>165,952,600</u>	<u>183,132,181</u>
Total		<u>815,428,138</u>	<u>783,677,217</u>
II. ASSETS			
1. NON-CURRENT ASSETS			
- Fixed Assets			
Tangible Assets	10	66,394,958	48,313,609
- Goodwill on consolidation		54,086,447	54,086,447
- Non-Current Investments	11	1,000	-
- Deferred Tax Assets (Net)	12	4,665,511	5,222,743
- Long Term Loans and Advances	13	74,811,867	63,779,966
		<u>199,959,783</u>	<u>171,402,766</u>
2. CURRENT ASSETS			
- Current Investments	14	207,040,086	195,715,948
- Inventories	15	111,716,044	100,157,511
- Trade Receivables	16	167,128,767	165,611,404
- Cash and Cash Equivalents	17	117,239,868	120,240,086
- Short Term Loans and Advances	18	12,343,589	30,549,501
		<u>615,468,354</u>	<u>612,274,451</u>
Total		<u>815,428,138</u>	<u>783,677,217</u>
Significant Accounting Policies & Notes on Financial Statements	1 to 38		

As per our Report of even date

For & on behalf of Board of Directors

 For **UKG & Associates**

Chartered Accountants

(Firm Registration No : 123393W)

Champak K. Dedhia

Partner

Membership Number : 101769

A V Nerurkar

Company Secretary

Surendrakumar Tibrewala

Chairman & Managing Director

Sanjay Tibrewala

Executive Director

Date : 15th May, 2013

Place : Mumbai

Date : 15th May, 2013

Place : Mumbai

FINEOTEX CHEMICAL LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2013 - CONSOLIDATED

(In Rs.)

Particulars	Note No.	For the year ended March 31, 2013	For the year ended March 31, 2012
INCOME			
- Revenue from Operations	19	958,510,238	798,059,794
- Other Income	20	25,169,466	22,527,636
Total		<u>983,679,704</u>	<u>820,587,430</u>
EXPENSES			
- Cost of Materials Consumed	21	567,622,142	440,776,170
- Purchase of Stock-in-Trade	22	126,870,141	127,003,456
- Changes in Inventories of Semi Finished / Finished Goods	23	(1,277,718)	27,054,729
- Employee Benefit Expenses	24	42,784,518	35,516,243
- Finance Costs	25	5,223,201	4,667,766
- Other Expenses	26	128,137,766	93,287,581
- Depreciation	10	2,981,864	2,874,669
Total		<u>872,341,914</u>	<u>731,180,614</u>
Profit Before Tax		111,337,790	89,406,816
Tax Expenses			
- Current Tax		30,100,184	25,801,755
- Deferred Tax		559,055	1,037,230
- Short / (Excess) Tax Provision for Earlier Years		(438,752)	(2,024,727)
Profit after tax for the year before pre acquisition profits		<u>81,117,303</u>	<u>64,592,558</u>
Less: Pre acquisition profits		—	1,750,771
Profit after tax for the year before Minority Interest		<u>81,117,303</u>	<u>62,841,787</u>
Less: Minority Interest		10,752,965	2,801,223
Profit for the year		<u>70,364,338</u>	<u>60,040,564</u>
Earning per Equity Share (Face value Rs. 10 each)			
Basic and Diluted		6.27	5.35
Significant Accounting Policies			
Notes on Financial Statements	1 to 38		

As per our Report of even date

For & on behalf of Board of Directors

For **UKG & Associates**

Chartered Accountants

(Firm Registration No : 123393W)

Champak K. Dedhia

Partner

Membership Number : 101769

A V Nerurkar

Company Secretary

Surendrakumar Tibrewala

Chairman & Managing Director

Sanjay Tibrewala

Executive Director

Date : 15th May, 2013

Place : Mumbai

Date : 15th May, 2013

Place : Mumbai

CONSOLIDATED CASHFLOW STATEMENT
(In Rs.)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Cash flow from operating activities		
Net Profit before tax as per Statement of Profit and Loss	111,337,790	89,330,149
Non-cash adjustment to reconcile profit before tax to net cash flows :		
Depreciation	2,981,864	2,874,669
Dividend Income	(140,390)	(1,479,630)
Net Gain on sale of current investments	(13,556,222)	(1,311,977)
Interest Income	(11,378,476)	(19,389,544)
Interest Expense	5,149,278	4,603,163
Exchange Difference amortised	1,424,222	2,785,106
Provision for diminution in value of investments	(26,936)	267,156
Operating Profit before Working Capital Changes	95,791,130	77,755,760
Movements in working capital		
Increase/(Decrease) in Trade Payables	(24,690,397)	(6,540,926)
Increase/(Decrease) in Short Term Provisions	9,786	(4,873,724)
Increase/(Decrease) in Other Current Liabilities	76,417	5,597,712
(Increase)/Decrease in Trade Receivables	(1,517,363)	4,871,517
(Increase)/Decrease in Trade Inventories	(11,558,533)	5,900,822
(Increase)/Decrease in Long Term Loans and Advances	(5,577,535)	(4,777,526)
(Increase)/Decrease in Short Term Loans and Advances	18,205,912	5,969,870
Cash generated from operations	70,739,417	83,903,504
Direct Taxes paid (net of refunds)	(29,555,799)	(30,222,260)
Cash Flow generated from Operating Activities (A)	41,183,619	53,681,244
Cash Flows from Investing Activities		
Purchase of fixed assets including capital advances	(25,946,234)	(37,566,612)
Acquisition of Subsidiaries/Associate	(1,000)	(91,685,646)
Purchase of current investments	(155,610,417)	(290,515,290)
Proceeds from sale/maturity of current investments	157,869,438	154,912,106
Interest received	11,378,476	19,389,544
Dividend received	140,390	1,479,630
Investment in Fixed Deposits	19,927,077	148,000,000
Net Cash Flow from/(used in) Investing Activities (B)	7,757,731	(95,986,268)
Cash Flows from Financing Activities		
Proceeds / (Repayment) from Long term borrowings	(18,697,956)	64,868,940
Proceeds / (Repayment) from Short term borrowings	(383,510)	(26,655,662)
Interest paid	(5,149,278)	(4,603,163)
Dividends paid	(5,614,906)	(6,951,114)
Dividend Distribution Tax	(911,299)	(932,566)
Net cash flow from/(used in) Financing Activities (C)	(30,756,950)	25,726,436
Foreign Exchange translation effect (D)	(1,257,541)	13,529,206
Net increase/(decrease) in Cash and Cash Equivalents (A+B+C+D)	16,926,859	(3,049,382)
Cash and Cash Equivalents at the beginning of the year	11,568,800	3,949,698
Cash and Cash Equivalents on Acquisition of Subsidiary	—	10,668,485
Cash and Cash Equivalents at the end of the year	28,495,659	11,568,800
Components of cash and cash equivalents :-		
Cash on hand	436,817	315,640
With banks-		
in current A/c	21,489,351	10,628,157
in Earmarked A/c	1,195,556	424,572
in Fixed deposits with maturity less than 3 months	5,373,935	200,431
Total Cash and Cash Equivalents	28,495,659	11,568,800

As per our Report of even date

Consolidated Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standards (AS 3) Cash Flow Statements" as specified in the Companies (Accounting Standards) Rules, 2006.

Figures in bracket represent outflow.

As per our Report of even date

For **UKG & Associates**

Chartered Accountants

(Firm Registration No : 123393W)

Champak K. Dedhia

Partner

Membership Number : 101769

Date : 15th May, 2013

Place : Mumbai

For & on behalf of Board of Directors

Surendrakumar Tibrewala

Chairman & Managing Director

Date : 15th May, 2013

Place : Mumbai

Sanjay Tibrewala

Executive Director

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013.

1. CORPORATE INFORMATION

Fineotex Chemical Limited is a Public Limited Company domiciled in India and incorporated under the Companies Act, 1956. The Company was incorporated in 2004 and is listed on Bombay Stock Exchange. The Group comprises of Fineotex Chemical Limited and its directly and indirectly held subsidiaries companies and associates. The Group is engaged in the business of Manufacturing and Trading of Chemicals and Real Estate.

2. SIGNIFICANT ACCOUNTING POLICIES

A. Principles of Consolidation

- 1 The Consolidated Financial Statements relate to the Financial Statements of Fineotex Chemicals Ltd ('The Company') and its Subsidiary Companies and associates.
- 2 The Consolidated Financial statements have been prepared on the following basis:
 - i. The Financial Statements of the Company and its subsidiary companies have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances, intra-group transactions and unrealised profits or losses as per Accounting Standard 21 - "Consolidated Financial Statements" notified by Companies(Accounting Standards) Rules, 2006.
 - ii. In case of foreign subsidiaries, being non-integral foreign operations, income and expense items are consolidated at the average rate prevailing during the year. All assets and liabilities both monetary and non-monetary are translated at the end of the year at the closing rate. Any exchange difference arising on consolidation is recognised in the Foreign Currency Translation Reserve grouped under Reserves & Surplus.
 - iii. The difference between the cost of investment in the subsidiaries and the Company's share of net assets at the time of acquisition of shares in the subsidiaries is recognised in the Financial Statements as Goodwill or Capital Reserve as the case may be.
 - iv. Minority Interest's share of net profit in Consolidated Subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to the shareholders of the Company.
 - v. Minority Interest in the net assets of Consolidated Subsidiaries is identified and presented in the Consolidated Balance Sheet separately from the Liabilities and Equity of the Company's shareholders.
 - vi. Minority Interest in the net assets of the consolidated subsidiaries consists of:
 - a) The amount of equity attributable to minority at the date on which investment in a subsidiary is made; and
 - b) The minority share of movements in equity since the date the parent subsidiary relationship came into existence.
 - vii. The results of operations of the subsidiaries are included in the Consolidated Financial Statements as from the date on which parent-subsidiary relation came into existence.
 - viii. The Consolidated Financial Statements have been prepared using financial statements drawn upto same reporting dates to the extent practicable.
 - ix. Investment in Associate Companies has been accounted under the equity method as per Accounting Standard(AS) 23- " Accounting for Investments in Associate in the Consolidated Financial Statements".
 - x. The Company accounts for its share in change in net assets of the associates, post acquisition, after eliminating unrealised profits and losses resulting from transactions between the Company and its associates to the extent of its share, through its Statement of Profit and loss to the extent such change is attributable to the associates Profit and loss through its reserves for the balance, based on available information.
 - xi. The difference between the cost of investment in the associate and the share of net assets at the time of acquisition of shares in the associates is identified in the financial statements as Goodwill or Capital Reserve if any, as the case may be.
- 3 Investments other than subsidiaries and associates have been accounted as per Accounting Standard (AS) -13 on Accounting for Investments".
- 4 The list of subsidiary companies which are included in the Consolidation and the Company's holdings therein are as under

SN	Name of the Company	Ownership held by	Ownership in % either directly or through Subsidiaries		Country of incorporation
			As At March 31, 2013	As At March 31, 2012	
1	Fineotex Malaysia Limited	Fineotex Chemical Limited	100%	100%	Malaysia
2	BT Chemiclas SDN BHD	Fineotex Malaysia Limited	60%	60%	Malaysia
3	BT Biotex SDN BHD	Fineotex Malaysia Limited	60%	60%	Malaysia
4	BT Exxon SDN BHD	Fineotex Malaysia Limited	60%	60%	Malaysia
5	FCL Landmarc Private Limited	Fineotex Chemical Limited	100%	—	India

B. Basis of Preparation and Method of Accounting**The financial statements are prepared:**

- i. On the historical cost convention.
- ii. On a going concern basis.
- iii. In accordance with the Accounting Standards as notified by Companies (Accounting Standard) Rules, 2006.
- iv. On mercantile system of accounting and recognizes income and expenditure on an accrual basis except those with significant uncertainties.
- v. In accordance with the relevant presentation requirements of Revised Schedule VI of the Companies Act, 1956 to the extent applicable.

C. Use of Estimates

Estimates and assumptions used in the preparation of the financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the Financial Statements, which may differ from the actual results at a subsequent date. Differences between the actual results and estimates are recognized in the year in which the results are known / materialized.

D. Fixed Assets**i. Tangible Assets**

Fixed Assets are stated at their original cost of acquisition including incidental expenses related to acquisition and installation of the concerned assets. Fixed Assets are shown net of accumulated depreciation and amortisation. Historical cost comprises the acquisition price or construction price and all direct and indirect costs attributable to bring the asset to the working condition for intended use, but excluding any Cenvat/Service Tax / Value Added Tax credit available. Borrowing cost directly attributable to acquisition / construction of fixed asset which necessarily takes a substantial period of time to get ready for their intended use are capitalised.

ii. Intangible Assets

- a. Intangible Assets are stated at cost of acquisition less accumulated amortization. Amortization is done on Straight Line Method.

E. Depreciation

- i. Depreciation has been calculated as per the Straight Line Method at the rates prescribed under Schedule - XIV of the Companies Act, 1956 and in case of subsidiaries, depreciation has been calculated using the Straight Line Method over the estimated useful life of the assets .
- ii. Depreciation on additions to assets during the year is being provided on pro-rata basis from the date of acquisition/ installation.
- iii. Depreciation on assets sold, discarded or demolished during the year, is being provided at their respective rates on pro-rata basis upto the date on which such assets are sold, discarded or demolished.
- iv. For assets costing Rs.5000/- or less, depreciation is fully provided.
- v. Depreciation on additions on account of increase in rupee value due to revaluation of foreign currency loans is being provided at rates of depreciation over the future life of said asset.
- vi. Depreciation has been calculated as per the Straight Line Method in Foreign Subsidiary as well as the Parent Company. However the rates at which depreciation has been charged in books of Foreign Subsidiaries differ from the rates of depreciation as charged in the books of Parent Company. Since the difference is not material, depreciation charged in Foreign Subsidiaries has not been reworked to be in line with the Parent Company.

F. Inventories

- i. Cost of Inventories have been computed to include all cost of Purchases, Cost of Conversion and other costs incurred in bringing the inventories to their present location and condition.
- ii. Raw materials are valued at cost. The costs in relation to work in progress is arrived on 'weighted average' method, except in case of slow moving and obsolete material, at lower of cost or estimated realizable value. Materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.
- iii. Work-in-progress and finished goods are valued at the lower of cost or estimated realizable value. Cost represents prime cost, and includes appropriate portion of overheads.
- iv. Scrap is valued at estimated realizable value.

G. Foreign Currency Transactions

- i. Transactions in foreign currencies are normally recorded at the exchange rate prevailing on the date of the transaction.
- ii. Monetary items denominated in foreign currencies at the year end are restated at the year end rates.
- iii. Any income or expense on account of exchange difference either on settlement or translation is recognised in the Profit and Loss Account except in cases where they relate to acquisition of fixed assets in which case they are adjusted to the carrying cost of such assets or in case of long term foreign currency monetary items in which they are transferred to "Foreign Currency Monetary Item Translation Reserve" and amortised over the term of the loan.
- iv. Exchange differences relating to monetary items that are in substance forming part of the Company's net investments in non integral foreign operations are accumulated in foreign currency translation reserve.

H. Research and Development

- i. Capital Expenditure, if any is shown separately in Fixed Assets.
- ii. Research and development cost (other than cost of fixed assets acquired) are charged as an expense in the year in which they are incurred.

I. Investments

- i. Investments are stated at their cost of acquisition. Long term investments are carried at cost. In case there is any diminution of permanent nature in value of Investments, the same is provided for.
- ii. Current Investments are valued at cost of acquisition, less provision for diminution, as necessary, if any.
- iii. Unquoted current investments are stated at the lower of cost and fair value where available.

J. Revenue Recognition

- i. The Company recognizes revenues on the sale of products when the products are delivered to the customer or when delivered to the carrier for exports sales, which is when risks and rewards of ownership pass to the customer. Sales are net of taxes on sales and sales returns.
- ii. Other income is accounted for on accrual basis when it is reasonably certain that the ultimate collection will be made.
- iii. Interest is accrued over the period of loan/ investment.
- iv. Dividend on shares and mutual funds is accounted as and when the right to receive is established.

K. Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease payments are recognized as an expense in Profit and Loss Account.

L. Impairment

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to the profit and loss account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

M. Borrowing Costs

- i. Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalised as part of cost of such assets till such time as the assets are ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale.
- ii. All other borrowing costs are recognised as an expense in the period in which they are incurred.

N. Taxation

Provision for taxation is made on the basis of the taxable profits computed for the current accounting period in accordance with the applicable tax rates and tax laws. Deferred Tax resulting from timing difference between Book Profits and Tax Profits is accounted for at the applicable rate of tax to the extent the timing differences are expected to crystallize, in case of Deferred Tax Liabilities with reasonable certainty and in case of Deferred Tax Assets with virtual certainty that there would be adequate future taxable income against which Deferred Tax Assets can be realized.

O. Employment Retirement Benefits

- i. Benefits in the form of Provident Fund whether in pursuance of law or otherwise which are defined contributions is accounted on accrual basis and charged to Profit And Loss Account of the year.
- ii. Long term employee benefits under defined benefit scheme such as contribution to gratuity, leave, etc. are determined at the close of the year at present value of the amount payable using actuarial valuation techniques. Actuarial gains and losses are recognized in the year when they arise.
- iii. Termination benefits such as compensation under voluntary retirement scheme are recognized as a liability in the year of termination.

P. Cash Flow Statements

The Cash Flow Statement has been compiled from and is based on the Balance Sheet as at 31st March 2013 and the related Statement of Profit & Loss for the year ended on that date. The cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard - 3 on Cash Flow Statement issued by the ICAI.

Q. Provisions, Contingent Liabilities and Contingent Assets

Necessary provisions are made for present obligations that arise out of past events prior to the Balance Sheet date entailing future outflow of economic resources. Such provisions reflect best estimates based on available information. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are not recognized in the financial statements.

R. Earnings per share

- i. Basic earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.
- ii. For the purpose of calculating the diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

S. Operating Cycle for current and non-current classification

Operating cycle for the business activities of the Company covers the duration of product line/ service including the defect liability period, wherever applicable and extends up to the realization of receivables within the agreed credit period normally applicable to the respective lines of business.

3 Share Capital
(In Rs.)

Particulars	March 31, 2013	March 31, 2012
Authorised:		
13,000,000 (13,000,000) Equity Shares of Rs. 10/- each	130,000,000	130,000,000
	130,000,000	130,000,000
Issued, Subscribed and Paid-up		
EQUITY SHARE CAPITAL		
11,229,811 (11,229,811) Equity Shares of Rs. 10/- each fully paid up	112,298,110	112,298,110
Total	112,298,110	112,298,110

i Details of Shareholding as at March 31, 2013
Shareholders holding more than 5 % of Equity Shares

Name of the Shareholder	March 31, 2013		March 31, 2012	
	No. of Shares	% held	No. of Shares	% held
Mr. Surendra Tibrewala	6,426,032	57.22%	5,994,500	53.38%

- ii. Aggregate number of shares allotted as fully paid up bonus shares during the the period of five years immediately preceding the reporting date.
3,324,600 Equity shares of Rs.10/- each fully paid issued as bonus shares in the Financial Year 2007-2008 by capitalisation of Securities Premium Account.
- iii. Aggregate number of shares issued as fully paid up for consideration other than cash during the the period of five years immediately preceding the reporting date.
3,000,000 Equity shares of Rs.10/- each fully paid issued for consideration other than cash to vendor in pursuant to the acquisition of business in Financial Year 2007-2008.

iv.

Reconciliation of the number of Equity Shares outstanding	March 31, 2013	March 31, 2013
Particulars	No. of Shares	Amount
Number of shares at the beginning of the year	11,229,811	11,229,811
Add: Shares issued	—	—
Number of shares at the end of year	11,229,811	11,229,811

- v The Company has only one type of equity share. Each equity share is entitled to one voting right only.
- vi In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all the preferential amounts. The distribution would be in proportion of the number of equity shares held by the equity shareholders.

4 Reserves and Surplus

Particulars	March 31, 2013	March 31, 2012
Capital Reserve	1,085,354	1,085,354
Securities Premium Account	234,318,990	234,318,990
Foreign Currency Translation Reserve		
Balance at the beginning of the year	10,828,328	—
Add : Additions during the year	(1,485,061)	10,828,328
	9,343,267	10,828,328
Foreign Currency Monetary Item Translation Reserve		
Balance at the beginning of the year	(7,136,757)	—
Add : Additions during the year	(3,544,749)	9,921,863
Less : Amortised during the year	1,424,222	2,785,106
	(9,257,284)	(7,136,757)
Profit and Loss Account		
Balance at the beginning of the year	169,278,496	114,911,079
Add : Profit for the year	70,364,338	60,040,564
Less : Appropriations		
Dividend on Equity Shares	5,614,906	5,614,906
Tax on dividend	911,299	911,299
	233,116,630	168,425,438
Total	468,606,956	407,521,353

Note : The Company has exercised the option under paragraph 46A(1) of Accounting Standard - 11 'The effect of changes in Foreign Exchange rates' as notified by Ministry of Company Affairs vide notification dated 29th December, 2011. Consequently the foreign exchange loss arising on reporting/settlement of long term foreign currency monetary items (other than relating to acquisition of depreciable fixed assets) amounting to Rs. 106.82 lakhs (Rs. 99.22 lakhs) for the year ended 31st March 2013 has been accumulated in "Foreign Currency Monetary Translation Difference Account", out of which Rs. 14.24 lakhs (Rs 27.85 lakhs) has been amortized for the year ended 31st March, 2013.

5 Long Term Borrowings

(In Rs.)

Particulars	March 31, 2013	March 31, 2012
Secured Borrowings		
Term loan from bank	33,131,514	56,092,846
Total	33,131,514	56,092,846

Note:

- i. Term loan from bank is secured by way of exclusive first charge created by hypothecation of the total current assets including receivables (both present and future) of the Company. Fixed Deposits of the Company of Rs. 8 Crores have been marked as lien in favour of the Bank as a collateral security. Interest is charged at six months LIBOR plus 4.50 % p.a. is payable quarterly on the outstanding loan amount.
- ii. Details of Terms of repayment:

Details of Installments	Period of Loan	Outstanding Balance	
		March 31, 2013	March 31, 2012
12 Quarterly installments of US \$ 121,835/- each	July 01, 2011 to Apr 27, 2015	59,637,596	74,790,803

6 Short Term Borrowings

Particulars	March 31, 2013	March 31, 2012
Secured Borrowings		
Bank Overdraft	1,777,703	2,161,214
Total	1,777,703	2,161,214

Note: Bank Overdraft is secured against Bank Fixed Deposits.

7 Trade Payables

Particulars	March 31, 2013	March 31, 2012
Trade Payables		
Other than Micro, Small and Medium Enterprises	128,378,062	153,068,460
Total	128,378,062	153,068,460

8 Other Current Liabilities

Particulars	March 31, 2013	March 31, 2012
Current maturities of long term debt (Secured) Refer note 5(i) & (ii)	26,506,081	18,697,957
Interest accrued but not due on borrowings	512,262	686,308
Advance from debtors	265,534	97,315
Trade Deposits	616,027	666,027
Interest payable on Trade Deposits	244,613	177,706
Other		
Unrefunded IPO proceeds	—	4740
Unclaimed dividend	6,473	50832
Statutory dues	1,024,148	615,239
Payable for capital goods	—	294,474
Total	29,175,138	21,290,597

9 Short Term Provisions

Particulars	March 31, 2013	March 31, 2012
Provision for Employee Benefits		
Provision for leave encashment	95,492	76,556
Provision for gratuity	-	9,150
Others		
Proposed dividend	5,614,906	5,614,906
Provision for dividend tax	911,299	911,299
Total	6,621,697	6,611,911

10 - Fixed Assets

(In Rs.)

Particulars	Gross Block					Depreciation/Amortisation				Net Block	
	As on 01.04.2012	Additions during the year	Effect of foreign currency exchange	Disposals Adjustments	As on 31.03.2013	As on 01.04.2012	For the year	Disposals Adjustment	As on 31.03.2013	As at 31.03.2013	As at 31.03.2012
I. Tangible Assets											
Freehold Land	—	19812341	—	—	19,812,341	—	—	—	—	19,812,341	—
Leasehold Land	10,200,000	—	—	—	10,200,000	—	—	—	—	10,200,000	10,200,000
Factory Building	5,478,279	—	—	—	5,478,279	490,717	182,974	—	673,692	4,804,587	4,987,562
Plant and Machinery	29,721,184	484,667	300087	—	30,505,938	6,436,677	1,848,406	—	828,5083	22,220,855	23,284,507
Office Premises	483,000	—	—	—	483,000	39,364.70	7,873	—	47238	435,762	443,635
Furniture and Fixtures	1,752,309	9,476	13017	—	1,774,802	358,955	121,849	—	480805	1,293,997	1,393,354
Computers	1,158,472	79,750	—	1691	1,236,531	410,356	196,378	5,071.00	601663	634,868	748,115
Vehicles	7,885,902	—	246123	—	8,132,025	5,755,091	321,528	—	6076619	2,055,405	2,130,810
Leasehold Improvements	6,531,969	—	114374	—	6,646,343	1,406,343	302,856	—	1709200	4,937,143	5,125,625
Total	63,211,114	20,386,234	673,601	1,691	84,269,257	14,897,506	2,981,864	5,071	17,874,299	66,394,958	48,313,608
Previous Year	38,097,279	25,113,836	—	—	63,211,115	3,463,194	11,434,312	—	14,897,506	48,313,609	—

(In Rs.)

11 Non Current Investments

Particulars	March 31, 2013	March 31, 2012
Long Term Investment - at cost		
Investments in Associate	1,000	—
Total	1,000	—

12 Deferred Tax Asset (Net)

Particulars	March 31, 2013	March 31, 2012
Deferred Tax Asset		
Expenditure allowable u/s. 35D	9,258,805	9,258,805
Provision for diminution in value of investments	151,984	160,723
Expenditure/Provisions allowable on payment basis - 43B Items	90,883	24,839
Sub-Total (A)	9,501,672	9,444,367
Deferred Tax Liability		
Depreciation	4,836,161	4,221,624
Sub-Total (B)	4,836,161	4,221,624
Total(A-B)	4,665,511	5,222,743

13 Long Term Loans and Advances

Particulars	March 31, 2013	March 31, 2012
Unsecured, Considered good		
Capital Advances	36,960,000	31,400,000
Security Deposits		
- Related Parties		
Refer Note (i & ii) below	24,500,000	24,500,000
- Others	163,142	162,965
Other Loans and Advances		
- Balance with VAT & Excise Authorities	8,524,874	4,634,304
- Balance with Income Tax Authorities	3,948,121	1,526,717
- Interest accrued but not due	715,731	1,555,981
Total	74,811,867	63,779,966

Notes:

- i. Interest Free deposit towards rented premises paid to relative of director Rs.19,500,000/- (Rs.19,500,000/-)
- ii. Trade deposit paid to a group Company Rs.5,000,000/- (Rs.5,000,000/-).

14 Current Investments

Particulars	Face Value	Number	March 31, 2013	March 31, 2012
i. Investment in Mutual Funds :				
a. Equity Based Mutual Funds				
Birla Sunlife Dividend Yield Plus Growth Fund	10	107,321 (75,931.20)	8,998,752	6,300,000
HDFC Equity Growth Fund	10	38013.26 (22,388.97)	10,150,000	5,950,000
ICICI Prudential Focused Blue Chip Equity Retail Growth Fund	10	Nil (167,785.24)	—	2,500,000
Kotak Midcap Growth Fund	10	19,010.68 (19,010.68)	500,000	500,000
Pramerica Dynamic Growth Fund	10	300,000 (300,000)	3,000,000	3,000,000
Reliance Growth Retail Plan Fund	10	730.35 (730.35)	350,123	350,123
Religare PSU Equity Fund - Growth	10	301507.54 (Nil)	3,000,000	—
Sundaram Select Midcap Appreciation Fund	10	57667.85 (30414.28)	8,623,329	5,950,000
b. Debt Based Mutual Funds				
Birla Sunlife Income Plus - Retail Growth	10	174,996.18 (Nil)	9,000,000	—
Birla Sunlife Cash Manager Growth Fund	100	18,950.02 (134,560.70)	4,687,744	33,286,845
BSL Capital Protection Oriented Growth Fund	10	Nil (300,000)	—	3,000,000
BNP Paribas Bond Fund	10	895,373.21 (733,387.94)	12,000,000	9,500,000
BNP Paribas Flexi Debt Fund	10	301,363.68 (Nil)	5,500,000	—
BNP Paribas Bond Fund - Regular Growth	10	145,095.39 (Nil)	2,844,116	—
DSP BR Bond Fund - Retail Plan (G)	10	274,811.97 (Nil)	10,000,000	—
DSP BR Income Opportunities Fund	10	1,051,150.66 (Nil)	18,500,000	—

Particulars	Face Value	Number	March 31, 2013	March 31, 2012
DWS Premier Bond Regular Growth Plan Fund	10	116,862.70 (116,862.70)	2,000,000	2,000,000
DWS Short Maturity Growth Plan Fund	10	134930.77 (134,930.77)	2,284,544	2,284,544
HDFC Cash Management Treasury Advantage Plan Retail Growth Fund	10	Nil (2,342,016.39)	—	51,680,076
HDFC Income Fund - Growth	10	69818.96 (Nil)	1,834,388	—
HSBC Flexi Debt Fund - Growth	10	123223.27 (Nil)	2,000,000	—
HSBC Flexi Debt Fund - Regular Growth	10	373243.21 (Nil)	5,500,000	—
ICICI Prudential Flexible Income Plan	10	236559.10 (Nil)	8,500,000	—
ICICI Prudential Regular Savings Growth Fund	10	1770045.42 (878,591.35)	19,953,343	9,500,000
Kotak Bond Regular Growth Fund	10	18,176.16 (18,176.16)	5,500,000	5,500,000
Kotak Credit Opportunity Growth Fund	10	1672460.40 (491,825.17)	19,409,733	5,409,733
Reliance Regular Saving Fund - Debt PL Growth	10	730939.03 (Nil)	11,000,000	—
SBI Dynamic Bond Growth Fund	10	989289.099 (114,202.18)	13,500,000	1,500,000
UTI Bond Growth Plan Fund	10	256335.59 (256,335.59)	8,000,000	8,000,000
UTI Treasure Advantage Growth Fund	10	Nil (15,501.28)	—	40,000,000
UTI Bond Growth Regular Fund	10	269642.82 (Nil)	8,849,542	—
ii. Investment in Equity Instruments				
Sun Pharmaceutical Industries Limited	10	2000 (Nil)	1,413,020	—
Vinati Organics Limited	10	4000 (Nil)	609,887	—
	Total		207,508,521	196,211,320
Less : Provision for Diminution in Value			468,435	495,372
	Total		207,040,086	195,715,948

Notes:

- Aggregate provision for diminution in value of Current Investments Rs. 468,435/- Rs. 495,372/-
- Aggregate cost of quoted investments Rs. 2,022,907/- —
- Aggregate market value of quoted investments Rs. 1,826,420/- —
- Aggregate amount of unquoted investments Rs. 205,485,614/- Rs. 196,211,320/-
- All the investments have been valued at cost or market value whichever is lower. (Refer Note 2I of Significant Accounting Policies).

15 Inventories

Particulars	March 31, 2013	March 31, 2012
Raw Materials	68,392,666	50,410,448
Work in Progress	8,971,961	5,872,399
Packaging Materials	1,605,707	1,830,029
Finished Goods	32,745,711	42,044,636
Total	111,716,044	100,157,511

Note: Inventories are valued at lower of cost or net realizable value whichever is less. (Refer Note 2F of Significant Accounting Policies).

16 Trade Receivables

Particulars	March 31, 2013	March 31, 2012
Unsecured, Considered good		
- Outstanding for a period exceeding six months	352,714	226,208
- Others	166,776,053	165,385,196
Total	167,128,767	165,611,404

Note: Out of above Rs. 7,64,200/- (Rs.2,121,600/-) is due from a concern in which director is interested.

17 Cash and Cash Equivalents

Particulars	March 31, 2013	March 31, 2012
Cash and Cash Equivalents		
Balance with Banks	21,489,351	10,628,157
Cash on hand (As certified by the management)	436,817	315,640
Fixed deposits with maturity of less than 3 months	5,373,935	200,431
Other Bank Balances		
- Unclaimed dividends	6,473	50,832
- Unclaimed IPO proceeds	—	4,740
- Tender deposits	1,189,083	369,000
Fixed deposits with maturity of more than 3 months but less than 12 months	88,744,209	108,671,286
Total	117,239,868	120,240,086

Note : Fixed Deposits amounting to Rs. 89,933,292/- (Rs. 87,040,286/-) are under lien with Banks for guarantees given against borrowings and tender deposits.

18 Short Term Loans and Advances

(In Rs.)

Particulars	March 31, 2013	March 31, 2012
Unsecured, Considered good		
Security Deposits		
- Others	1,680,710	1,160,647
Other Loans and Advances		
- Balance with VAT and Excise Authorities	2,921,937	3,092,630
- Loans to related parties	—	6,570,975
- Loans to others	—	9,500,000
- Interest accrued but not due	6,909,203	8997262
- Interest accrued and due	—	24,793
- Others	831,739	1,203,195
Total	12,343,589	30,549,501

Note: Others include advance to Creditors, Prepaid expenses and Loan to employees.

19 Revenue from Operations

Particulars	March 31, 2013	March 31, 2012
Sale of Products	993,447,097	823,561,568
Less: Excise Duty	42,932,748	26,719,524
	950,514,349	796,842,044
Sale of Services	7,197,643	1,217,750
<u>Other operating revenue</u>		
Duty Drawback	26,873	—
Sale of scrap	771,373	—
Total	958,510,238	798,059,794

20 Other Income

Particulars	March 31, 2013	March 31, 2012
Dividend income (Others)	140,390	1,479,630
Net Gain on redemption of Mutual Fund		
- Long Term	13,554,942	889,292
- Current	1,280	422,685
Interest on deposits with banks and others		
- Long Term	1,357,600	600,000
- Current	10,020,876	18,789,544
Foreign exchange gain (Net)	67,442	346,485
Reversal of provision for diminuation of investments	26,936	—
Total	25,169,466	22,527,636

21 Cost of Materials including packaging materials consumed

Particulars	March 31, 2013	March 31, 2012
Raw materials	522,751,738	408,945,827
Packaging materials	44,870,404	31,830,343
Total	567,622,142	440,776,170

22 Purchase of Stock in Trade

Particulars	March 31, 2013	March 31, 2012
Purchase of Stock in trade	126,870,141	127,003,456
Total	126,870,141	127,003,456

23 Changes in Inventories of Semi Finished / Finished Good

Particulars	March 31, 2013	March 31, 2012
Closing stock	42,373,842	37,139,123
Less: Opening stock	41,096,123	64,193,852
Total	1,277,718	(27,054,729)

24 Employee Benefit Expenses

Particulars	March 31, 2013	March 31, 2012
Salaries, wages, bonus and leave encashment	38,933,001	30,328,031
Contribution to provident and other funds	2,949,775	3,764,426
Provision for gratuity	55,363	152,225
Staff welfare expenses	846,379	1,271,562
Total	42,784,518	35,516,243

25 Finance Cost
(In Rs.)

Particulars	March 31, 2013	March 31, 2012
Interest on trade deposits	73,923	64,603
Bank charges including interest	1,357,048	1,804,696
Other Borrowing cost		
- Interest on loan	3,792,231	2,526,026
- Loan processing fees	—	272,441
Total	5,223,201	4,667,766

26 Other Expenses

Particulars	March 31, 2013	March 31, 2012
Labour charges	9,365,052	6,551,291
Consumption of stores and spares	5,727,513	3,233,131
Power and fuel	3,775,261	3,284,078
Water charges	290,332	211,789
Factory expenses	1,620,000	80,578
Rent	5,203,009	4,602,213
Repairs and Maintenance of :		
- Buildings	1,194,225	1,786,499
- Plant and Machinery	3,274,293	3,057,635
- Others	1,234,211	1,488,022
Insurance	475,820	713,789
Rates and Taxes	3,709,666	2,884,698
Payment to Auditors		
- As Auditor	775,251	1,067,760
- For Taxation Matters	356,142	397,100
- For Other Services	191,183	110,500
Commission	6,594,281	3,605,184
Advertisement	525,698	140,500
Provision for diminution in value of current investments	—	267,156
Legal & Professional fees	43,790,592	21,691,555
Printing & Stationery	229,677	352,074
Postage & courier charges	1,003,958	1,459,624
Travelling & conveyance	414,076	2,150
Transport charges	20,548,723	18,414,568
Telephone expenses	1,034,939	1,044,127
Travelling expenses	3,391,982	4,509,740
Donation	303,438	97,491
Foreign Exchange Loss(Net)	3,746,526	4,186,538
Bad debts	2,904,100	2,754,398
Miscellaneous expenses	6,457,819	5,293,393
Total	128,137,766	93,287,581

27 Earnings per share

Particulars	March 31, 2013	March 31, 2012
Consolidated Profit attributable to shareholders (In Rs.)	70,364,338	59,963,897
Weighted average number of shares outstanding during the year	11,229,811	11,229,811
Basic and Diluted Earnings per Share (In Rs.)	6.27	5.35
Face Value per Equity Share (In Rs.)	10	10

28 Contingent Liabilities and Commitments

Particulars	March 31, 2013	March 31, 2012
i. Contingent liabilities not provided for in respect of:		
(a) Guarantees given by bank	1,189,083	369,000
(b) Claims against the Company not acknowledged as debts	3,898,285	3,898,285
ii. Premium amount to be paid to MIDC on account of transfer of leasehold land in the name of the Fineotex Chemical Limited, for which amount is not ascertainable.		
iii. Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances).	15,840,000	26,400,000

29 Related Party transactions

As per Accounting Standard 18, the disclosures of transactions with the related parties are given by way of an annexure

List of related parties where control exists and related parties with whom transactions have taken place and relationships.

SN	Name of the Related Party	Relationship
1	Surendrakumar Tibrewala	Key Management Personnel
2	Sanjay Tibrewala	
3	Sanai Kedha Shankar	
4	Cedric Jean Veniat	
5	Manoj Motiwala	
6	Liau Chenag Kiat	
7	Ng Yin Ling	
8	Mrs. Kanaklata Surendra Tibrewala	Relatives of Key Management Personnel
9	Kedha Shankar	
10	Sanjay Exports	Enterprise under significant influence of Key Management Personnel or their relatives
11	Proton Biochem Private Limited	
12	Panchvati Constructions LLP	Associate

AS 18 - Related Party Disclosure

PARTICULARS	KEY MANAGEMENT PERSONNEL		RELATIVES OF KEY MANAGEMENT PERSONNEL		ENTERPRISE UNDER SIGNIFICANT INFLUENCE OF KEY MANAGEMENT PERSONNEL OR THEIR RELATIVES		ASSOCIATES		TOTAL	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Sale of Goods										
Sanjay Exports	-	-	-	-	59,174,039	58,325,328	-	-	59,174,039	58,325,328
Directors Remuneration										
Surendra Tibrewala	3,563,400	2,820,000	-	-	-	-	-	-	3,563,400	2,820,000
Sanjay Tibrewala	3,563,400	2,340,000	-	-	-	-	-	-	3,563,400	2,340,000
Manoj Motiwala	7,331,696	-	-	-	-	-	-	-	7,331,696	-
Cedric Veniat	3,372,985	6,191,986	-	-	-	-	-	-	3,372,985	6,191,986
Liau Cheng Kiat	2,009,438	971,479	-	-	-	-	-	-	2,009,438	971,479
Ng Yinling	-	105,111	-	-	-	-	-	-	-	105,111
Technical Fees										
Kedha Sankar	-	-	1,772,594	-	-	-	-	-	1,772,594	-
Salary Paid										
Ritu Tibrewala	-	-	-	50,000	-	-	-	-	-	50,000
Rent Paid										
Kanaklata Tibrewala	-	-	780,000	780,000	-	-	-	-	780,000	780,000
Surendra Tibrewala	840,000	-	-	-	-	-	-	-	-	840,000
Interest on Deposits (Income)										
Proton Biochem Pvt. Ltd.	-	-	-	-	600,000	600,000	-	-	600,000	600,000
Labour Charges										
Proton Biochem Pvt. Ltd.	-	-	-	-	8,736,427	6,265,841	-	-	8,736,427	6,265,841
Investments										
Panchvati Constructions LLP	-	-	-	-	-	-	1,000	-	1,000	-
Sundry balances written off										
Live Holdings Sdn Bhd	-	2,754,399	-	-	-	-	-	-	-	2,754,399
Purchase of Fixed Assets										
Live Holdings Sdn Bhd	-	61,155	-	-	-	-	-	-	-	61,155
Reimbursements of expenses										
Kanaklata Tibrewala	-	-	85,564	-	-	-	-	-	85,564	-
Outstanding Balances										
Rent Payable										
	-	-	-	58,500	-	-	-	-	-	58,500
Trade Receivables										
	-	-	-	-	764,200	2,121,600	-	-	764,200	2,121,600
Trade Payables										
	-	-	-	-	1,029,496	280,156	-	-	1,029,496	280,156
Security Deposits										
	-	-	19,500,000	19,500,000	5,000,000	5,000,000	-	-	24,500,000	24,500,000
Interest on Deposits Receivable										
	-	-	-	-	715,731	1,175,731	-	-	715,731	1,175,731

Note :

Related parties are identified by the Company and relied upon by Auditors.

30 Segment Reporting

The Group (FCL and its Subsidiaries) has considered the business segment as the primary reporting segment on the basis that the risk and returns of the Group is primarily determined by the nature of products and services. Consequently, the geographical segment has been considered as a secondary segment.

The business segment has been identified on the basis of the nature of products and services, the risks and returns, internal organisation and management structure and the internal performance reporting systems.

The Group is engaged in the business of manufacturing and trading of chemicals except for one subsidiary which is engaged in the business of Real Estate. Considering the nature of business and financial reporting of the Group, the Group has only two segments viz; Speciality chemicals and Real estate Development as reportable segment. However since the operations of the Real Estate Segment does not exceed 10% of the total operations of all segments, the same has not been reported.

The group operates in different locations viz:- within India and Outside India. The same has been considered as secondary segment for reporting as required under Accounting Standard 17- 'Segment Reporting', issued under Companies (Accounting Standards) Rules, 2006.

Based on the above, The Disclosure required under Accounting Standard 17- 'Segment Reporting', issued under Companies (Accounting Standards) Rules, 2006 are provided below:

a. Primary Segment

The Group has identified 'Speciality Chemicals' as the only reportable segment

b. Secondary Segment Information - Geographical Segment

Geographical Segment has been identified as secondary segment based on segment revenue

(In Rs.)

Particulars	March 31, 2013	March 31, 2012
Segment Revenue		
- Domestic	406,890,609	333,248,008
- Overseas	551,714,007	465,860,620
	958,604,616	799,108,628

- 31 The Consolidated Financial Statements have been prepared on the basis of unaudited Financial Statements of the respective Subsidiary Companies provided by the Management for the purpose of consolidation.
- 32 Significant Accounting policies and notes to these Consolidated Financial Statements are intended to serve as a means of informative disclosures and a guide for better understanding of the consolidated position of the Group. Recognising this purpose, the Group has disclosed only such policies and notes from the individual Financial Statements which fairly represent the needed disclosures. Lack of homogeneity and other similar considerations made it desirable to exclude some of them, which in the opinion of the management, could be better viewed when referred from the individual Financial Statements.
- 33 The Group has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid / payable as required under the said Act could not be furnished.
- 34 Statement regarding Subsidiary Companies as required under Sec 212(8) of the Companies Act, 1956 pursuant to the general circular no. 2/2011 dtd February 8, 2011 issued by the Ministry of Corporate Affairs is attached herewith.
- 35 Balance of sundry debtors, creditors and loans and advances are subject to confirmation, reconciliation, if any.
- 36 In the opinion of board and to the best of their knowledge and belief, the value on realisation of loans, advances and current assets in the ordinary course of business will not be less than the amount at which they are stated in the Balance Sheet.
- 37 Figures pertaining to the Subsidiary Companies have been reclassified wherever necessary to bring in line with the Company's Financial Statement.
- 38 Previous year's figures have been regrouped, rearranged and reclassified wherever necessary.

As per our Report of even date

For & on behalf of Board of Directors

For UKG & Associates

Chartered Accountants

(Firm Registration No : 123393W)

Champak K. Dedhia

Partner

Membership Number : 101769

A V Nerurkar

Company Secretary

Surendrakumar Tibrewala

Chairman & Managing Director

Sanjay Tibrewala

Executive Director

Date : 15th May, 2013

Place : Mumbai

Date : 15th May, 2013

Place : Mumbai

STATEMENT PURSUANT TO SECTION 212(3) OF THE COMPANIES ACT, 1956, RELATING TO SUBSIDIARY COMPANIES AS AT 31ST MARCH 2013

(In Rs.)

Particulars \ Name of the Subsidiary entity	FINEOTEX MALAYSIA LIMITED (FML)	BT. CHEMICAL SDN. BHD THRU - FML	BT. BIOTEX SDN. BHD THRU - FML	BT. EXON SDN. BHD THRU - FML	FCL LANDMARS PVT LTD (FLPL)	PANCHAVATI CONSTRUCTIONS LLP
1. Holding Company's interest in subsidiary Entity	100%	60%	60%	60%	100%	33%
2. Net aggregate amount of the profit/ (loss) of the subsidiary not dealt with in Holding Company's account						THRU - FLPL
a) For the financial year / period of the the Subsidiary Company /Entity	(38,410)	20,931,660	5,257,927	692,846	(22,836)	NIL
b) For the previous financial year of the Subsidiary Company /Entity	5,228,910	728,596	2,930,042	1,593,722	NA	NA
3. Net aggregate amount of the profit of the Subsidiary / entity dealt with in Holding Company's account	NIL	NIL	NIL	NIL	NIL	NIL
a) For the financial year of the Subsidiary Company	NIL	NIL	NIL	NIL	NIL	NIL
b) For the previous financial year of the Subsidiary Company /entity	NIL	NIL	NIL	NIL	NIL	NA

Note : the above are unaudited figures. These are considered for consolidation.

Company Secretary

Chairman & Managing Director

Executive Director

STATEMENT PURSUANT TO SECTION 212(8) OF THE COMPANIES ACT, 1956, RELATING TO SUBSIDIARY COMPANIES AS AT 31ST MARCH 2013

(In Rs.)

Particulars \ Name of the Subsidiary entity	FINEOTEX MALAYSIA LIMITED (FML)	BT. CHEMICAL SDN. BHD	BT. BIOTEX SDN. BHD	BT. EXON SDN. BHD	FCL LANDMARC PVT LTD (FLPL)	PANCHAVATI CONSTRUCTIONS LLP
Capital	102,807,634	8,794,478	1,759	17,589	100,000	3000
Reserves	5,521,735	51,778,215	24,115,017	3,920,558	(22,836)	0
Total Assets	108,565,745	125,477,575	41,452,681	4,309,831	89,464	18000
Total Liabilities	108,565,745	125,477,575	41,452,681	4,309,831	89,464	18000
Investments other than Investment in Subsidiary	-	-	-	-	-	-
Turnover	7,880,629	493,046,269	219,889,749	15,423,390	NIL	NIL
Profit/(Loss) Before Tax	(20,692)	29,468,524	7,130,562	1,407,524	(22,836)	NIL
Provision for Tax	17,718	8,536,864	1,872,635	714,678	-	NIL
Profit / (Loss) After Tax	(38,410)	20,931,660	5,257,927	692,846	(22,836)	NIL
Dividend	-	-	-	-	NIL	NIL

Note : the above are unaudited figures. These are considered for consolidation.

Company Secretary

Chairman & Managing Director

Executive Director

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FINEOTEX CHEMICAL LIMITED

REGISTERED OFFICE

42/43, Manorama Chambers, S V Road, Bandra (W), Mumbai 400 050.

TENTH ANNUAL GENERAL MEETING

FRIDAY, 27TH SEPTEMBER, 2013 AT 9.30 A.M.

AT THE GOKUL HALL, RAJPURIA BAGH, VILE PARLE (E), MUMBAI 400 057.

A member / proxy wishing to attend the meeting must complete this Admission Slip and hand it over at the entrance. If you intend to appoint a proxy, please complete the Proxy form below and deposit it at the Company's Registered Office, at least 48 hours before the time of holding the meeting.

I record my presence at the 10th AGM

Folio No.	DP ID No.	Client HD No.

Signature of Member/Proxy _____

Name of member / proxy (IN BLOCK LETTERS) _____

FINEOTEX CHEMICAL LIMITED

REGISTERED OFFICE

42/43, Manorama Chambers, S V Road, Bandra (W), Mumbai 400 050.

I/We _____ of _____ being a member of Fineotex Chemical Limited, hereby appoint _____

_____ of _____

_____ of _____

as my/our proxy to attend vote for me/us and on my/our behalf at the Tenth Annual General Meeting of the Company to be held on Friday, 27TH day of September, 2013 at 9.30 a.m.

As witness my/our hand/s this _____ day of _____ 2013.

Signed by the said _____

Affix
Revenue
Stamp here

Folio No.	DP ID No.	Client HD No.

This Proxy Form duly completed must be received at the Company's Registered Office before 12 noon on Wednesday, 25th September, 2013.

BOOK-POST

If Undelivered Please Return To :

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42/43, Manorama Chambers, S V Road, Bandra (W), Mumbai 400 050.

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